

**SCHOOL DISTRICT**

**OF**

**TUCKERTON**



**TUCKERTON BOARD OF EDUCATION  
TUCKERTON, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**TUCKERTON BOARD OF EDUCATION**

**TUCKERTON, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**PREPARED BY**

**TUCKERTON BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**TUCKERTON SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1 to 4.
Roster of Officials	5.
Consultants and Advisors	6.
Organizational Chart	7.
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	8 to 10.
<b>Required Supplementary Information – Part I</b> Management's Discussion and Analysis	11 to 16.
<b><u>Basic Financial Statements</u></b>	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	17.
A-2 Statement of Activities	18 & 19.
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	20.
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	21 & 22.
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23.
Proprietary Funds:	
B-4 Statement of Net Position	24.
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	25.
B-6 Statement of Cash Flows	26.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	27.
B-8 Statement of Changes in Fiduciary Net Position	28.
Notes to Financial Statements	29 to 51.

**TUCKERTON SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	52 to 62.
C-1a Budgetary Comparison Schedule – General Fund – State Fiscal Stabilization Fund – ARRA-ESF	N/A
C-1b Budgetary Comparison Schedule – General Fund – Education Jobs Fund	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	63.
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	64.
<b>Required Supplementary Information – Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	65.
L-2 Schedule of District Contributions – PERS	66.
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	67.
L-4 Schedule of the School District’s Contributions – Teacher’s Pension and Annuity Fund (TPAF)	68.
L-5 Notes to Required Supplementary Information – Part III	69.
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A

**TUCKERTON SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
E. Special Revenue Fund:	
E-1 Combining Statement of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	70.
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis	71.
E-3 Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis	N/A
E-6 Targeted At-Risk (TARA) Aid – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	72.
F-2 Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Additions & Renovations to Elementary School	73.
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Schedule of Net Position	74.
G-2 Schedule of Revenues, Expenses and Changes in Fund Net Position	75.
G-3 Schedule of Cash Flows	76.
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	77.
H-2 Schedule of Changes in Fiduciary Net Position	78.
H-3 Student Activity Agency Fund - Schedule of Receipts and Disbursements	79.
H-4 Payroll Agency Fund - Schedule of Receipts and Disbursements	80.
H-4a Summer Payroll – Schedule of Receipts and Disbursements	80.

# TUCKERTON SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	81.
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	82.

### **STATISTICAL SECTION (Unaudited)**

#### **Introduction to the Statistical Section**

#### **Financial Trends**

J-1 Net Position by Component	83.
J-2 Changes in Net Position	84.
J-3 Fund Balances – Governmental Funds	85.
J-4 Changes in Fund Balances – Governmental Funds	86.
J-5 General Fund Other Local Revenue by Source	87.

#### **Revenue Capacity**

J-6 Assessed Value and Estimated Actual Value of Taxable Property	88.
J-7 Direct and Overlapping Property Tax Rates	89.
J-8 Principal Property Taxpayers	90.
J-9 Property Tax Levies and Collections	91.

#### **Debt Capacity**

J-10 Ratios of Outstanding Debt by Type	92.
J-11 Ratios of General Bonded Debt Outstanding	93.
J-12 Direct and Overlapping Governmental Activities Debt	94.
J-13 Legal Debt Margin Information	95.

#### **Demographic and Economic Information**

J-14 Demographic and Economic Statistics	96.
J-15 Principal Employers	97.

#### **Operating Information**

J-16 Full-time Equivalent District Employees by Function/Program	98.
J-17 Operating Statistics	99.
J-18 School Building Information	100.
J-19 Schedule of Required Maintenance Expenditures by School Facility	101.
J-20 Insurance Schedule	102.

### **SINGLE AUDIT SECTION**

K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	103 & 104.
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**TUCKERTON SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Schedules of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08	105 to 107.
K-3 Schedule of Expenditures of Federal Awards, Schedule A	108.
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	109.
K-5 Notes to Schedules of Awards and Financial Assistance	110 to 112.
K-6 Schedule of Findings and Questioned Costs	113 to 115.
K-7 Summary Schedule of Prior Audit Findings	116.

## **INTRODUCTORY SECTION**



**BOARD OF EDUCATION  
TUCKERTON BOROUGH SCHOOL DISTRICT  
MARINE STREET  
TUCKERTON, NEW JERSEY**

November 20, 2017

Honorable President and  
Members of the Board of Education  
Tuckerton Borough School District  
Ocean County, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report. 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 Title 2 U.S. "C.F.R., Part 200", "Audits of State and Local Governments", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1. Reporting Entity and its Services:** Tuckerton School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Tuckerton Borough Board of Education constitutes the District's report entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular, as well as special education for special needs children. The District completed the 2016-2017 fiscal year with an enrollment of 288

students. The following details the changes in the student enrollment over the past ten years.

<u>AVERAGE DAILY ENROLLMENT</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	288	
2015-2016	329	(1.5%)
2014-2015	334	2.09%
2013-2014	327	(1.2%)
2012-2013	331	(1.78%)
2011-2012	337	4.3%
2010-2011	323	5.5%
2009-2010	306	19.5%
2008-2009	256	(10.48%)
2007-2008	286	7.92%

2. **Economic Condition and Outlook:** Based upon the school district's Master Plan which was completed by University Associates in May of 1995, and the Long-Range Facilities Plan which was completed during the 2005-2006 school year, Tuckerton Borough is looked upon as one of the more desirable places to live in New Jersey. As a result, the Borough will continue to show some growth potential as a residential area. Local businesses may also prosper with the continued development of the Tuckerton Seaport. This project continues to evolve and should brighten the overall economic outlook of this area.

3. **Major Initiatives:** The Tuckerton Elementary School District continues to develop a comprehensive technology program that has been integrated into the instructional process. The district continues to expand and improve their wired and wireless computer capabilities throughout the building. During the summer of 2006 the computer lab was replaced with new 2.16GHz Intel Core 2 Duo Macintosh iMac computers. All classrooms continue to house at least 3-4 desktop computers and/or a bank of laptop computers for enhanced instruction. Infrastructure upgrades of additional Category 5 runs and improved Cisco switches were installed for the 2007-2008 school year. In addition, a Student Information System with grade book, report card, health, special education, and cafeteria modules and a spam tracker were installed while our content filtering appliance was replaced with a more robust unit. Also, during the summer of 2008 a portion of our access points were upgraded with Cisco 1252G units to enhance network connectivity.

During the 2008-2009 school year, office window computers were upgraded and additional 30 Macintosh Laptop computers were purchased. Two interactive whiteboards with enhanced sound systems were piloted successfully leading to the purchase of 11 more systems. All classrooms 1<sup>st</sup> through 6<sup>th</sup> grades house both whiteboards and sound systems. Interactive whiteboards offer teachers additional motivational technology tools

including a wireless component that provides instant student feedback. For security purposes, an internal system of cameras was installed during the 2009-2010 school year. . A climate control system was installed over the summer of 2010 which will improve the efficiency of the heating and cooling system of the school. 4 additional white boards and 60 iPads were put into operation during the 2012-2013 school year. Also, the school's communication system was replaced as were all telephones in the building. Additionally, a 16' movie screen and digital projector were installed in the gym/auditorium for use by teachers and administrators. All students in grades 3-6 have 1:1 Chromebooks for use in school. Additionally, there are 120+ iPads for student use in Preschool – 2<sup>nd</sup> grade.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

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

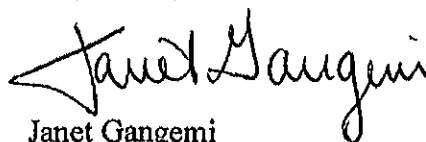
7. **Cash Management:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under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

8. **Risk Management:** The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.

9. **Other Information: Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPA, was selected by the Board. In addition to meeting the requirements of Title 2 U.S. "C.F.R., Part 200" and State Treasury circular letter 15-08 OMB, the auditor's report on the general purpose financial statements and the combined and 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 Tuckerton Borough School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



Janet Gangemi  
Superintendent/Business Administrator

JG/mm

TUCKERTON BOROUGH BOARD OF EDUCATIONROSTER OF OFFICIALSJUNE 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Trisha Horner, President	2019
Cindy Witbeck, Vice President	2017
Jennifer Quintenz	2018
Anna Morey	2017
Deborah McMunn	2019
Ryan Short	2019
Alison Sanford	2018

Other Officials:

Janet Gangemi, Superintendent/SBA

Louis J. Greco, Solicitor

TUCKERTON BOROUGH  
SCHOOL DISTRICT  
TUCKERTON, NEW JERSEY

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2016-2017 School Year

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Katie Munn  
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Forked River, NJ 08731

**TUCKERTON BOROUGH BOARD OF EDUCATION**

**ORGANIZATIONAL CHART**  
**(UNIT CONTROL)**

**BOARD OF EDUCATION**

**SUPERINTENDENT/BUSINESS ADMINISTRATOR**

**PRINCIPAL**

**INSTRUCTIONAL STAFF**

**SUPPORT STAFF**

**FINANCIAL SECTION**



ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Tuckerton School District  
County of Ocean  
Tuckerton, 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 Board of Education of the Tuckerton School District, in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the 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.

**Auditors Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

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

### *Other Matters*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is the responsibility of management and was derived from and relates 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 standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2017 on our consideration of the Tuckerton's Board of Education internal control over financial reporting and 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 Tuckerton Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

---

**Robert A. Hulsart**  
**Licensed Public School Accountant**  
**No. 322**  
**Robert A. Hulsart and Company**  
**Wall Township, New Jersey**

November 20, 2017

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**TUCKERTON SCHOOL DISTRICT**  
**BOROUGH OF TUCKERTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**  
**UNAUDITED**

The discussion and analysis of Tuckerton 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; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

**Financial Highlights**

Key Financial highlights for the 2016-2017 fiscal year are as follows:

- General revenues accounted for \$5,705,808 in revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$222,555.
- Total net position decreased by \$767,621.
- The School District had \$6,695,984 in expenses; only \$222,555 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$5,705,808 were adequate to provide for these programs.

**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 Tuckerton 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. In the case of Tuckerton School District, the General Fund is the most significant fund, with the Special Revenue Fund and Capital Project's Fund also having significance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

## **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 the 2016-2017 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in the activities. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions 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, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

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

### **Fund Financial Statements**

The analysis of the School District's major (all) funds begins on exhibit A-1. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major 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. 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 you 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.

## The School District as a Whole

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

**Table 1**  
**Net Position**

	<u>2017</u>	<u>2016</u>
<b><u>Assets</u></b>		
Current and Other Assets	\$ 4,674,266	1,974,517
Capital Assets, Net	<u>1,384,395</u>	<u>1,509,469</u>
Total Assets	<u>\$ 6,058,661</u>	<u>3,483,986</u>
<b><u>Deferred Outflow of Resources</u></b>		
Contribution to Pension Plan	<u>\$ 753,987</u>	<u>303,709</u>
<b><u>Deferred Inflow of Resources</u></b>		
Pension Deferrals	<u>\$ 77,639</u>	<u>117,088</u>
<b><u>Liabilities</u></b>		
Other Liabilities	\$ 253,497	313,889
Long-Term Liabilities	<u>6,295,715</u>	<u>2,403,300</u>
Total Liabilities	<u>\$ 6,549,212</u>	<u>2,717,189</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Debt	\$ 264,395	249,469
Restricted	4,560,060	1,783,257
Unrestricted	<u>(4,638,658)</u>	<u>(1,079,308)</u>
Total Net Position	<u>\$ 185,797</u>	<u>953,418</u>

Table 2 shows the changes in net position for fiscal years ended 2017 and 2016.

**Table 2**  
**Changes in Net Position**

	<u>2017</u>	<u>2016</u>
<b><u>Revenues</u></b>		
Program Revenues		
Charges for Services	\$ 27,857	69,321
Operating Grants and Contributions	194,698	205,980
General Revenues		
Property Taxes	2,834,436	2,789,062
Grants and Entitlements	2,791,812	2,724,773
Other	<u>79,560</u>	<u>103,304</u>
Total Revenues	<u>5,928,363</u>	<u>5,892,440</u>
<b><u>Program Expenses</u></b>		
Instruction	2,243,729	2,081,413
Support Services		
Pupils and Instructional Staff	626,333	593,717
General Administration, School Administration, Business	3,006,290	2,164,429
Operations and Maintenance of Facilities	561,327	632,780
Pupil Transportation	150,899	178,569
Interest on Debt	87,309	55,075
Proprietary Funds	<u>20,097</u>	<u>52,635</u>
Total Expenses	<u>6,695,984</u>	<u>5,758,618</u>
Change in Net Position	<u>\$ (767,621)</u>	<u>133,822</u>

### **Business-Type Activities**

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

- Aftercare expenses exceeded revenues by \$16,915.



## **Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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.

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

Other includes unallocated depreciation and amortization.

## **School Board Funds**

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

As the School Board completed the fiscal year ended June 30, 2017, it reported a combined net position balance of \$185,797. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

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

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

**Capital Assets**

At June 30, 2017, the School Board had approximately \$4,536,749 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2017 fiscal year.

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Table II		
Capital Assets at June 30, 2017		
Land	\$ 43,440	
Buildings	1,256,829	
Machinery and Equipment	<u>80,029</u>	4,097
Total	<u>\$ 1,380,298</u>	<u>4,097</u>

**Debt Administration**

At June 30, 2017, the School District had \$6,435,715 as outstanding debt. Of this amount \$75,500 is for compensated absences, and the balance \$4,506,000 for bonds for school construction, \$49,855 for a community disaster loan and \$1,803,360 for pension liability.

**Economic Factors and Next Year’s Budget**

The Borough of Tuckerton is primarily a residential community, with few ratables. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections.

In conclusion, the Tuckerton 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 challenge of the future.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the 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 Janet Gangemi, School Business Administrator/Board Secretary at Tuckerton Board of Education, Marine Street, Tuckerton, NJ 08087.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

TUCKERTON SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ -	33,081	33,081
Receivables, Net	9,644	-	9,644
Restricted Assets:			
Cash and Cash Equivalents	4,631,541		4,631,541
Capital Assets-Non Depreciable	43,440		43,440
Capital Assets, Net	<u>1,336,858</u>	<u>4,097</u>	<u>1,340,955</u>
Total Assets	<u>6,021,483</u>	<u>37,178</u>	<u>6,058,661</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>753,987</u>		<u>753,987</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>77,639</u>		<u>77,639</u>
<b><u>Liabilities</u></b>			
Accounts Payable/Accrued Interest	113,497		113,497
Noncurrent Liabilities:			
Due Within One Year	140,000		140,000
Due Beyond One Year	<u>6,295,715</u>		<u>6,295,715</u>
Total Liabilities	<u>6,549,212</u>	<u>-</u>	<u>6,549,212</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	260,298	4,097	264,395
Restricted For:			
Debt Service	1,522		1,522
Capital Projects	2,880,590		2,880,590
General Fund	1,677,948		1,677,948
Unrestricted	<u>(4,671,739)</u>	<u>33,081</u>	<u>(4,638,658)</u>
Total Net Position	<u>\$ 148,619</u>	<u>37,178</u>	<u>185,797</u>

The accompanying notes to financial statements are an integral part of this statement.

**TUCKERTON SCHOOL DISTRICT**

Exhibit A-2

Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2017**

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 1,341,195			(1,341,195)		(1,341,195)
Special Education	681,089		91,631	(589,458)		(589,458)
Other Special Instruction	221,445		103,067	(118,378)		(118,378)
Support Services:						
Tuition	49,078			(49,078)		(49,078)
Student & Instruction Related Services	577,255			(577,255)		(577,255)
School Administrative Services	186,149			(186,149)		(186,149)
Other Support Services	78,744			(78,744)		(78,744)
Plant Operations and Maintenance	561,327			(561,327)		(561,327)
Pupil Transportation	150,899			(150,899)		(150,899)
Unallocated Benefits	1,783,265			(1,783,265)		(1,783,265)
Interest on Long-Term Debt	87,309			(87,309)		(87,309)
Capital Outlay	833,058			(833,058)		(833,058)
Unallocated Depreciation	125,074			(125,074)		(125,074)
Total Government Activities	<u>6,675,887</u>	<u>-</u>	<u>194,698</u>	<u>(6,481,189)</u>	<u>-</u>	<u>(6,481,189)</u>
Business-Type Activities:						
Food Service & Aftercare Program	<u>20,097</u>	<u>27,857</u>			<u>7,760</u>	<u>7,760</u>
Total Business-Type Activities	<u>20,097</u>	<u>27,857</u>	<u>-</u>	<u>-</u>	<u>7,760</u>	<u>7,760</u>
Total Primary Government	<u>6,695,984</u>	<u>27,857</u>	<u>194,698</u>	<u>(6,481,189)</u>	<u>7,760</u>	<u>(6,473,429)</u>

TUCKERTON SCHOOL DISTRICT

Exhibit A-2

Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	2,645,326		2,645,326
Property Taxes for Debt Service	189,110		189,110
Federal and State Aid Not Restricted	2,791,812		2,791,812
Miscellaneous Income	70,405	9,155	79,560
Total General Revenues, Special Items, Extraordinary Items and Transfers	<u>5,696,653</u>	<u>9,155</u>	<u>5,705,808</u>
Change in Net Position	(784,536)	16,915	(767,621)
Net Position - Beginning	<u>933,155</u>	<u>20,263</u>	<u>953,418</u>
Net Position - Ending	<u>\$ 148,619</u>	<u>37,178</u>	<u>185,797</u>

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

**FUND FINANCIAL STATEMENTS – B**



BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash and Cash Equivalents-Restricted	\$ 1,749,429		2,882,112		4,631,541
Interfund Receivable	3,130			1,522	4,652
Receivable - Net	9,644				9,644
Total Assets	<u>\$ 1,762,203</u>	<u>-</u>	<u>2,882,112</u>	<u>1,522</u>	<u>4,645,837</u>
<b><u>Liabilities and Fund Balance</u></b>					
<b>Liabilities:</b>					
Interfund Payable	\$ -	3,130	1,522		4,652
Accounts Payable	52,921				52,921
Total Liabilities	<u>52,921</u>	<u>3,130</u>	<u>1,522</u>	<u>-</u>	<u>57,573</u>
<b>Fund Balance:</b>					
<b>Restricted To:</b>					
Designated for Subsequent Years Expenditures	400,000				400,000
Excess Surplus	28,937				28,937
<b>Committed To:</b>					
Capital Reserve	529,660				529,660
Maintenance Reserve	560,550				560,550
Other Purposes	158,801		2,742,759		2,901,560
<b>Assigned To:</b>					
Debt Service				1,522	1,522
Capital Projects			137,831		137,831
Unassigned	31,334	(3,130)			28,204
Total Fund Balances	<u>1,709,282</u>	<u>(3,130)</u>	<u>2,880,590</u>	<u>1,522</u>	<u>4,588,264</u>
Total Liabilities and Fund Balance	<u>\$ 1,762,203</u>	<u>-</u>	<u>2,882,112</u>	<u>1,522</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 \$4,454,807 and the accumulated depreciation is \$3,074,509.

1,380,298

Accrued Interest

(60,576)

Deferred outflow of resources - contributions to pension plan

753,987

Deferred inflow of resources - acquisition of assets applicable to future reporting periods

(77,639)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 3)

(6,435,715)

Net position of governmental activities

\$ 148,619

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

**TUCKERTON SCHOOL DISTRICT**

Exhibit B-2  
Sheet 1 of 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>					
Local Sources:					
Local Tax Levy	\$ 2,645,326			189,110	2,834,436
Tuition	11,748				11,748
Bond Proceeds			3,386,000		3,386,000
Miscellaneous	127,477	-	1,522		128,999
Total Local Sources	<u>2,784,551</u>	-	<u>3,387,522</u>	189,110	<u>6,361,183</u>
State Sources	2,791,812	33,054			2,824,866
Federal Sources		161,644			161,644
Total Revenues	<u>5,576,363</u>	<u>194,698</u>	<u>3,387,522</u>	<u>189,110</u>	<u>9,347,693</u>
<b><u>Expenditures</u></b>					
Current:					
Regular Instruction	1,252,545	91,050			1,343,595
Special Education Instruction	578,022	103,067			681,089
Other Special Instruction	221,445				221,445
Support Services and Undistributed Costs:					
Tuition	49,078				49,078
Students and Instruction Related Services	577,255				577,255
School Administrative Services	186,149				186,149
Other Support Services	78,744				78,744
Plant Operations and Maintenance	561,327				561,327
Pupil Transportation	150,899				150,899
Unallocated Benefits	1,624,177				1,624,177
Debt Service:					
Principal				140,000	140,000
Interest and Other Charges				51,870	51,870
Capital Outlay	77,648		755,410		833,058
Total Expenditures	<u>5,357,289</u>	<u>194,117</u>	<u>755,410</u>	<u>191,870</u>	<u>6,498,686</u>

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

TUCKERTON SCHOOL DISTRICT

Exhibit B-2  
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>219,074</u>	<u>581</u>	<u>2,632,112</u>	<u>(2,760)</u>	<u>2,849,007</u>
Other Financing Sources/(Uses):					
Transfer from Capital Projects			(1,522)	1,522	-
Transfer from Capital Reserve	(250,000)		250,000		-
Transfer to General Fund	23,878		(23,878)		-
Cancel Old Accounts Payable			61,017		61,017
Cancel Old Accounts Receivable			(131,359)		(131,359)
Total Other Financing Sources/(Uses)	<u>(226,122)</u>	<u>-</u>	<u>154,258</u>	<u>1,522</u>	<u>(70,342)</u>
Net Change in Fund Balances	(7,048)	581	2,786,370	(1,238)	2,778,665
Fund Balance - July 1	<u>1,716,330</u>	<u>(3,711)</u>	<u>94,220</u>	<u>2,760</u>	<u>1,809,599</u>
Fund Balance - June 30	<u>\$ 1,709,282</u>	<u>(3,130)</u>	<u>2,880,590</u>	<u>1,522</u>	<u>4,588,264</u>

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

TUCKERTON SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

Exhibit B-3

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 2,778,665
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(125,074)
Bond proceeds increase the amount of long-term liabilities in the statement of net position and is not reported in the statement of activities	(3,386,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	140,000
Change in net pension liability	(648,815)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.	(35,439)
Contributions to pension plan in the current fiscal year are deferred outflows of resources on the statement of net position	450,278
Pension related deferrals	39,449
In the statement of activities, certain operating expenses as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported when paid.	2,400
Change in Net Position of Governmental Activities	<u>\$ (784,536)</u>

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

TUCKERTON SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2017

	<u>Enterprise Fund</u>
<b><u>Assets:</u></b>	
Current Assets:	
Cash	\$ 33,081
Total Current Assets	<u>33,081</u>
Noncurrent Assets:	
Equipment	81,942
Less: Accumulated Depreciation	<u>(77,845)</u>
Total Noncurrent Assets	<u>4,097</u>
Total Assets	<u>\$ 37,178</u>
<b><u>Net Position:</u></b>	
Investment in Capital Assets	\$ 4,097
Unrestricted	<u>33,081</u>
Total Net Position	<u>\$ 37,178</u>

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

TUCKERTON SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2017

	<u>Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Fees	\$ 27,857
Total Operating Revenue	<u>27,857</u>
Operating Expenses:	
Salaries and Benefits	18,145
Supplies and Materials	1,952
Total Operating Expenses	<u>20,097</u>
Operating (Loss)/Profit	7,760
Non-Operating Revenues:	
Interest Revenue	106
Total Non-Operating Revenues	<u>106</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	7,866
Other Financing Sources/(Uses):	
Cancel Accounts Payable	<u>9,049</u>
Change in Net Position	16,915
Net Position, July 1	<u>20,263</u>
Net Position, June 30	<u>\$ 37,178</u>

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

TUCKERTON SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDSJUNE 30, 2017

	<u>Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Miscellaneous and Fees	\$ 27,857
Payments to Employees	(18,145)
Payments to Suppliers	<u>(5,028)</u>
Net Cash Used by Operating Activities	<u>4,684</u>
Cash Flows from Investing Activities:	
Interest	<u>106</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	4,790
Cash and Cash Equivalents July 1	<u>28,291</u>
Cash and Cash Equivalents June 30	<u>\$ 33,081</u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ 7,760
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Changes in Assets and Liabilities:	
(Decrease)/Increase in Accounts Payable	<u>(3,076)</u>
Net Cash Used by Operating Activities	<u>\$ 4,684</u>

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

**TUCKERTON SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**

Exhibit B-7

**FIDUCIARY FUNDS**

**JUNE 30, 2017**

	<b>Unemployment Compensation Trust</b>	<b>Flexible Spending</b>	<b>Summer Payroll</b>	<b>Agency Fund</b>	<b>Total</b>
Assets:					
Cash and Cash Equivalents	\$ 19,079	4,831	151,665	79,911	255,486
Total Assets	\$ 19,079	4,831	151,665	79,911	255,486
Liabilities:					
Due to Employees		\$ 4,831	151,665		156,496
Payroll Deductions and Withholdings				79,911	79,911
Total Liabilities		\$ 4,831	151,665	79,911	236,407
Net Position:					
Held in Trust for Unemployment Claims	\$ 19,079				19,079
Total Net Position	\$ 19,079				19,079

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



TUCKERTON SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Trust</u>
<b><u>Additions</u></b>	
Investment Earnings:	
Interest	\$ 26
Total Additions	<u>26</u>
Change in Net Position	26
Net Position - Beginning of Year	<u>19,053</u>
Net Position - End of the Year	<u>\$ 19,079</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**TUCKERTON SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1: Summary of Significant Accounting Policies**

The financial statements of the Board of Education (Board) of the Tuckerton 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. The more significant of the Board's accounting policies are described below.

**A. Reporting Entity:**

The Tuckerton School District is a Type II district located in the County of Ocean, 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-6. The Tuckerton School District had an approximate enrollment at June 30, 2017 of 286 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government 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

**B. Government-Wide Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide Financial Statements (Continued)**

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

**Fund Financial Statements**

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**D. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

**Governmental Fund Types**

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

**Proprietary Fund Type**

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Fiduciary Fund Types**

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Expendable Trust Fund: An expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. Expendable trust funds include Unemployment Compensation Insurance.

**E. Basis of Accounting:**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****F. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

**G. Encumbrances:**

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

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

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

**H. Short-Term Interfund Receivables/Payables:**

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****I. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

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

**J. Capital Assets and Depreciation**

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2016-2017 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2017, fiscal year 2017 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

The District is currently in the process of obtaining and installing software that will maintain proper capital asset and depreciation records.

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



NOTE 1: Summary of Significant Accounting Policies (Continued)J. Capital Assets and Depreciation (Continued)

	<u>Balance</u> <u>July 1, 2016</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental Activities:				
Capital Assets That are Not Being Depreciated:				
Land	\$ 43,440	_____	_____	43,440
Total Capital Assets Not Being Depreciated	<u>43,440</u>	_____	_____	<u>43,440</u>
Depreciable Assets:				
Buildings & Sites	3,505,994			3,505,994
Machinery & Equipment	<u>905,373</u>	_____	_____	<u>905,373</u>
Total	<u>4,411,367</u>	_____	_____	<u>4,411,367</u>
Less: Accumulated Depreciation for:				
Buildings and Sites	(2,141,889)		(107,276)	(2,249,165)
Machinery & Equipment	<u>(807,546)</u>	_____	<u>(17,798)</u>	<u>(825,344)</u>
Total Accumulated Depreciation	<u>(2,949,435)</u>	_____	<u>(125,074)</u>	<u>(3,074,509)</u>
Net Depreciable Assets	<u>1,461,932</u>	_____	<u>(125,074)</u>	<u>1,336,858</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,505,372</u>	_____	<u>(125,074)</u>	<u>1,380,298</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 125,074</u>
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	<u>Balance</u> <u>July 1, 2016</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2017</u>
Business-Type Activities:				
Equipment	\$ 81,942			81,942
Less: Accumulated Depreciation for:				
Equipment	<u>(77,845)</u>	_____	_____	<u>(77,845)</u>
	<u>\$ 4,097</u>	_____	_____	<u>4,097</u>

**NOTE 1: Summary of Significant Accounting Policies (Continued)****K. Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

**L. Deferred Revenue**

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

**M. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

**N. Fund Equity**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Grants, entitlements, or shared revenues which are restricted for the acquisition or construction of capital assets are also recorded as contributed capital. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**O. 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.

**P. Tuition Payable**

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

**NOTE 2: Cash and Cash Equivalents and Investments**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost or amortized cost, which approximates market. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

**Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments**

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank of Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Investments (Continued)**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

	<u>2017</u>
FDIC	\$ 250,000
GUPDA	<u>4,844,727</u>
	<u>\$ 5,094,727</u>

As of June 30, 2017, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash</b>
	<b><u>Equivalents</u></b>
Interest Bearing Checking Accounts	<u>\$ 4,934,198</u>
Total	<u>\$ 4,934,198</u>

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2017 was \$4,934,198 and the bank balance was \$5,094,727. Of the bank balance \$250,000 was covered by federal depository insurance and \$4,844,727 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

**NOTE 3: General Long-Term Debt**

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due Within</u> <u>One Year</u>	<u>Long-Term</u> <u>Portion</u>
Compensated						
Absences Payable	\$ 77,900		2,400	75,500		75,500
Pension Liability	1,155,545	648,815		1,804,360		1,804,360
Loans Payable	49,855			49,855		49,855
Bonds Payable	<u>1,260,000</u>	<u>3,386,000</u>	<u>140,000</u>	<u>4,506,000</u>	<u>140,000</u>	<u>4,366,000</u>
	<u>\$ 2,543,300</u>	<u>4,034,815</u>	<u>142,400</u>	<u>6,435,715</u>	<u>140,000</u>	<u>6,295,715</u>

**NOTE 3: General Long-Term Debt (Continued)****A. Bonds Payable**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2018	\$ 140,000	140,331	280,331
2019	291,000	143,446	434,446
2020	275,000	133,395	408,395
2021	275,000	123,395	398,395
2022	280,000	113,235	393,235
2023-2027	1,195,000	416,725	1,611,725
2028-2032	925,000	256,173	1,181,173
2033-2037	<u>1,125,000</u>	<u>95,502</u>	<u>1,220,502</u>
	<u>\$ 4,506,000</u>	<u>1,422,202</u>	<u>5,928,202</u>

Bonds issued 10/1/92 for \$2,443,000 at 4.0% thru 4.62% interest, maturing 7/15/24 with a balance of \$1,260,000 at June 30, 2017.

**NOTE 4: 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 Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

**Teachers’ Pension and Annuity Fund (TPAF)** – The Teachers’ Pension and Annuity Fund was established as of January 1, 1955, under the 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.

**NOTE 4: Pension Plans – (Continued)**

**Public Employees' Retirement System (PERS)** – The Public Employee's 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.

**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 1/55 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** - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**Contribution Requirements** – 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 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

**NOTE 4: Pension Plans – (Continued)****Three-Year Trend Information for PERS**

<b>Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
<b><u>Funding</u></b>			
6/30/17	\$ 54,273	100%	0
6/30/16	62,154	100%	0
6/30/15	40,670	100%	0

**Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

<b>Year</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
<b><u>Funding</u></b>			
6/30/17	\$ 365,679	100%	0
6/30/16	322,575	100%	0
6/30/15	276,629	100%	0

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$365,679 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$146,136 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

**Pension Expense Deferred Outflows/Inflows – PERS**

For the year ended June 30, 2017, the District recognized pension expense of \$54,273. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 33,556	
Changes of Assumptions	373,767	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	68,802	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	223,589	77,639
District Contributions Subsequent to the Measurement Date	<u>54,273</u>	<u>      </u>
<b>Total</b>	<b><u>\$ 753,987</u></b>	<b><u>77,639</u></b>

\$753,987 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is 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:

**NOTE 4: Pension Plans – (Continued)****Additional Information**

Collective balances at December 31, 2016 and 2015 are as follows:

	<b><u>Dec. 31, 2016</u></b>	<b><u>Dec. 31, 2015</u></b>
Collective Deferred Outflows of Resources	\$ 753,987	303,709
Collective Deferred Inflows of Resources	77,639	117,088
Collective Net Pension Liability	1,804,360	1,155,545
District's Proportion	.00609%	.00515%

**Components of Net Pension Liability**

The components of the collective net pension liability of the participating employers as of June 30, 2016 were as follows:

	<b>2016</b>		
	<b><u>State</u></b>	<b><u>Local</u></b>	<b><u>Total</u></b>
Total Pension Liability	\$ 36,295,189,928	49,474,698,146	85,769,888,074
Plan Fiduciary Net Position	<u>6,904,504,223</u>	<u>19,857,566,387</u>	<u>26,762,070,610</u>
Net Pension Liability	<u>\$ 29,390,685,705</u>	<u>29,617,131,759</u>	<u>59,007,817,464</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	19.02%	40.14%	31.20%

	<b>2015</b>		
	<b><u>State</u></b>	<b><u>Local</u></b>	<b><u>Total</u></b>
Total Pension Liability	\$ 31,614,118,524	43,109,580,038	74,723,698,562
Plan Fiduciary Net Position	<u>7,891,982,987</u>	<u>20,661,583,919</u>	<u>28,553,566,906</u>
Net Pension Liability	<u>\$ 23,722,135,537</u>	<u>22,447,996,119</u>	<u>46,170,131,656</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.96%	47.93%	38.21%



**NOTE 4: Pension Plans – (Continued)**

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

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

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

**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. 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:

**NOTE 4: Pension Plans -- (Continued)**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on 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 years. State employer contributed 100% of their 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.

**NOTE 4: Pension Plans – (Continued)****Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

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

	<b>2016</b>		
	<b>At 1% Decrease (3.90%)</b>	<b>At Current Discount Rate (4.90%)</b>	<b>At 1% Increase (5.90%)</b>
	State	\$ 34,422,851,197	29,390,685,705
Local	<u>36,292,338,055</u>	<u>29,617,131,759</u>	<u>24,106,170,190</u>
Total	<u>\$ 70,715,189,252</u>	<u>59,007,817,464</u>	<u>49,352,744,647</u>

	<b>2015</b>		
	<b>At 1% Decrease (3.90%)</b>	<b>At Current Discount Rate (4.90%)</b>	<b>At 1% Increase (5.90%)</b>
	State	\$ 27,802,122,942	23,722,135,537
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
Total	<u>\$ 55,702,235,475</u>	<u>46,170,131,656</u>	<u>38,191,749,890</u>

**Teachers Pensions and Annuity Fund (TPAF)****Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2016 and 2015 are as follows:

	<b>2016</b>	<b>2015</b>
Total Pension Liability	\$ 101,746,770,000	89,182,662,000
Plan Fiduciary Net Position	<u>22,717,862,967</u>	<u>25,604,797,560</u>
Net Pension Liability	<u>\$ 79,028,907,033</u>	<u>63,577,864,440</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%

**NOTE 4: Pension Plans – (Continued)****State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2016</u>	<u>2015</u>
District's Liability	<u>\$ 14,467,586</u>	<u>12,498,424</u>
District's Proportion	.01831%	.01966%

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

Inflation Rate	2.50%
Salary Increases: 2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvements 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, 2012 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. 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:

**NOTE 4: Pension Plans – (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds – Equity Hedge	3.75%	4.72%
Hedge Funds – Distressed	3.75%	3.49%

**Discount Rate**

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on 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 contributed 30% 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2016 calculated using the discount rate as disclosed above as well as what the State's 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:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2016 (2.22%, 3.22%, 4.22%)	\$ 94,378,176,033	79,028,907,033	66,494,248,033
2015 (3.13%, 4.13%, 5.13%)	75,559,915,440	63,577,864,440	53,254,610,440

**NOTE 5: 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 benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) 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 6: Contingent Liabilities**

It is the opinion of the school board officials that there is no litigation threatened or pending that would materially affect the financial position of the school district.

**NOTE 7: Equity Balance**

At June 30, 2017, the General Fund equity balance was as follows:

Unassigned Fund Balance	\$ 250,174
Capital Reserve	529,660
Reserved for Encumbrances	158,801
Maintenance Reserve	560,550
Designated for Subsequent Years Expenditures – Capital Reserve	400,000
Designated for Subsequent Years Expenditures – Excess Surplus	<u>28,937</u>
	<u>\$ 1,928,122</u>

**NOTE 7: Equity Balance (Continued)**

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget.

**2% Calculation of Excess Surplus**

2016-17 Total General Fund Expenditures Per the CAFR \$ 5,357,289

Decreased by:

On-Behalf TPAF Pension & Social Security 511,815

Adjusted 2016-17 General Fund Expenditures \$ 4,845,474

2% of Adjusted 2016-17 General Fund Expenditures \$ 96,909

Minimum Allowed \$ 250,000

Increased by Allowable Adjustment 174

Maximum Unassigned Fund Balance \$ 250,174

Total General Fund -- Fund Balance @ 6-30-17 \$ 1,928,122

Decreased by:

Reserved for Encumbrances 158,801

Designated for Subsequent Years Expenditures -- Capital Reserve 400,000

Reserves 1,090,210

Total Unassigned Fund Balance \$ 279,111

Maximum Unassigned Fund Balance \$ 250,174

Reserved Fund Balance -- Excess Surplus \$ 28,937

**Recapitulation of Excess Surplus as of June 30, 2017**

Reserved Fund Balance -- Excess Surplus \$ 28,937

Designated for Subsequent Years Expenditures -- Excess Surplus           

\$ 28,937

**Detail of Reserves**

Capital Reserve \$ 529,660

Maintenance Reserve 560,550

\$ 1,090,210

**Detail of Allowable Adjustments**

Non-Public Transportation Aid \$ 174

**NOTE 8: Risk Management**

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

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds.

**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 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 year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 24	676	174	19,029
2015-2016	25	0	0	19,053
2016-2017	26	0	0	19,079

**NOTE 9: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances existed at June 30, 2017.

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 3,130	
Special Revenue Fund		3,130
Capital Projects Fund		1,522
Debt Service Fund	<u>1,522</u>	<u>—</u>
	<u>\$ 4,652</u>	<u>4,652</u>

**NOTE 10: FAIR VALUES OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the Tuckerton Board of Education in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

**NOTE 11: FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$1,928,122 General Fund fund balance at June 30, 2017, \$158,801 is reserve for encumbrances; \$529,660 is Capital Reserve; \$560,550 is in Maintenance Reserve; \$400,000 is Designated for Subsequent Years Expenditures; \$28,937 is excess surplus; and \$250,175 is unassigned.



**NOTE 12: ECONOMIC DEPENDENCY**

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District's programs and activities.

**NOTE 13: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$3,130 in the Special Revenue Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school year budget. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement 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 last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment 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.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need or corrective action. The District deficit in the GAAP fund statements of \$3,130 is equal to the last state aid payment.

**NOTE 14: Significant Accounting Pronouncements**

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2017. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2017 through November 20, 2017.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 1 of 11

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,645,326		2,645,326	2,645,326	-
Tuition	3,500		3,500	11,748	8,248
Transporation Fee	24,500		24,500	48,050	23,550
Interest Earned on Capital Reserve	100		100		(100)
Miscellaneous	10,000		10,000	79,427	69,427
Total Local Sources	<u>2,683,426</u>	<u>-</u>	<u>2,683,426</u>	<u>2,784,551</u>	<u>101,125</u>
State Sources:					
Equalization Aid	1,244,469		1,244,469	1,244,469	-
Special Education Aid	166,602		166,602	166,602	-
Security Aid	51,045		51,045	51,045	-
School Choice	396,920		396,920	396,920	-
Transportation Aid	9,443		9,443	9,443	-
Supplemental Enrollment Growth Aid	390,411		390,411	390,411	-
Under Adequacy Aid	10,056		10,056	10,056	-
PARCC Readiness Aid	3,380		3,380	3,380	-
Per Pupil Growth Aid	3,380		3,380	3,380	-
Professional Learning Growth Aid	3,010		3,010	3,010	-
Non Public Transportation Aid				174	174
TPAF Pension (On Behalf-Non-Budgeted)			-	365,679	365,679
TPAF Social Security (Reimbursed - Non-Budgeted)			-	146,136	146,136
Total State Sources	<u>2,278,716</u>	<u>-</u>	<u>2,278,716</u>	<u>2,790,705</u>	<u>511,989</u>
Total Revenues	<u>4,962,142</u>	<u>-</u>	<u>4,962,142</u>	<u>5,575,256</u>	<u>613,114</u>

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 2 of 11

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>- Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures:</u>					
Current Expense:					
Regular Programs - Instruction:					
Preschool Salaries	14,979	1,844	16,823	16,818	5
Kindergarten-Salaries	124,710		124,710	124,041	669
Grades 1-5 - Salaries of Teachers	772,789	26,003	798,792	786,105	12,687
Grades 6-8 - Salaries of Teachers	121,793	5,035	126,828	126,828	-
Regular Programs - Undistributed Instruction:					
General Supplies	35,000	8,243	43,243	42,450	793
Textbooks	35,000	101,651	136,651	136,355	296
Other Objects	15,000	5,307	20,307	19,948	359
Total Regular Programs - Instruction	<u>1,119,271</u>	<u>148,083</u>	<u>1,267,354</u>	<u>1,252,545</u>	<u>14,809</u>
Resource Room/Resource Center:					
Salaries of Teachers	334,890		334,890	330,403	4,487
Other Salaries for Instruction	76,866	6,722	83,588	83,588	-
General Supplies	1,000	(560)	440	440	-
Textbooks	1,000	500	1,500	1,500	-
Total Resource Room/Resource Center	<u>413,756</u>	<u>6,662</u>	<u>420,418</u>	<u>415,931</u>	<u>4,487</u>

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 3 of 11

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Multiple Disabilities:					
Salaries of Teachers	53,042	135	53,177	53,177	-
Other Salaries For Instruction	31,461		31,461	31,448	13
Purchased Professional Educational Services	3,000	(3,000)	-	-	-
Purchased Technical Services	2,000	(2,000)	-	-	-
Other Purchased Services	750	543	1,293	493	800
Textbooks	500	500	1,000	500	500
Other Objects	1,000		1,000	134	866
Total Autism	<u>91,753</u>	<u>(3,822)</u>	<u>87,931</u>	<u>85,752</u>	<u>2,179</u>
Preschool Disabilities-Full-Time:					
Salaries-Teachers	49,013	270	49,283	49,277	6
Other Salaries for Instruction	13,885	13,050	26,935	26,838	97
Purchased Professional Educational Services	1,000	(435)	565		565
General Supplies	500	(150)	350	224	126
Total Preschool Disabilities-Full-Time	<u>64,398</u>	<u>12,735</u>	<u>77,133</u>	<u>76,339</u>	<u>794</u>
Total Special Education - Instruction	<u>569,907</u>	<u>15,575</u>	<u>585,482</u>	<u>578,022</u>	<u>7,460</u>
Basic Skills/Remedial Instruction:					
Salaries of Teachers	171,240	35,729	206,969	155,949	51,020
Textbooks	500	1,000	1,500	1,000	500
Total Basic Skills/Remedial Instruction	<u>171,740</u>	<u>36,729</u>	<u>208,469</u>	<u>156,949</u>	<u>51,520</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	30,000	11,000	41,000	40,577	423
Supplies and Materials	1,500	(1,500)	-		-
Other Objects	3,000	(3,000)	-		-
Total School Sponsored Co-Curricular	<u>34,500</u>	<u>6,500</u>	<u>41,000</u>	<u>40,577</u>	<u>423</u>

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 4 of 11

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Summer School-Instruction					
Salaries of Teachers	18,000	14,239	32,239	16,919	15,320
Other Salaries for Instruction	3,500		3,500	3,500	-
Purchased Professional & Tech. Services	3,500	5,000	8,500	3,500	5,000
General Supplies	500	500	1,000	-	1,000
Total Summer School	<u>25,500</u>	<u>19,739</u>	<u>45,239</u>	<u>23,919</u>	<u>21,320</u>
 Total Instruction	 <u>1,920,918</u>	 <u>226,626</u>	 <u>2,147,544</u>	 <u>2,052,012</u>	 <u>95,532</u>
Undistributed Expenditures-Instruction:					
Tuition to Other LEA's - Within State-Special		51,258	51,258	37,187	14,071
Tuition to CSSD & Regular Day Schools	95,840	(48,921)	46,919	8,709	38,210
Tuition to State Facilities	63,000	(48,471)	14,529		14,529
Tuition Private School for Disabled W/I State		3,182	3,182	3,182	-
Total Undistributed Expenditures-Instruction	<u>158,840</u>	<u>(42,952)</u>	<u>115,888</u>	<u>49,078</u>	<u>66,810</u>
Undistributed Expenditures-Health:					
Salaries	55,541	2,586	58,127	58,127	-
Purchased Professional Services	1,000	(100)	900		900
Other Purchased Services	200	(139)	61	61	-
Supplies and Materials	1,250	360	1,610	1,610	-
Total Undistributed Expenditures-Health:	<u>57,991</u>	<u>2,707</u>	<u>60,698</u>	<u>59,798</u>	<u>900</u>
Undistributed Expenditures-Other Sup. Serv.					
Students-Related Services					
Salaries	50,543		50,543	49,954	589
Purchased Professional Educational Services	28,000	(16,412)	11,588	11,588	-
Supplies and Materials	500	(500)	-		-
Total Undistributed Expenditures-Other Sup. Serv.	<u>79,043</u>	<u>(16,912)</u>	<u>62,131</u>	<u>61,542</u>	<u>589</u>

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 5 of 11

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Other Supp. Serv.					
Students - Special:					
Salaries of Other Professional Staff	113,807	(4)	113,803	113,546	257
Salaries of Secretarial & Clerical Assistants	38,256	672	38,928	38,928	-
Other Salaries	1,621	4,644	6,265	4,640	1,625
Purchased Prof./Educational Services	30,686	(8,667)	22,019	9,588	12,431
Supplies and Materials	500	4,625	5,125	5,125	-
Total Undistributed Expenditures-Other Supp. Serv.	<u>184,870</u>	<u>1,270</u>	<u>186,140</u>	<u>171,827</u>	<u>14,313</u>
Undistributed Expenditures-Improvement of Inst. Serv.:					
Salaries of Supervisors of Instruction		6,000	6,000	5,554	446
Salaries of Secretarial and Clerical Assist.	21,978		21,978	21,961	17
Purchased Prof./Educational Services	4,000	(2,500)	1,500	825	675
Total Undistributed Expenditures-Improvement of Inst. Serv.:	<u>25,978</u>	<u>3,500</u>	<u>29,478</u>	<u>28,340</u>	<u>1,138</u>
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries	13,885		13,885	13,446	439
Other Salaries	59,349	5,601	64,950	64,950	-
Purchased Professional and Tech Services	38,335	90,925	129,260	54,260	75,000
Other Purchased Services	25,000	18,823	43,823	42,657	1,166
Supplies and Materials	40,000	(11,839)	28,161	27,375	786
Other Objects	4,500	4,007	8,507	8,507	-
Total Undistributed Expenditures - Edu. Media Serv./School Library	<u>181,069</u>	<u>107,517</u>	<u>288,586</u>	<u>211,195</u>	<u>77,391</u>



**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 6 of 11

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Undistributed Expenditures - Instr. Staff Training Serv:					
Salaries of Supervisors	12,215	1,430	13,645	13,639	6
Secretarial and Clerical-Salaries	28,500	510	29,010	29,000	10
Purchased Professional-Educational Services	500	(500)	-	-	-
Supplies and Materials	1,000	914	1,914	1,914	-
Total Undistributed Expenditures - Instructional Staff Training Serv.	<u>42,215</u>	<u>2,354</u>	<u>44,569</u>	<u>44,553</u>	<u>16</u>
Undistributed Expenditures - Supp. Serv. - General Administration:					
Salaries	68,328	4,000	72,328	72,328	-
Legal Services	8,000	(1,323)	6,677	6,631	46
Audit Fees	9,500	(1,000)	8,500	8,500	-
Other Purchased Professional Services	1,200	(975)	225	225	-
Purchased Technical Services	1,500	(275)	1,225	1,223	2
Communications/Telephone	7,500	4,698	12,198	11,760	438
BOE Other Purchased Services	5,000	(627)	4,373	3,888	485
Other Purchased Services		1,342	1,342	1,006	336
Judgements	500		500	-	500
General Supplies	650	1,255	1,905	1,816	89
BOE In-House Training/Meeting Supplies	250	25	275	275	-
BOE Dues and Fees	4,000		4,000	2,621	1,379
Total Undistributed Expenditures - Supp. Serv. - General Administration	<u>106,428</u>	<u>7,120</u>	<u>113,548</u>	<u>110,273</u>	<u>3,275</u>
Undistributed Expenditures - School Administration:					
Salaries of Principals/Assistant Principals	71,400		71,400	71,400	-
Supplies	750	3,726	4,476	4,476	-
Total Undistributed Expenditures - School Administration	<u>72,150</u>	<u>3,726</u>	<u>75,876</u>	<u>75,876</u>	<u>-</u>

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 7 of 11

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Undistributed Expenditures - Central Services					
Salaries	72,196		72,196	72,196	-
Purchased Professional Services	5,000		5,000	4,338	662
Supplies and Materials	1,500	750	2,250	2,210	40
Total Undistributed Expenditures - Central Services	<u>78,696</u>	<u>750</u>	<u>79,446</u>	<u>78,744</u>	<u>702</u>
Undistributed Expenditures-Allow. Maint. School Facilities:					
Cleaning, Repair and Maintenance Services	60,000	30,356	90,356	87,874	2,482
General Supplies	60,000	4,119	64,119	53,447	10,672
Total Undistributed Expenditures-Allow. Maint. School Facilities	<u>120,000</u>	<u>34,475</u>	<u>154,475</u>	<u>141,321</u>	<u>13,154</u>
Undistributed Expenditures-Other Oper. & Maint. Of Plant:					
Salaries	183,406	21,635	205,041	205,041	-
Purchased Professional & Tech. Services	15,000	24,619	39,619	39,614	5
Other Purchased Property Services	17,500	(15,250)	2,250	2,244	6
Insurance	72,000	(10,150)	61,850	61,819	31
Supplies	37,597	(28,827)	8,770	6,414	2,356
Other Objects	4,000	4,000	8,000	7,182	818
Energy (Oil)	3,000	(1,450)	1,550	1,530	20
Energy (Natural Gas)	15,000	4,000	19,000	18,473	527
Energy (Electricity)	70,000	8,659	78,659	74,543	4,116
Total Undistributed Expenditures-Other Oper. & Maint. of Plant	<u>417,503</u>	<u>7,236</u>	<u>424,739</u>	<u>416,860</u>	<u>7,879</u>

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 8 of 11

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Care and Upkeep of Grounds:					
Cleaning Repair and Maintenance	3,000		3,000	2,668	332
Total Care and Upkeep of Grounds	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>2,668</u>	<u>332</u>
Security:					
Purchased Professional and Tech Services	3,200	(2,700)	500	478	22
Total Security	<u>3,200</u>	<u>(2,700)</u>	<u>500</u>	<u>478</u>	<u>22</u>
Total Undistributed Expenditures - Operation & Maintenance of Plant Services	<u>543,703</u>	<u>39,011</u>	<u>582,714</u>	<u>561,327</u>	<u>21,387</u>
Undistributed Expenditures - Student Transportation Serv:					
Salaries for Transportation Aides	8,600	3,665	12,265	11,784	481
Salaries for Transportation	31,707	2,800	34,507	34,449	58
Cleaning and Repairs	2,500	500	3,000	2,543	457
Contr. Serv. - Aid in Lieu of Payments	12,000	(5,990)	6,010	3,324	2,686
Contr. Serv. (Bet. Home & Sch.)-Joint Agreement	99,500	(3,500)	96,000	89,266	6,734
Contr. Serv. (Special Ed.)-Vendors	10,000	(2,950)	7,050	1,568	5,482
Miscellaneous Purchased Services	3,000	(500)	2,500	1,000	1,500
Supplies and Materials	9,500	(2,500)	7,000	6,965	35
Total Undistributed Expenditures - Student Transportation Services	<u>176,807</u>	<u>(8,475)</u>	<u>168,332</u>	<u>150,899</u>	<u>17,433</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-1  
Sheet 9 of 11

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	57,000	83,114	140,114	138,257	1,857
T.P.A.F. Contributions-ERIP	16,000	4,000	20,000	19,713	287
Other Retirement Contributions- PERS	48,500	6,000	54,500	54,273	227
Other Retirement Contributions- ERIP		5,000	5,000	3,073	1,927
Unemployment Compensation	35,000	(31,000)	4,000	635	3,365
Workmen's Compensation	25,000	(25,000)	-		-
Health Benefits	979,579	(68,116)	911,463	887,698	23,765
Tuition Reimbursement	10,000		10,000	7,979	2,021
Other Employee Benefits	45,000	(44,000)	1,000	734	266
Total Unallocated Benefits	<u>1,216,079</u>	<u>(70,002)</u>	<u>1,146,077</u>	<u>1,112,362</u>	<u>33,715</u>
On-Behalf TPAF Pension Contributions - (Non Budgeted)	-	-	-	365,679	(365,679)
Reimbursed TPAF Social Security Contributions - (Non Budgeted)	-	-	-	146,136	(146,136)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>511,815</u>	<u>(511,815)</u>
Total Undistributed Expenditures	<u>2,923,869</u>	<u>29,614</u>	<u>2,953,483</u>	<u>3,227,629</u>	<u>(274,146)</u>
Total Current Expense	<u>4,844,787</u>	<u>256,240</u>	<u>5,101,027</u>	<u>5,279,641</u>	<u>(178,614)</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-1  
Sheet 10 of 11

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Equipment:					
Required Maintenance of Equipment		4,100	4,100	4,100	-
Grades 1-5		64,713	64,713	54,577	10,136
Facilities, Acquisition & Construction Services:					
Other Objects		12,471	12,471		12,471
Assessment for Debt Service	18,971		18,971	18,971	-
Increase in Capital Reserve	300,000		300,000		300,000
Increase on Deposit to Capital Reserve	100		100		100
Total Capital Outlay	<u>319,071</u>	<u>81,284</u>	<u>400,355</u>	<u>77,648</u>	<u>322,707</u>
 Total Expenditures	 <u>5,163,858</u>	 <u>337,524</u>	 <u>5,501,382</u>	 <u>5,357,289</u>	 <u>144,093</u>
 Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures	<u>(201,716)</u>	<u>(337,524)</u>	<u>(539,240)</u>	<u>217,967</u>	<u>757,207</u>
 Other Financing Sources/(Uses):					
Transfer to Fund 30 from Capital Reserve				(250,000)	(250,000)
Transfer from Fund 30 - Cancellations				23,878	23,878
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(226,122)</u>	<u>(226,122)</u>

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 11 of 11

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures	(201,716)	(337,524)	(539,240)	(8,155)	531,085
Fund Balance July 1	<u>1,936,277</u>		<u>1,936,277</u>	<u>1,936,277</u>	<u>-</u>
Fund Balance June 30	<u>\$ 1,734,561</u>	<u>(337,524)</u>	<u>1,397,037</u>	<u>1,928,122</u>	<u>531,085</u>
Recapitulation:					
Committed Fund Balances					
Capital Reserve				\$ 529,660	
Maintenance Reserve				560,550	
Assigned Fund Balances:					
Year End Encumbrances				158,801	
Designated For Subsequent Years Expenditures - Capital Reserve				400,000	
Reserve for Excess Surplus				28,937	
Unassigned				<u>250,174</u>	
				1,928,122	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(218,840)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,709,282</u>	

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
State Sources	\$ 32,473		32,473	32,473	
Federal Sources	<u>161,644</u>		<u>161,644</u>	<u>161,644</u>	
Total Revenues	<u>\$ 194,117</u>	<u>-</u>	<u>194,117</u>	<u>194,117</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 91,050		91,050	91,050	
Total Instruction	<u>91,050</u>	<u>-</u>	<u>91,050</u>	<u>91,050</u>	<u>-</u>
Support Services:					
Personal Services - Salaries	58,702		58,702	58,702	
Benefits	34,266		34,266	34,266	
Purchased Professional & Technical Services	<u>10,099</u>		<u>10,099</u>	<u>10,099</u>	
Total Support Services	<u>103,067</u>	<u>-</u>	<u>103,067</u>	<u>103,067</u>	<u>-</u>
Total Expenditures	<u>\$ 194,117</u>	<u>-</u>	<u>194,117</u>	<u>194,117</u>	<u>-</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGET-TO-GAAP RECONCILIATION**

**NOTE TO RSI**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 5,575,256	194,117
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		
State aid payment recognized for GAAP statements in the the current year, previously recognized for budgetary purposes.	219,947	3,711
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33)	<u>(218,840)</u>	<u>(3,130)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 5,576,363</u>	<u>194,698</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 5,357,289	194,117
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>                    </u>	<u>                    </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 5,357,289</u>	<u>194,117</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR PENSIONS (GASB 68) - L**

**TUCKERTON SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - PERS**

**Exhibit L-1**

**LAST FOUR FISCAL YEARS**

	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,804,360	1,155,545	1,079,892	971,960
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	-	-	-	-
Total	<b><u>\$ 1,804,360</u></b>	<b><u>1,155,545</u></b>	<b><u>1,079,892</u></b>	<b><u>971,960</u></b>
District's Covered-Employee Payroll	\$ 488,087	385,920	336,444	380,029
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	27.05%	33.40%	31.16%	39.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	31.20%	38.21%	42.74%	40.71%

**TUCKERTON SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**Exhibit L-2**

**LAST FOUR FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 54,273	40,670	44,300	42,015
Contributions in Relation to the Contractually Required Contribution	54,273	40,670	44,300	42,015
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 488,087	385,920	336,444	380,029
Contributions as a Percentage of Covered-Employee Payroll	11.12%	10.54%	13.17%	11.06%

**TUCKERTON SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - TPAF**

**Exhibit L-3**

**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)	0.000%	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>14,467,586</u>	<u>12,498,424</u>	<u>9,969,695</u>	<u>9,511,755</u>
Total	<u>\$ 14,467,586</u>	<u>12,498,424</u>	<u>9,969,695</u>	<u>9,511,755</u>
District's Covered-Employee Payroll	\$ 1,803,765	1,777,801	1,832,479	1,972,505
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	12.47%	14.22%	18.38%	20.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

**TUCKERTON SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS**  
**TEACHER'S PENSION AND ANNUITY FUND (TPAF)**  
**LAST TEN FISCAL YEARS**

L-4

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**TUCKERTON SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017****Public Employee's Retirement System (PERS)**

*Changes in Benefit Terms* – None

*Changes in Assumptions* – The discount rate changed from 4.90% as of June 30, 2015, to 3.98% as of June 30, 2016, in accordance with Paragraph 44 of GASB Statement No. 67.

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

*Changes in Benefit Terms* – None

*Changes in Assumption* – The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of June 30, 2016, in accordance with Paragraph 44 of GASB Statement No. 67.



**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

**N/A**

**SPECIAL REVENUE FUND – E**

**TUCKERTON SCHOOL DISTRICT**

**SPECIAL REVENUE FUND**

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Exhibit E-1

	<u>Title I</u>	<u>Title II Part A</u>	<u>I.D.E.A. Pre-School</u>	<u>I.D.E.A. Basic</u>	<u>Preschool Education Aid</u>	<u>Totals 2017</u>
Revenues:						
Federal Sources	\$ 77,581	10,099	5,254	68,710		161,644
State Sources					32,473	32,473
Total Revenue	<u>\$ 77,581</u>	<u>10,099</u>	<u>5,254</u>	<u>68,710</u>	<u>32,473</u>	<u>194,117</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 58,577			-	32,473	91,050
Total Instruction	<u>58,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,473</u>	<u>91,050</u>
Support Services:						
Personal Services - Salaries			4,170	54,532		58,702
Benefits	19,004		1,084	14,178		34,266
Purchased Professional & Technical Services		10,099				10,099
Total Support Services	<u>19,004</u>	<u>10,099</u>	<u>5,254</u>	<u>68,710</u>	<u>-</u>	<u>103,067</u>
Total Expenditures	<u>\$ 77,581</u>	<u>10,099</u>	<u>5,254</u>	<u>68,710</u>	<u>32,473</u>	<u>194,117</u>

**TUCKERTON SCHOOL DISTRICT**

**SPECIAL REVENUE FUND**

Exhibit E-2

**PRESCHOOL EDUCATION AID**

**SCHEDULE OF EXPENDITURES**

**BUDGETARY BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 32,473	32,473	-
Total Instruction	<u>32,473</u>	<u>32,473</u>	<u>-</u>
 Total Expenditures	 <u>\$ 32,473</u>	 <u>32,473</u>	 <u>-</u>

**Calculation of Budget and Carryover**

Total 2016-2017 Preschool Education Aid Allocation	\$ 32,473
Add: Actual ECPA/PEA Carryover (June 30, 2016)	-
Add: Budgeted Transfer from the General Fund 2016-17	-
Total Preschool Education Aid Funds Available for 2016-2017 Budget	<u>32,473</u>
Less: 2016-2017 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>(32,473)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2016	
Add: June 30, 2017 Unexpended Preschool Education Aid	<u>-</u>
 2016-2017 Carryover - Preschool Education Aid Programs	 <u>\$ -</u>
 2016-2017 Preschool Education Aid Carryover Budgeted for Preschool Programs 2017-2018	 <u>\$ -</u>

**CAPITAL PROJECTS FUND – F**

TUCKERTON SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF PROJECT EXPENDITURESFOR THE YEAR ENDED JUNE 30, 2017

Revenues:	
Bond Proceeds	\$ 3,386,000
Interest	1,522
Total Revenues	<u>3,387,522</u>
Expenditures:	
Construction Services	<u>755,410</u>
Revenues Over/(Under) Expenditures	2,632,112
Other Financing Sources/(Uses):	
Cancel Old Accounts Payable	61,017
Cancel Old Accounts Receivable	(131,359)
Transfer from Capital Reserve	250,000
Transfer to Debt Service	(1,522)
Transfer to General Fund	(23,878)
Total Other Financing Sources/(Uses)	<u>154,258</u>
Revenues Over/(Under) Expenditures and Other Financing Sources/(Uses)	2,786,370
Fund Balance - Beginning	<u>94,220</u>
Fund Balance - Ending	<u>\$ 2,880,590</u>

TUCKERTON SCHOOL DISTRICT

Exhibit F-2

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISADDITIONS & RENOVATIONS TO ELEMENTARY SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Bond Proceeds	\$ -	3,386,000	3,386,000	3,386,000
Capital Reserve	-	250,000	250,000	650,000
Total Revenues	<u>-</u>	<u>3,636,000</u>	<u>3,636,000</u>	<u>4,036,000</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services		755,410	755,410	4,036,000
Total Expenditures	<u>-</u>	<u>755,410</u>	<u>755,410</u>	<u>4,036,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>2,880,590</u>	<u>2,880,590</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number	N/A			
Bonds Authorized	2/9/2017			
Bonds Issued	3,386,000			
Original Authorized Cost	\$ 3,636,000			
Additional Authorized Cost	400,000			
Revised Authorized Cost	<u>4,036,000</u>			
Percentage Completion	19%			
Original Target Completion Date	9/1/2017			
Revised Target Completion Date	1/31/2018			



**PROPRIETARY FUNDS – G**

TUCKERTON SCHOOL DISTRICTSCHEDULE OF NET POSITION

Exhibit G-1

ENTERPRISE FUNDSJUNE 30, 2017

	<b>Business - Type Activities Enterprise Funds</b>		<b>Totals</b>
	<b>Food Services</b>	<b>Aftercare</b>	
<b><u>Assets:</u></b>			
Current Assets:			
Cash	\$ -	33,081	33,081
Total Current Assets	<u>-</u>	<u>33,081</u>	<u>33,081</u>
Noncurrent Assets:			
Equipment	81,942		81,942
Less: Accumulated Depreciation	<u>(77,845)</u>		<u>(77,845)</u>
Total Noncurrent Assets	<u>4,097</u>	<u>-</u>	<u>4,097</u>
Total Assets	<u>\$ 4,097</u>	<u>33,081</u>	<u>37,178</u>
<b><u>Net Position:</u></b>			
Investment in Capital Assets	\$ 4,097		4,097
Unrestricted		<u>33,081</u>	<u>33,081</u>
Total Net Position	<u>\$ 4,097</u>	<u>33,081</u>	<u>37,178</u>

TUCKERTON SCHOOL DISTRICTSCHEDULE OF REVENUES, EXPENSES AND CHANGES

Exhibit G-2

IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2017

	<u>Business - Type Activities</u> <u>Enterprise Funds</u>		<u>Totals</u>
	<u>Food</u> <u>Services</u>	<u>Aftercare</u> <u>Program</u>	
Operating Revenues:			
Local Sources:			
Fees	\$ -	27,857	27,857
Total Operating Revenue	<u>-</u>	<u>27,857</u>	<u>27,857</u>
Operating Expenses:			
Salaries and Benefits		18,145	18,145
Supplies and Materials		1,952	1,952
Total Operating Expenses	<u>-</u>	<u>20,097</u>	<u>20,097</u>
Operating (Loss)/Profit	-	7,760	7,760
Non-Operating Revenues:			
Interest Revenue		106	106
Total Non-Operating Revenues	<u>-</u>	<u>106</u>	<u>106</u>
Excess/(Deficiency) of Revenues Over/(Under)			
Expenditures	-	7,866	7,866
Other Financing Sources/(Uses):			
Cancel Accounts Payable	<u>9,049</u>		<u>9,049</u>
Change in Net Position	9,049	7,866	16,915
Net Position, July 1	<u>(4,952)</u>	<u>25,215</u>	<u>20,263</u>
Net Position, June 30	<u>\$ 4,097</u>	<u>33,081</u>	<u>37,178</u>

TUCKERTON SCHOOL DISTRICTSCHEDULE OF CASH FLOWS

Exhibit G-3

ENTERPRISE FUNDSJUNE 30, 2017

	<b>Business - Type Activities</b>		<b>Totals</b>
	<b>Enterprise Funds</b>		
	<b>Food Services</b>	<b>Aftercare Program</b>	
Cash Flows from Operating Activities:			
Receipts from Miscellaneous and Fees	\$ -	27,857	27,857
Payments to Employees		(18,145)	(18,145)
Payments to Suppliers		(5,028)	(5,028)
Net Cash Used by Operating Activities	<u>-</u>	<u>4,684</u>	<u>4,684</u>
Cash Flows from Investing Activities:			
Interest		106	106
Net Increase/(Decrease) in Cash and Cash Equivalents	-	4,790	4,790
Cash and Cash Equivalents July 1		28,291	28,291
Cash and Cash Equivalents June 30	<u>\$ -</u>	<u>33,081</u>	<u>33,081</u>
Cash Flows from Operating Activities:			
Operating (Loss)/Profit	\$ -	7,760	7,760
Adjustments to Reconcile Operating Loss to Cash			
Provided (Used) by Operating Activities:			
Changes in Assets and Liabilities:			
(Decrease)/Increase in Accounts Payable		(3,076)	(3,076)
Net Cash Used by Operating Activities	<u>\$ -</u>	<u>4,684</u>	<u>4,684</u>

**FIDUCIARY FUND – H**

TUCKERTON SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2017

	<u>Agency</u>			<u>Expendable</u> <u>Trusts</u>	<u>Totals</u>	
	<u>Student</u> <u>Activity</u>	<u>Agency</u> <u>Account</u>	<u>Flexible</u> <u>Spending</u>	<u>Summer</u> <u>Payroll</u> <u>Unemployment</u> <u>Compensation</u>	<u>2017</u>	
Assets:						
Cash and Cash Equivalents	\$ 14,090	79,911	4,831	151,665	19,079	269,576
Total Assets	<u>\$ 14,090</u>	<u>79,911</u>	<u>4,831</u>	<u>151,665</u>	<u>19,079</u>	<u>269,576</u>
Liabilities and Net Position:						
Liabilities:						
Due to Student Groups	\$ 14,090					14,090
Due to Employees			4,831	151,665		156,496
Payroll Withholdings and Deductions		79,911				79,911
Total Liabilities	<u>\$ 14,090</u>	<u>79,911</u>	<u>4,831</u>	<u>151,665</u>	<u>-</u>	<u>250,497</u>
Net Position:						
Unreserved					\$ 19,079	19,079
Total Net Position					<u>\$ 19,079</u>	<u>19,079</u>

TUCKERTON SCHOOL DISTRICTEXPENDABLE TRUST FUNDS

Exhibit H-2

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITIONFOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Insurance Trust Fund</u>
Additions:	
Local Sources:	
Interest on Investments	\$ 26
Total Additions	<u>26</u>
Deductions:	
Unemployment Claims	<u>-</u>
Total Deductions	<u>-</u>
Change in Net Position	26
Net Position, July 1	<u>19,053</u>
Net Position, June 30	<u>\$ 19,079</u>

TUCKERTON SCHOOL DISTRICTSTUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Elementary School: Tuckerton Elementary	\$ 12,354	11,697	9,961	14,090



TUCKERTON SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED 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	\$ 54,135	2,061,499	2,035,723	79,911
Liabilities:				
Payroll Deductions & Withholdings and Accounts Payable	\$ 54,135	2,061,499	2,035,723	79,911

SUMMER PAYROLL

Exhibit H-4a

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED 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	\$ 112,911	151,663	112,909	151,665
Liabilities:				
Due to Employees	\$ 112,911	151,663	112,909	151,665

**LONG-TERM DEBT – I**

**TUCKERTON SCHOOL DISTRICT**

Exhibit I-1

**LONG-TERM DEBT**

**SCHEDULE OF SERIAL BONDS PAYABLE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
Renovations to Elementary School	7/14/2004	\$ 2,443,000	7/15/17-20	\$ 140,000	4.25%	\$ 1,260,000		140,000	1,120,000
			7/15/2021	140,000	4.30%				
			7/15/22-23	140,000	4.50%				
			7/15/2024	140,000	4.62%				
Renovations to Elementary School	2/9/2017	3,386,000	7/15/2018	151,000	2.75%		3,386,000		3,386,000
			7/15/19-20	135,000	3.00%				
			7/15/2021	140,000					
			7/15/2022	145,000					
			7/15/2023	150,000					
			7/15/2024	155,000	3.125%				
			7/15/2025	160,000					
			7/15/2026	165,000					
			7/15/2027	170,000					
			7/15/2028	180,000					
			7/15/2029	185,000					
			7/15/2030	190,000					
			7/15/2031	200,000					
			7/15/2032	205,000					
7/15/2033	215,000								
7/15/2034	225,000	3.25%							
7/15/2035	235,000								
7/15/2036	245,000	3.375%							
Community Disaster Loan	2014/15	49,855	7/18/2018	9,971	1.500%	49,855			49,855
			7/18/2019	9,971					
			7/18/2020	9,971					
			7/18/2021	9,971					
			7/18/2022	9,971					
						<u>\$ 1,309,855</u>	<u>3,386,000</u>	<u>140,000</u>	<u>4,555,855</u>

**TUCKERTON SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

Exhibit I-3

**DEBT SERVICE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 189,110	-	189,110	189,110	-
Total Revenues	<u>189,110</u>	<u>-</u>	<u>189,110</u>	<u>189,110</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	51,870	-	51,870	51,870	-
Redemption of Principal	140,000	-	140,000	140,000	-
Total Expenditures	<u>191,870</u>	<u>-</u>	<u>191,870</u>	<u>191,870</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,760)	-	(2,760)	(2,760)	-
Other Financing Sources/(Uses):					
Transfer from Fund 30				1,522	1,522
Fund Balance July 1	<u>2,760</u>	<u>-</u>	<u>2,760</u>	<u>2,760</u>	
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>1,522</u>	<u>1,522</u>

**STATISTICAL SECTION**

**(Unaudited)**

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-1

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities										
Invested in Capital Assets, net of related Debt	\$ 260,298	245,372	236,459	405,596	2,191,828	2,096,684	2,101,591	1,831,978	1,607,978	1,494,187
Restricted	4,560,060	1,783,257	1,576,360	1,186,006	1,086,289	1,142,358	883,426	656,026	729,770	403,251
Unrestricted	<u>(4,671,739)</u>	<u>(1,095,474)</u>	<u>(1,031,887)</u>	<u>(70,545)</u>	<u>(12,928)</u>	<u>(273,419)</u>	<u>(7,318)</u>	<u>(267,519)</u>	<u>(9,036)</u>	<u>103,354</u>
Total Governmental Activities	<u>\$ 148,619</u>	<u>933,155</u>	<u>780,932</u>	<u>1,521,057</u>	<u>3,265,189</u>	<u>2,965,623</u>	<u>2,977,699</u>	<u>2,220,485</u>	<u>2,328,712</u>	<u>2,000,792</u>
Business Type Activities										
Invested in Capital Assets, net of related Debt	\$ 4,097	4,097	1,568	1,565	43,684	49,510	55,336	61,159	66,983	72,809
Unrestricted	<u>33,081</u>	<u>16,166</u>	<u>37,096</u>	<u>38,200</u>	<u>26,788</u>	<u>(7,648)</u>	<u>(32,372)</u>	<u>(26,136)</u>	<u>(15,730)</u>	<u>(10,090)</u>
Total Business Type Activities	<u>\$ 37,178</u>	<u>20,263</u>	<u>38,664</u>	<u>39,765</u>	<u>70,472</u>	<u>41,862</u>	<u>22,964</u>	<u>35,023</u>	<u>51,253</u>	<u>62,719</u>
District-wide										
Invested in Capital Assets, net of related Debt	\$ 264,395	249,469	238,027	407,161	2,235,512	2,146,194	2,156,927	1,893,137	1,674,961	1,566,996
Restricted	4,560,060	1,783,257	1,576,360	1,186,006	1,086,289	1,142,358	883,426	656,026	729,770	403,251
Unrestricted	<u>(4,638,658)</u>	<u>(1,079,308)</u>	<u>(994,791)</u>	<u>(32,345)</u>	<u>13,860</u>	<u>(281,067)</u>	<u>(39,690)</u>	<u>(293,655)</u>	<u>(24,766)</u>	<u>93,264</u>
Total District Net Position	<u>\$ 185,797</u>	<u>953,418</u>	<u>819,596</u>	<u>1,560,822</u>	<u>3,335,661</u>	<u>3,007,485</u>	<u>3,000,663</u>	<u>2,255,508</u>	<u>2,379,965</u>	<u>2,063,511</u>

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-2

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Expenses:</b>										
Governmental Activities	\$ 6,675,887	5,705,983	5,238,626	5,481,225	5,095,046	4,720,748	4,176,109	4,402,396	4,123,084	4,320,961
Business Type Activities	20,097	52,635	37,859	25,237	37,306	163,851	141,093	146,916	128,775	137,002
<b>Total District Expenses</b>	<u>6,695,984</u>	<u>5,758,618</u>	<u>5,276,485</u>	<u>5,506,462</u>	<u>5,132,352</u>	<u>4,884,599</u>	<u>4,317,202</u>	<u>4,549,312</u>	<u>4,251,859</u>	<u>4,457,963</u>
<b>Program Revenues:</b>										
Governmental Activities	194,698	243,665	201,549	204,988	261,575	340,080	322,364	338,775	215,924	382,522
Business Type Activities	27,857	31,636	36,694	31,561		176,727	121,034	56,168	110,309	108,265
<b>Total District Program Revenues</b>	<u>222,555</u>	<u>275,301</u>	<u>238,243</u>	<u>236,549</u>	<u>261,575</u>	<u>516,807</u>	<u>443,398</u>	<u>394,943</u>	<u>326,233</u>	<u>490,787</u>
<b>Net (Expense):</b>										
Governmental Activities	(6,481,189)	(5,462,318)	(5,037,077)	(5,276,237)	(4,833,471)	(4,380,668)	(3,853,745)	(4,063,621)	(3,907,160)	(3,938,439)
Business Type Activities	7,760	(20,999)	(1,165)	6,324	(37,306)	12,876	(20,059)	(90,748)	(18,466)	(28,737)
<b>Total District-wide Net Expense</b>	<u>(6,473,429)</u>	<u>(5,483,317)</u>	<u>(5,038,242)</u>	<u>(5,269,913)</u>	<u>(4,870,777)</u>	<u>(4,367,792)</u>	<u>(3,873,804)</u>	<u>(4,154,369)</u>	<u>(3,925,626)</u>	<u>(3,967,176)</u>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities	5,696,653	5,614,541	5,549,811	5,395,084	5,133,037	4,368,592	4,522,200	4,104,919	4,343,414	4,071,680
Business Type Activities	9,155	2,598	64	28	65,916	6,022	8,000	3,535	7,000	317
<b>Total District-wide</b>	<u>5,705,808</u>	<u>5,617,139</u>	<u>5,549,875</u>	<u>5,395,112</u>	<u>5,198,953</u>	<u>4,374,614</u>	<u>4,530,200</u>	<u>4,108,454</u>	<u>4,350,414</u>	<u>4,071,997</u>
<b>Change in Net Position:</b>										
Governmental Activities	(784,536)	152,223	512,734	118,847	299,566	(12,076)	668,455	41,298	436,254	133,241
Business Type Activities	16,915	(18,401)	(1,101)	6,352	28,610	18,898	(12,059)	(87,213)	(11,466)	(28,420)
<b>Total District</b>	<u>\$ (767,621)</u>	<u>133,822</u>	<u>511,633</u>	<u>125,199</u>	<u>328,176</u>	<u>6,822</u>	<u>656,396</u>	<u>(45,915)</u>	<u>424,788</u>	<u>104,821</u>

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**FUND BALANCES, GOVERNMENT FUNDS**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-3

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:										
Reserved	\$ 1,677,948	1,686,277	1,479,380	1,095,970	928,648	597,184	823,969	575,122	680,145	352,509
Unreserved	31,334	30,053	35,756	50,796	14,859	(273,419)	106,179	(146,241)	112,982	188,262
Total General Fund	<u>\$ 1,709,282</u>	<u>1,716,330</u>	<u>1,515,136</u>	<u>1,146,766</u>	<u>943,507</u>	<u>323,765</u>	<u>930,148</u>	<u>428,881</u>	<u>793,127</u>	<u>540,771</u>
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund	\$ (3,130)	(3,711)	(3,133)	(4,184)	(5,279)	(5,323)	(8,746)	(9,849)	(7,261)	(15,655)
Capital Projects Fund	2,880,590	94,220	94,220	94,220	165,100	544,997	38,447	63,758	29,922	40,843
Debt Service Fund	1,522	2,760	2,760		2,760	5,520	29,755	26,995	26,964	25,554
Total All Other Government Funds	<u>\$ 2,878,982</u>	<u>93,269</u>	<u>93,847</u>	<u>90,036</u>	<u>162,581</u>	<u>545,194</u>	<u>59,456</u>	<u>80,904</u>	<u>49,625</u>	<u>50,742</u>



**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**NET CHANGES IN FUND BALANCE**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-4

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues:</b>										
Local Tax Levy	\$ 2,834,436	2,789,062	2,746,490	2,699,395	2,704,915	2,637,323	2,621,919	2,572,775	2,488,397	2,249,774
Other Local Revenue	3,526,747	138,391	115,806	71,659	110,348	158,525	403,302	101,392	123,445	119,605
State Revenue	2,824,866	2,761,307	2,684,021	2,624,530	2,563,609	1,859,374	1,670,348	1,490,563	1,792,289	1,969,418
Federal Revenue	161,644	169,446	168,025	211,997	173,302	251,635	182,306	354,062	134,552	115,414
<b>Total Revenues</b>	<b>9,347,693</b>	<b>5,858,206</b>	<b>5,714,342</b>	<b>5,607,581</b>	<b>5,552,174</b>	<b>4,906,857</b>	<b>4,877,875</b>	<b>4,518,792</b>	<b>4,538,683</b>	<b>4,454,211</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular	1,252,545	1,203,987	1,198,144	1,170,085	1,234,202	1,258,425	1,096,775	1,241,532	1,081,221	887,209
Special	578,022	565,295	579,702	604,042	541,634	595,117	489,500	437,933	447,024	399,476
Other	221,445	105,303	155,085	105,615	84,220	89,830	47,385	71,052	72,642	57,877
<b>Total Instruction</b>	<b>2,052,012</b>	<b>1,874,585</b>	<b>1,932,931</b>	<b>1,879,742</b>	<b>1,860,056</b>	<b>1,943,372</b>	<b>1,633,660</b>	<b>1,750,517</b>	<b>1,600,887</b>	<b>1,344,562</b>
<b>Undistributed:</b>										
Instruction	49,078	59,308	169,461	171,272	39,721	4,591	6,955	-	54,000	76,167
<b>Support Service:</b>										
Students	577,255	534,409	413,076	497,036	594,745	510,214	424,458	465,277	471,626	408,422
School Administration	264,893	186,305	264,633	279,044	112,177	250,002	106,203	98,963	177,145	213,051
Operations and Maintenance	561,327	632,780	469,511	454,267	424,148	383,221	391,120	457,749	388,980	426,973
Student Transportation	150,899	178,569	146,907	135,854	132,634	106,132	82,088	110,295	103,846	99,027
<b>Business and Other Support Services:</b>										
Employee Benefits	1,624,177	1,624,367	1,481,780	1,272,089	1,250,175	641,723	893,264	945,956	579,042	716,169
Other						18,285	149,354	147,030	39,612	9,898
On-behalf TPAF Contribution						196,540	-	-	109,278	285,368
Reimbursed TPAF Social Security Contr.						92,152	-	-	143,601	124,723
Food Services & Other Transfers						162,185	8,000	146,081	7,000	-
Education Jobs						50,855				
<b>Total Undistributed</b>	<b>3,227,629</b>	<b>3,307,463</b>	<b>2,945,368</b>	<b>2,809,562</b>	<b>2,553,600</b>	<b>2,415,900</b>	<b>2,061,442</b>	<b>2,371,351</b>	<b>2,074,130</b>	<b>2,359,798</b>
<b>Capital Outlay:</b>										
Equipment										
Facilities Acq. and Construction Serv.										
Other	77,648	73,379	99,257	31,426	308,898	42,976	33,412	9,509	68,843	36,733
<b>Total Capital Outlay</b>	<b>77,648</b>	<b>73,379</b>	<b>99,257</b>	<b>31,426</b>	<b>308,898</b>	<b>42,976</b>	<b>33,412</b>	<b>9,509</b>	<b>68,843</b>	<b>36,733</b>
<b>Total General Fund Expenditures</b>	<b>5,357,289</b>	<b>5,255,427</b>	<b>4,977,556</b>	<b>4,720,730</b>	<b>4,722,554</b>	<b>4,402,248</b>	<b>3,728,514</b>	<b>4,131,377</b>	<b>3,743,860</b>	<b>3,741,093</b>
<b>Special Revenue:</b>										
Federal	161,644	169,446	168,025	161,047	173,258	182,520	182,306	197,402	134,552	115,414
State	32,473	37,112	32,473	42,846	54,284	35,594	88,720	72,978	72,978	270,032
<b>Total Special Revenue Expenditures</b>	<b>194,117</b>	<b>206,558</b>	<b>200,498</b>	<b>203,893</b>	<b>227,542</b>	<b>218,114</b>	<b>271,026</b>	<b>270,380</b>	<b>207,530</b>	<b>385,446</b>
<b>Debt Service Expenditures</b>	<b>191,870</b>	<b>195,605</b>	<b>201,125</b>	<b>209,405</b>	<b>214,925</b>	<b>217,685</b>	<b>223,205</b>	<b>319,212</b>	<b>325,133</b>	<b>337,903</b>
<b>Capital Project Expenditures</b>	<b>755,410</b>	<b>-</b>	<b>-</b>	<b>335,330</b>	<b>129,877</b>	<b>16,040</b>	<b>175,311</b>	<b>130,790</b>	<b>10,921</b>	<b>786,835</b>
<b>Total Governmental Fund Expenditures</b>	<b>6,498,686</b>	<b>5,657,590</b>	<b>5,379,179</b>	<b>5,469,358</b>	<b>5,294,898</b>	<b>4,854,087</b>	<b>4,398,056</b>	<b>4,851,759</b>	<b>4,287,444</b>	<b>5,251,277</b>
<b>Other Financing Sources/(Uses)</b>	<b>(70,342)</b>	<b>-</b>	<b>37,018</b>	<b>(7,509)</b>	<b>(157,562)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balance</b>	<b>\$ 2,778,665</b>	<b>200,616</b>	<b>372,181</b>	<b>130,714</b>	<b>99,714</b>	<b>52,770</b>	<b>479,819</b>	<b>(332,967)</b>	<b>251,239</b>	<b>(797,066)</b>

Source: District Records

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**GENERAL FUND OTHER LOCAL REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Interest</u>	<u>Tuition</u>	<u>Misc.</u>	<u>Total</u>
2008	\$ 19,851	28,780	65,754	114,385
2009	4,946	79,447	39,042	123,435
2010		51,494	57,838	109,332
2011		50,235	74,312	124,547
2012		67,688	90,837	158,525
2013	1,915	33,989	74,444	110,348
2014	1,752	45,320	24,587	71,659
2015		49,051	66,755	115,806
2016	2,285	37,685	98,421	138,391
2017	1,522	11,748	127,477	140,747

Source: District Records

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**UNAUDITED**

Exhibit J-6

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2007	\$ 424,597,874	495,967,614	85.61%
2008	428,807,230	536,210,116	79.97%
2009	432,891,924	542,607,074	79.78%
2010	435,673,002	524,338,671	83.09%
2011	433,860,431	514,834,324	84.46%
2012	433,424,395	491,857,007	88.12%
2013	439,222,953	458,383,378	95.82%
2014	411,829,747	420,964,681	97.83%
2015	404,952,400	392,700,155	103.12%
2016	403,656,400	388,542,112	103.89%

Source: Abstract of Ratables, Ocean County Board of Taxation

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING**  
**PER \$100 OF ASSESSED VALUATION**  
**LAST TEN YEARS**  
**UNAUDITED**

Exhibit J-7

<b><u>Assessment Year</u></b>	<b><u>Tuckerton</u></b>		<b><u>Pinelands Regional</u></b>	<b><u>Ocean County</u></b>	<b><u>Total</u></b>
	<b><u>School District</u></b>	<b><u>Borough</u></b>			
<b>2007</b>	\$ 0.529	0.483	0.495	0.364	1.871
<b>2008</b>	0.580	0.531	0.504	0.387	2.002
<b>2009</b>	0.594	0.572	0.526	0.389	2.081
<b>2010</b>	0.602	0.571	0.543	0.393	2.109
<b>2011</b>	0.607	0.598	0.496	0.405	2.106
<b>2012</b>	0.625	0.612	0.498	0.409	2.144
<b>2013</b>	0.643	0.612	0.519	0.411	2.185
<b>2014</b>	0.667	0.626	0.553	0.417	2.263
<b>2015</b>	0.689	0.633	0.554	0.401	2.277
<b>2016</b>	0.702	0.661	0.541	0.401	2.305

Source: Tax Collector

**TUCKERTON SCHOOL DISTRICT**  
**SCHEDULE OF PRINCIPAL TAXPAYERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
**UNAUDITED**

Exhibit J-8

**Current Year**

<u>Taxpayer</u>	<u>Assessed Valuation 2016</u>	<u>As a Percentage of District Net Assessed Valuation</u>
Cammeby's Bartlett Landind LLC	\$ 10,500,000	2.51%
Cammebys Management Co.	5,750,000	1.37%
H2 Investments, LLC	2,800,000	0.67%
Harbor View Plaza Assoc.	2,364,000	0.56%
Brasil Telecom America Inc.	2,327,800	0.56%
CH Winans Co.	1,680,000	0.40%
FAWD Associaties	1,280,000	0.31%
Tuckerton Lumber	1,162,100	0.28%
Taxpayer #1	1,139,900	0.27%
GEB Marine	1,056,900	0.25%
	<u>\$ 30,060,700</u>	<u>7.18%</u>

Source: Tax Assessor

\* - Information not available for 9 years ago.

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**  
**UNAUDITED**

Exhibit J-9

<b><u>Year Ended December 31,</u></b>	<b><u>Total Tax Levy</u></b>	<b><u>Current Tax Collections</u></b>	<b><u>Percent of Tax Levy Collected</u></b>
2007	\$ 8,008,411	7,789,194	97.26%
2008	8,649,743	8,369,304	96.76%
2009	9,071,802	8,767,316	96.64%
2010	9,217,455	8,930,652	96.89%
2011	9,164,097	8,833,607	96.39%
2012	9,311,829	8,917,623	95.77%
2013	9,174,218	8,778,799	95.69%
2014	9,358,024	8,991,914	96.09%
2015	9,294,575	8,970,099	96.51%
2016	9,385,420	9,107,462	97.04%

Source: Municipal Tax Collector

**TUCKERTON SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

**Exhibit J-10**

Information not available

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**RATIO OF NET GENERAL BONDED DEBT**  
**TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-11

<u>Year</u>	<u>School District Population *</u>	<u>Net Assessed Valuation Taxable</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2007	3,841	\$ 424,597,874	2,752,000	0.65%	716.48
2008	3,876	428,807,230	2,532,000	0.59%	653.25
2009	3,916	432,891,924	2,312,000	0.53%	590.40
2010	3,353	435,673,002	2,088,000	0.48%	622.73
2011	3,364	435,673,002	1,950,000	0.45%	579.67
2012	3,364	433,860,431	1,812,000	0.42%	538.64
2013	3,378	419,334,514	1,536,000	0.37%	454.71
2014	3,396	411,829,747	1,398,000	0.34%	411.66
2015	3,377	404,952,400	1,260,000	0.31%	373.11
2016	3,378	403,656,400	4,555,855	1.13%	1,348.68

Source: Tax Collector/School District Records

\*Estimates



**TUCKERTON SCHOOL DISTRICT**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**  
**UNAUDITED**

Exhibit J-12

<b>Net Direct Debt of School District:</b>	
<b>as of December 31, 2016</b>	\$ 1,120,000
<b>Net Overlapping Debt of School District:</b>	
<b>County of Ocean (0.46%)</b>	2,218,127
<b>Borough of Tuckerton (100%)</b>	<u>1,847,554</u>
<b>Total Direct and Overlapping Bonded Debt</b>	
<b>as of December 31, 2016</b>	<u><u>\$ 5,185,681</u></u>

**Source: Tax Collector & School District**

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**  
**UNAUDITED**

Exhibit J-13

<u>Year</u>	<u>Equalized Valuation Basis</u>
2016	\$ 402,971,349
2015	389,789,585
2014	398,941,416
	<u>\$ 1,191,702,350</u>
<b>Average Equalized Valuation</b>	<b>\$ 397,234,117</b>
<b>School Borrowing Margin( 3% of \$397,234,117)</b>	<b>\$ 11,917,024</b>
<b>Net Bonded Debt at June 30, 2017</b>	<b><u>4,555,855</u></b>
<b>School Borrowing Margin Available</b>	<b><u>\$ 7,361,169</u></b>

\* - Other Information Not Available

Source: State of New Jersey, Department of Treasury,  
Division of Taxation

**TUCKERTON SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-14

<u>Year</u>	<u>Population</u>	<u>Per Capita Income*</u>	<u>Personal Income</u>	<u>Unemployment Rate</u>
2007	3,855	40,042	154,361,910	6.3%
2008	3,888	41,329	160,687,152	8.1%
2009	3,916	39,746	155,645,336	13.2%
2010	3,353	39,900	133,784,700	13.9%
2011	3,364	41,475	139,521,900	14.5%
2012	3,365	42,603	143,359,095	14.8%
2013	3,378	42,946	145,071,588	9.0%
2014	3,396	44,453	150,962,388	7.5%
2015	3,377	46,109	155,710,093	6.0%
2016	3,378	Unavailable	Unavailable	4.9%

Source: District Records and State  
of New Jersey

\*County information available only

TUCKERTON SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS

Exhibit J-15

Information not available

**TUCKERTON SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**UNAUDITED**

Exhibit J-16

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Function/Program:</b>										
<b>Instruction:</b>										
Regular	24.0	24.0	24.5	27.5	27.5	27.5	27.5	27.5	26.5	26.5
Special Education	8.0	8.0	7.5	6.5	7.0	7.0	7.0	6.0	5.0	5.0
Other Instruction	10.0	11.0	13.0	13.0	13.5	13.5	9.0	6.0	6.0	6.0
Total Instruction	<u>42.0</u>	<u>43.0</u>	<u>45.0</u>	<u>47.0</u>	<u>48.0</u>	<u>48.0</u>	<u>43.5</u>	<u>39.5</u>	<u>37.5</u>	<u>37.5</u>
<b>Support Services:</b>										
Student & Instruction Related Services	2.50	2.50	2.00	2.00	2.00	2.0	2.0	2.0	2.0	2.0
General Administration	2.00	2.00	2.00	2.00	2.00	2.0	2.0	2.0	2.0	1.8
Pupil Transportation	1.00	1.00	0.75	0.75	0.75	0.5	0.5	0.5	0.5	0.5
Other Support Services	1.25	1.25	1.00	1.00	1.00	1.0	1.0	1.0	1.0	1.0
Total Support Services	<u>6.75</u>	<u>6.75</u>	<u>5.75</u>	<u>5.75</u>	<u>5.75</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.3</u>
Total District	<u><u>48.75</u></u>	<u><u>49.75</u></u>	<u><u>50.75</u></u>	<u><u>52.75</u></u>	<u><u>53.75</u></u>	<u><u>53.5</u></u>	<u><u>49.0</u></u>	<u><u>45.0</u></u>	<u><u>43.0</u></u>	<u><u>42.8</u></u>

Source: District Records

**TUCKERTON SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-17

<b><u>Fiscal Year Ended June 30,</u></b>	<b><u>Enrollment</u></b>	<b><u>Operating Expenditures</u></b>	<b><u>Cost Per Pupil</u></b>	<b><u>Percentile Change</u></b>	<b><u>Teaching Staff</u></b>
2008	286	\$ 3,432,887	\$ 12,003	6.68%	37
2009	256	3,963,096	15,481	28.97%	38
2010	303	3,985,296	13,153	-15.05%	40
2011	329	3,720,514	11,309	-14.01%	44
2012	348	4,132,867	11,876	5.01%	45
2013	341	4,763,595	13,969	17.60%	48
2014	327	4,720,730	14,436	3.22%	47
2015	334	4,550,252	13,624	-5.63%	45
2016	339	5,386,772	15,890	16.70%	43
2017	286	5,357,289	18,732	17.80%	43

Source: District Records

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-18

<u>Tuckerton Elementary School</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Square Feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity	380	380	380	380	380	380	380	380	380	380
Enrollment	286	329	327	327	341	348	329	303	256	286

Source: District Records

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-19

<b><u>Fiscal Year</u></b> <b><u>Ended June 30</u></b>	<b><u>Tuckerton</u></b> <b><u>Elementary</u></b> <b><u>School</u></b>
2008	\$ 224,129
2009	226,894
2010	228,813
2011	205,746
2012	237,554
2013	225,835
2014	238,935
2015	258,265
2016	203,075
2017	141,321

Source: District Records



**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2017**  
**UNAUDITED**

**Exhibit J-20**

	<u>Coverage</u>	<u>Deductible</u>
<b>School Package Policy:</b>		
Property - Blanket	\$ 10,825,138	\$
School District Legal Liability	100,000	
Umbrella	5,000,000	10,000
Employee Benefit Program Liability	1,000,000	
Data Processing	225,000	250
Commercial General Liability Coverage	3,000,000	1,000
Worker's Compensation	Statutory	
<b>Administrator - Bond</b>	50,000	
<b>Treasurer - Bond</b>	180,000	
<b>Student Accident</b>	1,000,000	

**Source: District Records**

**SINGLE AUDIT SECTION**

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.  
RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

K-1

Honorable President and Members  
of the Board of Education  
Tuckerton School District  
County of Ocean  
Tuckerton, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tuckerton Board of Education, County of Ocean, State of New Jersey as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Tuckerton Board of Education, County of Ocean, State of New Jersey's basic financial statements, and have issued our report thereon dated November 20, 2017.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purposes 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 Tuckerton Board of Education, County of Ocean, State of New Jersey's financial statements are free from material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

**Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey**

November 20, 2017

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY THE UNIFORM GUIDANCE AND SCHEDULES OF EXPENDITURE OF STATE  
FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

K-2

Honorable President and Members  
of the Board of Education  
Tuckerton School District  
County of Ocean  
Tuckerton, New Jersey

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

We have audited the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's major state programs for the year ended June 30, 2017. The Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey'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 state program. However, our audit does not provide a legal determination of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's compliance.

### ***Opinion on Each Major State Program***

In our opinion, the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's, 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 state programs for the year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

Management of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's 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 Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 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 Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey'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 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 a material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 was for the limited purposes 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 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

***Robert A. Hulsart***

**Licensed Public School Accountant**

**No. 322**

**Robert A. Hulsart and Company**

**Wall Township, New Jersey**

November 20, 2017

TUCKERTON SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2017

Schedule A  
K-3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Program or Award Amount	Balance June 30, 2016	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances/ Adjustment	Balance at June 30, 2017		
											(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education: Passed Through State Department of Education:													
Title I	84.010	S010A150030	NCLB 16	9-1-15 to 8-31-16	\$ 79,042	\$ (19,760)		19,760					
Title I	84.010	S010A150030	NCLB 17	9-1-16 to 8-31-17	77,581			77,581	(77,581)				
Title IIA	84.298	S367A150029	NCLB 17	9-1-16 to 8-31-17	10,099			10,099	(10,099)				
LD.E.A. Basic	84.027	H027A150100	FT 17	9-1-16 to 8-31-17	68,710			68,710	(68,710)				
LD.E.A. Preschool	84.173	H173A150114	FT 17	9-1-16 to 8-31-17	5,254			5,254	(5,254)				
						<u>(19,760)</u>	<u>-</u>	<u>181,404</u>	<u>(161,644)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
						<u>\$ (19,760)</u>	<u>-</u>	<u>181,404</u>	<u>(161,644)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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



**TUCKERTON SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/Program State Department of Education:	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2016	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances/ Adjustments	Balance at June 30, 2017			MEMO	
		From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
Equalization Aid	17-495-034-5120-078	07/01/2016	06/30/2017	1,244,469	\$ -		1,244,469	(1,244,469)				119,531	1,244,469	
Special Education Aid	17-495-034-5120-089	07/01/2016	06/30/2017	166,602			166,602	(166,602)				15,982	166,602	
Security Aid	17-495-034-5120-084	07/01/2016	06/30/2017	51,045			51,045	(51,045)				4,883	51,045	
School Choice Aid	17-495-034-5120-068	07/01/2016	06/30/2017	396,920			396,920	(396,920)				38,112	396,920	
Transportation Aid	17-495-034-5120-014	07/01/2016	06/30/2017	9,443			9,443	(9,443)				900	9,443	
Under Adequacy Aid	17-495-034-5120-096	07/01/2016	06/30/2017	10,056			10,056	(10,056)				961	10,056	
Per Pupil Growth Aid	17-495-034-5120-097	07/01/2016	06/30/2017	3,380			3,380	(3,380)				330	3,380	
PARCC Readiness	17-495-034-5120-098	07/01/2016	06/30/2017	3,380			3,380	(3,380)				330	3,380	
Professional Learning Community Aid	17-495-034-5120-101	07/01/2016	06/30/2017	3,010			3,010	(3,010)				320	3,010	
Supplement Enrollment Growth Aid	16-495-034-5120-094	07/01/2016	06/30/2017	390,411			390,411	(390,411)				37,491	390,411	
Teachers Pension and Annuity Fund	17-495-034-5094-002	07/01/2016	06/30/2017	365,679			365,679	(365,679)					365,679	
Reimbursed TPAF Social Security	15-100-034-5095-002	07/01/2015	06/30/2016	149,940	(29,690)		29,690							
Reimbursed TPAF Social Security	16-100-034-5095-002	07/01/2016	06/30/2017	146,136			136,666	(146,136)		(9,470)			146,136	
Non-Public Transportation Aid	15-495-034-5120-014	07/01/2016	06/30/2017	174			174	(174)					174	
					(29,690)		2,810,925	(2,790,705)		(9,470)			218,840	2,790,705
Special Revenue:														
Preschool Education Aid	17-495-034-5120-086	07/01/2016	06/30/2017	32,473			32,473	(32,473)					3,130	32,473
							32,473	(32,473)					3,130	32,473
					(29,690)		2,843,398	(2,823,178)		(9,470)			221,970	2,823,178
Less on Behalf TPAF Pinion System Contributions								(365,679)						
Total for State Financial Assistance-Major Program Determination								(2,457,499)						

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

**BOARD OF EDUCATION**

K-5

**TUCKERTON SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2017****NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedule of financial assistance are presented using the modified accrual 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(C) to the Board's general-purpose financial statements.

**NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

The general-purpose financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when 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 payments in the current budget year, which is mandated pursuant to P.L. 2003, c.97. (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as presented on the following page:

**NOTE 3: Relationship to General Purpose Financial Statements (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b><u>State Assistance</u></b>			
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 2,425,026	32,473	2,457,499
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized			
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance			
	365,679		365,679
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)			
	<u>1,107</u>	<u>581</u>	<u>1,688</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 2,791,812</u>	<u>33,054</u>	<u>2,824,866</u>

**NOTE 3: Relationship to General Purpose Financial Statements (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>			
Actual Amounts (Budgetary)			
“Revenues” from the Schedule of Expenditures of Federal Awards			
	\$	161,644	161,644
Difference – Budget to “GAAP”			
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized			
	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances			
	\$ _____	<u>161,644</u>	<u>161,644</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

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.

**TUCKERTON SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part 1 - Summary of Auditor's Results*

**Financial Statement Section**

Unmodified

Type of auditor's report issued:

Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes  No

2) Reportable condition(s) identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes  None Reported

Noncompliance material to general purpose financial statements noted?

\_\_\_\_\_ Yes  No

**Federal Awards**

Not Applicable

**State Awards**

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

\$750,000

Auditee qualified as low-risk auditee?

Yes \_\_\_\_\_ No

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

Unmodified

Internal Control over major programs:

(1) Material Weakness(es) identified?

\_\_\_\_\_ Yes  No

(2) Reportable condition(s) identified that are not considered to material weaknesses?

\_\_\_\_\_ Yes  None Reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 98-07?

\_\_\_\_\_ Yes  No

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

17-495-034-5120-078  
 17-495-034-5120-089  
 17-495-034-5120-084  
 17-495-034-5120-096  
 17-495-034-5120-014  
 17-495-034-5120-097  
 17-495-034-5120-098  
 17-495-034-5120-101  
 17-495-034-5120-068  
 17-495-034-5120-094

Equalization Aid - Public Cluster  
 Special Education Aid - Public Cluster  
 Security Aid - Public Cluster  
 Under Adequacy Aid - Public Cluster  
 Transportation Aid - Public Cluster  
 Per Pupil Growth Aid - Public Cluster  
 PARCC Readiness Aid - Public Cluster  
 Professional Learning Community Aid - Public Cluster  
 School Choice Aid - Public Cluster  
 Supplemental Enrollment Growth Aid - Public Cluster

TUCKERTON SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2017*Part 2 - Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

TUCKERTON SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2017*Part 3 - State Awards Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

Federal Awards

Not Applicable

State Awards

Finding: None

Information on the State Program: N/ACriteria or specific requirement: N/ACondition: N/AQuestioned Costs: N/AContext: N/AEffect: N/ACause: N/ARecommendation: N/AManagement's response: N/A

TUCKERTON SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08.

**Status of Prior Year Findings**

There were none.