

SCHOOL DISTRICT  
OF  
UNION BEACH  
OF MONMOUTH COUNTY

Union Beach School District  
Union Beach, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2017

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Of the

Union Beach School District  
of Monmouth County

Union Beach, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

Union Beach Board of Education  
Finance Department

# OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## INTRODUCTORY SECTION

**UNION BEACH BOARD OF EDUCATION  
1207 FLORENCE AVENUE  
UNION BEACH, NJ 07735  
732-264-3133**

December 1, 2017

Honorable President and  
Members of the Board of Education  
Union Beach School District  
County of Monmouth, New Jersey

Dear Board Members and Citizens:

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

The CAFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Management Discussion and Analysis, the District's organizational chart and a list of principle officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Union Beach School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Union Beach Board of Education and its school constitute the District's reporting entity.



The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an enrollment of 592 students, which is 36 students below the previous year's enrollment. This continued decline in enrollment is attributed in large part to the many students displaced due to Hurricane Sandy not returning to the district. The following details the changes in the student enrollment of the District over the last eight years. It should be noted that it appears as if the former administration overstated the district's enrollment in prior year CAFRs.

**Average Daily Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	592	-5.721%
2015-16	628	-0.011%
2014-15	635	-3.495%
2013-14	658	-4.638%
2012-13	690	-5.738%
2011-12	732	-0.007%
2010-11	737	-0.037%
2009-10	765	-0.014%

**2) ECONOMIC CONDITION AND OUTLOOK:** Union Beach is located in the Bayshore area in Monmouth County which experienced extreme devastation due to October 2012 Hurricane Sandy. Many properties were totally destroyed or severely damaged. This has resulted in an impact on the tax basis in the current and future years to come.

**3) MAJOR INITIATIVES:** The Union Beach School District continues to act upon the goals and objectives embedded in our Long Range Facilities Plan for health and safety as well as acting upon the goals and objectives listed in our Five (5) Year Curriculum Plan and Three Year Technology Plan and our Three (3) Year Strategic Plan.

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

As a recipient of federal and state financial assistance, the District 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 that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

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

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

**7)CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan 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, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

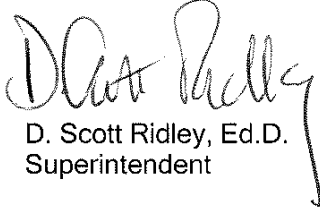
**9)OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, L.L.P., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and fund financial 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) ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Union Beach Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,

  
D. Scott Ridley, Ed.D.  
Superintendent

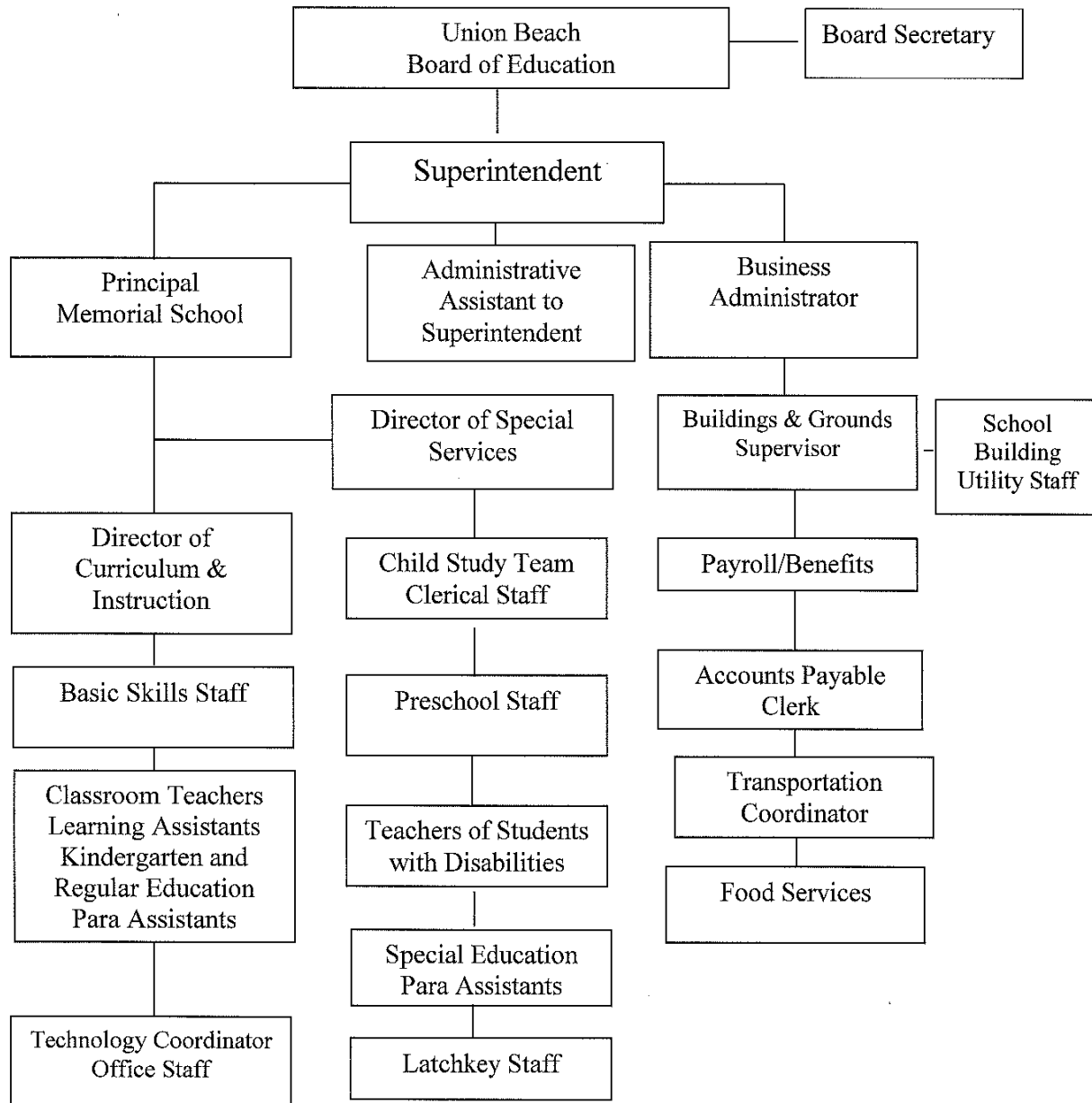
  
Eileen F. Ertle  
School Business Administrator/Board  
Secretary

# POLICY

## UNION BEACH BOARD OF EDUCATION

ADMINISTRATION  
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Organizational Chart

### 1110 ORGANIZATIONAL CHART



Adopted: 22 May 2012

Union Beach School District  
Union Beach, New Jersey

Roster of Officials  
June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jean Watson, President	2018
Angela Cocuzza, Vice President	2017
Cassie Blashfield	2018
Kelli Kenny	2017
James McGrogan	2019
Geri-Lyn Ryan	2018
Ashley Perez	2019
Julibeth Harrison-Mendoza	2019
Sarah Boyce	2017

Other Officials

Scott Ridley, Superintendent

Eileen Ertle, School Business Administrator/Board Secretary

Kenney, Gross, Kovats & Parton, Attorney

Union Beach School District  
Consultants and Advisors

Audit Firm

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

Attorney

Kenney, Gross, Kovats & Parton  
130 Maple Avenue  
Building 8  
Red Bank, NJ 07701

Official Depositories

Provident Bank

State of NJ Cash Management Fund

## FINANCIAL SECTION

## INDEPENDENT AUDITORS' REPORT

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

### Report of the Financial Statements

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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



## *Opinion*

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

## **Other Matters**

### *Required Supplementary Information*

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

## **Other Information**

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

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2017 on our consideration of the Board of Education of the Union Beach School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union Beach School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted

Jump, Perry & Company L.L.P.  
Toms River, NJ



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

December 1, 2017  
Toms River, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Union Beach School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

Unaudited

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

### **Financial Highlights**

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

In total, net position totaled \$3,422,453, which represents a 18.16 percent increase from June 30, 2016.

General revenues accounted for \$15,743,414 in revenue or 94.19 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$970,822 or 5.81 percent of total revenues of \$16,714,236.

Total assets increased by \$116,591 as current assets increased by \$231,445 and capital assets decreased by \$114,854.

The School Board had \$15,876,693 in expenses; only \$970,822 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$15,743,414 were adequate to provide for these programs.

Among major funds, the General Fund had \$15,701,498 in revenues and \$14,769,406 in expenditures and transfers. The General Fund's balance increased \$932,092 over June 30, 2016. The General Fund's balance is \$3,440,796.

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

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

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

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

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

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

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

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

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

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

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

### **Fund Financial Statement**

The Analysis of the School Board's major funds begins on page 26. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue Fund.

### **Governmental Funds**

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

### **Enterprise Fund**

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

## The School Board as a Whole

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

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

Table 1

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

	June 30, 2017			June 30, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 3,614,125	\$ 447,633	\$ 4,061,758	\$ 3,404,771	\$ 425,542	\$ 3,830,313
Capital assets, net	6,536,144	54,518	6,590,662	6,634,060	71,456	6,705,516
Total assets	10,150,269	502,151	10,652,420	10,038,831	496,998	10,535,829
Deferred outflow of resources	1,358,003	-	1,358,003	512,539	-	512,539
<b>Liabilities:</b>						
Current liabilities	230,145	94,068	324,213	933,179	91,176	1,024,355
Net pension liability	4,646,937	-	4,646,937	-	-	-
Long-term liabilities outstanding	1,239,894	-	1,239,894	5,257,650	-	5,257,650
Total liabilities	6,116,976	94,068	6,211,044	6,190,829	91,176	6,282,005
Deferred inflow of resources	349,960	-	349,960	154,487	-	154,487
<b>Net position:</b>						
Net investment in capital assets	6,536,144	54,518	6,590,662	6,634,060	71,456	6,705,516
Restricted	3,819,235	-	3,819,235	1,945,724	-	1,945,724
Unrestricted	(5,314,043)	353,565	(4,960,478)	(4,373,730)	334,366	(4,039,364)
Total Net Position	\$ 5,041,336	\$ 408,083	\$ 5,449,419	\$ 4,206,054	\$ 405,822	\$ 4,611,876

The School Board's combined net position were \$5,449,419 on June 30, 2017. This is a change of 18.16% from the previous year.

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

Table 2

Changes in Net Position

	June 30, 2017			June 30, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,618	\$ 181,165	\$ 185,783	\$ 1,740	\$ 165,430	\$ 167,170
Operating and capital grants and contributions	665,776	119,263	785,039	673,775	134,083	807,858
General revenues:						
Property taxes	6,498,711	-	6,498,711	5,871,180	-	5,871,180
Federal and state aid Not restricted to specific purposes	9,235,229	-	9,235,229	9,125,886	-	9,125,886
Investment earnings	8,107	377	8,484	-	-	-
Miscellaneous	990	-	990	8,659	-	8,659
<b>Total revenues</b>	<b>16,413,431</b>	<b>300,805</b>	<b>16,714,236</b>	<b>15,681,240</b>	<b>299,513</b>	<b>15,980,753</b>
<b>Expenses</b>						
Instructional services	4,533,065	-	4,533,065	4,268,092	-	4,268,092
Support services	11,032,367	298,544	11,330,911	10,952,465	272,792	11,225,257
Interest on long-term liabilities	12,717	-	12,717	12,363	-	12,363
<b>Total expenses</b>	<b>15,578,149</b>	<b>298,544</b>	<b>15,876,693</b>	<b>15,232,920</b>	<b>272,792</b>	<b>15,505,712</b>
<b>Change in net position</b>	<b>835,282</b>	<b>2,261</b>	<b>837,543</b>	<b>448,320</b>	<b>26,721</b>	<b>475,041</b>
Net position - beginning	<u>4,206,054</u>	<u>405,822</u>	<u>4,611,876</u>	<u>3,757,734</u>	<u>379,101</u>	<u>4,136,835</u>
Net position (deficit) - ending	<u>\$ 5,041,336</u>	<u>\$ 408,083</u>	<u>\$ 5,449,419</u>	<u>\$ 4,206,054</u>	<u>\$ 405,822</u>	<u>\$ 4,611,876</u>

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

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

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

## Expenses for Fiscal Year June 30, 2017

### Business-Type Activities

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

Total Enterprise Fund revenues exceeded expenses by \$2,261.

Charges for services represent \$181,165 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$119,263.

### Governmental Activities

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

Table 3

#### Governmental Activities

	2017		2016	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 4,533,065	\$ 4,528,447	\$ 4,268,092	\$ 4,266,352
Support Services:				
Pupils and Instructional Staff	6,759,369	6,093,593	6,105,093	6,105,093
General Administration, School Administration, Business Operation and Maintenance of Facilities	3,491,422	3,491,422	4,104,910	3,431,135
Pupil Transportation	781,576	781,576	742,462	742,462
Interest and Fiscal Charges	12,717	12,717	12,363	12,363
Total Expenses	\$ 15,578,149	\$ 14,907,755	\$ 15,232,920	\$ 14,557,405



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

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

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

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

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

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

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

## The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2017, it reported a combined fund balance of \$3,422,453, which is a increase of \$925,105. The Reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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

<u>Revenue</u>	<u>2016-17 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2016-17</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 6,512,426	39.68 %	\$ 630,847	(9.69)%
State Sources	9,364,016	57.05	130,704	(1.40)
Federal Sources	<u>536,989</u>	<u>3.27</u>	<u>(29,360)</u>	<u>5.47</u>
Total	<u>\$ 16,413,431</u>	<u>100.00 %</u>	<u>\$ 732,191</u>	<u>(5.62)%</u>

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

<u>Expenditures</u>	<u>2016-17 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2016-17</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 4,533,065	29.27 %	\$ 264,973	5.85 %
Undistributed Expenditures	10,716,039	69.19	(2,365)	(0.02)
Capital Outlay	<u>239,222</u>	<u>1.54</u>	<u>296</u>	<u>0.12</u>
Total	<u>\$ 15,488,326</u>	<u>100.00 %</u>	<u>\$ 262,904</u>	<u>5.95 %</u>

## General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$1,083,004 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$158,818 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are Capital Reserve \$798,419, Maintenance Reserve \$510,675, Tuition Reserve \$802,215 and Emergency Reserve \$50,000. These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District

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

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

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

## Capital Assets and Debt Administration

*Capital Assets.* At the end of the fiscal year June 30, 2017, the School Board had \$6,590,662 invested in land, buildings, and machinery and equipment.

Table 4

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,381,000	\$ 1,381,000	\$ -	\$ -	\$ 1,381,000	\$ 1,381,000
Building and Improvements	4,873,790	4,947,365	-	-	4,873,790	4,947,365
Machinery and Equipment	281,354	305,695	54,518	71,456	335,872	377,151
<b>Total</b>	<b>\$ 6,536,144</b>	<b>\$ 6,634,060</b>	<b>\$ 54,518</b>	<b>\$ 71,456</b>	<b>\$ 6,590,662</b>	<b>\$ 6,705,516</b>

During the current fiscal year, \$178,749 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

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

	June 30, 2017	June 30, 2016
Loans Payable (net)	\$ 899,147	\$ 899,147
Pension Liability-PERS	4,646,937	4,044,495
Compensated Absences payable	340,747	314,008
<b>Total long-term liabilities</b>	<b>\$ 5,886,831</b>	<b>\$ 5,257,650</b>

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

## Economic Factors and Next Year's Budget

For the 2016-2017 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 60.32% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 39.68% of total revenue is from local tax levy.

The \$(5,314,043) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

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

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

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Union Beach School District, 1207 Florence Avenue, Union Beach, NJ, 07735.

## BASIC FINANCIAL STATEMENTS

**UNION BEACH SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2017**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents			
Unrestricted	\$ 3,065,189	\$ 438,698	\$ 3,503,887
Restricted	134,535	-	134,535
Receivables - state	168,444	171	168,615
Receivables - federal	131,348	6,442	137,790
Inventory	-	2,322	2,322
Due from other funds	114,609	-	114,609
Capital assets, non-depreciable	1,381,000	-	1,381,000
Capital assets, net depreciable	5,155,144	54,518	5,209,662
Total assets	<u>10,150,269</u>	<u>502,151</u>	<u>10,652,420</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - PERS	1,358,003	-	1,358,003
	<u>1,358,003</u>	<u>-</u>	<u>1,358,003</u>
<b>LIABILITIES</b>			
Accounts payable	15,419	2,380	17,799
Due to other funds	-	90,044	90,044
Unearned revenue	7,500	1,644	9,144
Other current liabilities	207,226	-	207,226
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	5,886,831	-	5,886,831
Total liabilities	<u>6,116,976</u>	<u>94,068</u>	<u>6,211,044</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	349,960	-	349,960
	<u>349,960</u>	<u>-</u>	<u>349,960</u>
<b>NET POSITION</b>			
Net Investment in capital assets	6,536,144	54,518	6,590,662
Restricted for:			
Special Revenue Fund	(18,343)	-	(18,343)
Capital projects	798,419	-	798,419
Other purposes	3,039,159	-	3,039,159
Unrestricted	(5,314,043)	353,565	(4,960,478)
Total net position	<u>\$ 5,041,336</u>	<u>\$ 408,083</u>	<u>\$ 5,449,419</u>

**UNION BEACH SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>								
Current:								
Regular instruction	\$ 3,247,016	\$ -	\$ 4,618	\$ -	\$ -	\$ (3,242,398)	\$ -	\$ (3,242,398)
Special schools instruction	1,214,808	-	-	-	-	(1,214,808)	-	(1,214,808)
Other special instruction	71,241	-	-	-	-	(71,241)	-	(71,241)
Support services and undistributed costs:								
Instruction	4,806,689	-	-	-	-	(4,806,689)	-	(4,806,689)
Health services	103,912	-	-	-	-	(103,912)	-	(103,912)
Other support services	1,049,160	-	-	-	-	(1,049,160)	-	(1,049,160)
Educational media services	111,411	-	-	-	-	(111,411)	-	(111,411)
Instruction staff training	22,421	-	-	-	-	(22,421)	-	(22,421)
General administrative services	326,446	-	-	-	-	(326,446)	-	(326,446)
School administrative services	207,752	-	-	-	-	(207,752)	-	(207,752)
Central services	192,899	-	-	-	-	(192,899)	-	(192,899)
Allowed maintenance for school facilities	190,965	-	-	-	-	(190,965)	-	(190,965)
Other operation & maintenance of plant	809,107	-	-	-	-	(809,107)	-	(809,107)
Care and upkeep of grounds	14,618	-	-	-	-	(14,618)	-	(14,618)
Security	48,508	-	-	-	-	(48,508)	-	(48,508)
Student transportation services	781,576	-	-	-	-	(781,576)	-	(781,576)
Unallocated employee benefits	1,701,127	-	-	-	-	(1,701,127)	-	(1,701,127)
Non-budgeted expenditures	665,776	-	-	665,776	-	-	-	-
Interest expense	12,717	-	-	-	-	(12,717)	-	(12,717)
Total governmental activities	<u>15,578,149</u>	<u>-</u>	<u>4,618</u>	<u>665,776</u>	<u>-</u>	<u>(14,907,755)</u>	<u>-</u>	<u>(14,907,755)</u>
Business-type activities:								
Food service	233,629	-	107,635	119,263	-	-	(6,731)	(6,731)
Latchkey Program	64,915	-	73,530	-	-	-	8,615	8,615
Total business-type activities	<u>298,544</u>	<u>-</u>	<u>181,165</u>	<u>119,263</u>	<u>-</u>	<u>-</u>	<u>1,884</u>	<u>1,884</u>
Total primary government	<u>\$ 15,876,693</u>	<u>-</u>	<u>\$ 185,783</u>	<u>\$ 785,039</u>	<u>\$ -</u>	<u>(14,907,755)</u>	<u>1,884</u>	<u>(14,905,871)</u>
<b>General revenues:</b>								
Taxes:								
Property taxes levied for general purpose								
						6,498,711	-	6,498,711
Federal and state aid								
						9,235,229	-	9,235,229
Miscellaneous income								
						990	-	990
Investment earnings								
						8,107	377	8,484
Total general revenues						<u>15,743,037</u>	<u>377</u>	<u>15,743,414</u>
<b>Change in net position</b>						835,282	2,261	837,543
<b>Net position—beginning</b>						4,206,054	405,822	4,611,876
<b>Net position—ending</b>						<u>\$ 5,041,336</u>	<u>\$ 408,083</u>	<u>\$ 5,449,419</u>



**UNION BEACH SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,214,880	\$ (149,691)	\$ -	\$ -	\$ 3,065,189
Capital reserve	134,535	-	-	-	134,535
Due from other funds	114,609	-	-	-	114,609
Receivables - State	168,444	-	-	-	168,444
Receivables - Federal	-	131,348	-	-	131,348
Total assets	<u>3,632,468</u>	<u>(18,343)</u>	<u>-</u>	<u>-</u>	<u>3,614,125</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	15,419	-	-	-	15,419
Unearned revenue	7,500	-	-	-	7,500
Other current liabilities	168,753	-	-	-	168,753
Total liabilities	<u>191,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,672</u>
Fund Balances:					
Restricted for:					
Capital reserve account	798,419	-	-	-	798,419
Maintenance reserve account	510,675	-	-	-	510,675
Emergency reserve account	50,000	-	-	-	50,000
Tuition reserve	915,000	-	-	-	915,000
Excess surplus	802,215	-	-	-	802,215
Excess surplus -- designated for Subsequent year's expenditures	-	-	-	-	-
Committed to:					
Other purposes	22,183	-	-	-	22,183
Assigned to:					
Debt service fund	-	-	-	-	-
Designated by the BOE for subsequent year's expenditur	739,086	-	-	-	739,086
Capital projects fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Unassigned to:					
General fund	(396,782)	-	-	-	(396,782)
Special revenue fund	-	(18,343)	-	-	(18,343)
Total Fund balances	<u>3,440,796</u>	<u>(18,343)</u>	<u>-</u>	<u>-</u>	<u>3,422,453</u>
Total liabilities and fund balances	<u>\$ 3,632,468</u>	<u>\$ (18,343)</u>	<u>\$ -</u>	<u>\$ -</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 are \$12,346,439 and the accumulated depreciation is \$5,810,295.	6,536,144
Deferred outflows related to the PERS pension plan	1,358,003
Deferred inflows related to the PERS pension plan	(349,960)
Accrued interest on Community Disaster Loan	(38,473)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(5,886,831)</u>
Net position of governmental activities	<u>\$ 5,041,336</u>

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

	General Fund	Special Revenue Fund	GAAP Total Governmental Funds
<b>REVENUES</b>			
Local sources:			
Local tax levy	\$ 6,498,711	\$ -	\$ 6,498,711
Tuition charges	4,618	-	4,618
Interest on investments	7,366	-	7,366
Interest earned on capital reserve funds	741	-	741
Miscellaneous	990	-	990
Total - Local Sources	6,512,426	-	6,512,426
State sources	9,187,568	176,448	9,364,016
Federal sources	1,504	535,485	536,989
Total revenues	<u>\$ 15,701,498</u>	<u>\$ 711,933</u>	<u>\$ 16,413,431</u>
<b>EXPENDITURES</b>			
Current:			
Regular instruction	\$ 2,657,396	\$ 589,620	\$ 3,247,016
Special education instruction	1,214,808	-	1,214,808
Other special instruction	71,241	-	71,241
Undistributed - current:			
Instruction	4,572,594	-	4,572,594
Health services	103,912	-	103,912
Other support services	919,252	129,300	1,048,552
Educational media services	111,411	-	111,411
Instruction staff training	22,421	-	22,421
General administrative services	314,476	-	314,476
School administrative services	207,752	-	207,752
Allowed maintenance for school facilities	190,965	-	190,965
Other operation & maintenance of plant	728,178	-	728,178
Care and upkeep of grounds	14,618	-	14,618
Security	48,508	-	48,508
Student transportation services	772,040	-	772,040
Central services	192,899	-	192,899
Unallocated employee benefits	1,721,937	-	1,721,937
Non-budgeted expenditures	665,776	-	665,776
Capital outlay	239,222	-	239,222
Total expenditures	<u>14,769,406</u>	<u>718,920</u>	<u>15,488,326</u>
Excess (Deficiency) of revenues over expenditures	932,092	(6,987)	925,105
Fund balance—July 1	2,508,704	(11,356)	2,497,348
Fund balance—June 30	<u>\$ 3,440,796</u>	<u>\$ (18,343)</u>	<u>\$ 3,422,453</u>

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

**Total net change in fund balances - governmental funds (from B-2)** **\$ 925,105**

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	(276,665)	
	Capital outlays	<u>178,749</u>	(97,916)

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey 47,549

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an addition to the reconciliation. (12,717)

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. (26,739)

**Change in net position of governmental activities** **\$ 835,282**

UNION BEACH School District  
Statement of Net Position  
Proprietary Funds  
June 30, 2017

	Business-type-activities- Enterprise Funds		
	Food Service	Latchkey Program	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 207,038	\$ 231,660	\$ 438,698
Accounts receivable - State	171	-	171
Accounts receivable - Federal	6,442	-	6,442
Interfund receivable	-	-	-
Other receivables	-	-	-
Inventories	2,322	-	2,322
Total current assets	<u>215,973</u>	<u>231,660</u>	<u>447,633</u>
Noncurrent assets:			
Furniture, machinery & equipment	338,751	-	338,751
Less accumulated depreciation	(284,233)	-	(284,233)
Total noncurrent assets	<u>54,518</u>	<u>-</u>	<u>54,518</u>
Total assets	<u>270,491</u>	<u>231,660</u>	<u>502,151</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,380	-	2,380
Deferred revenue	1,644	-	1,644
Interfund payable	90,044	-	90,044
Total current liabilities	<u>94,068</u>	<u>-</u>	<u>94,068</u>
<b>NET POSITION</b>			
Invested in capital assets net of related debt	54,518	-	54,518
Contributed capital	-	-	-
Restricted for:			
Capital projects	-	-	-
Unrestricted	121,905	231,660	353,565
Total net position	<u>176,423</u>	<u>231,660</u>	<u>408,083</u>
Total liabilities and net position	<u>\$ 270,491</u>	<u>\$ 231,660</u>	<u>\$ 502,151</u>

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

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service</b>	<b>LatchKey Program</b>	<b>Total Enterprise</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 107,635	\$ 73,530	\$ 181,165
Daily sales - non-reimbursable programs	-	-	-
Tuition	-	-	-
Special functions	-	-	-
Miscellaneous	-	-	-
Total operating revenues	<u>107,635</u>	<u>73,530</u>	<u>181,165</u>
Operating expenses:			
Cost of sales - reimbursable programs	118,985	-	118,985
Cost of sales - non-reimbursable programs	-	-	-
Salaries	63,217	58,088	121,305
Employee benefits	15,024	4,444	19,468
Purchased property services	2,380	-	2,380
Other purchased professional services	9,797	165	9,962
Cleaning, repair and maintenance services	-	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
General supplies	7,288	2,218	9,506
Depreciation	16,938	-	16,938
Total Operating Expenses	<u>233,629</u>	<u>64,915</u>	<u>298,544</u>
Operating income (loss)	<u>(125,994)</u>	<u>8,615</u>	<u>(117,379)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	2,630	-	2,630
Federal sources:			
National school lunch program	95,187	-	95,187
National school breakfast program	5,915	-	5,915
National school snack program	-	-	-
Food distribution program	15,531	-	15,531
Interest and investment revenue	377	-	377
Miscellaneous expense	-	-	-
Total nonoperating revenues (expenses)	<u>119,640</u>	<u>-</u>	<u>119,640</u>
Change in net position	<u>(6,354)</u>	<u>8,615</u>	<u>2,261</u>
Total net position—beginning	<u>182,777</u>	<u>223,045</u>	<u>405,822</u>
Total net position—ending	<u>\$ 176,423</u>	<u>\$ 231,660</u>	<u>\$ 408,083</u>

**UNION BEACH SCHOOL DISTRICT**  
**Food Services Enterprise Fund**  
**Statement of Cash Flows**  
**for the Fiscal Year Ended June 30, 2017**

	<u>Food Service</u>	<u>LatchKey Program</u>	<u>Total Enterprise</u>
Cash Flows from Operating Activities:			
Receipts from customers and other funds	\$ 108,148	\$ 73,530	\$ 181,678
Payments to employees	(63,217)	(58,088)	(121,305)
Payments for employee benefits	(15,024)	(4,444)	(19,468)
Payments to suppliers	(120,377)	(2,383)	(122,760)
Net cash provided by (used in) operating activities	<u>(90,470)</u>	<u>8,615</u>	<u>(81,855)</u>
Cash Flows from Noncapital Financing Activities			
State sources	2,658	-	2,658
Federal sources	102,385	-	102,385
Net cash provided by noncapital financing activities	<u>105,043</u>	<u>-</u>	<u>105,043</u>
Cash Flows from Investing Activities			
Interest income	377	-	377
Net cash provided by investment activities	<u>377</u>	<u>-</u>	<u>377</u>
Net increase (decrease) in cash and cash equivalents	14,950	8,615	23,565
Balances-beginning of the year	192,088	223,045	415,133
Balances-end of the year	<u>207,038</u>	<u>231,660</u>	<u>438,698</u>
Reconciliation of operating income (loss) to net cash used for operating activities:			
Operating income (loss)	\$ (125,994)	\$ 8,615	(117,379)
Adjustments to reconcile operating income (loss) to cash used by operating activities:			
Depreciation	16,938	-	16,938
Federal commodities	15,531	-	15,531
Change in assets and liabilities:			
Decrease (increase) in interfund receivable	-	-	-
Decrease (increase) in accounts receivable	-	-	-
Decrease (increase) in inventory	163	-	163
Increase (decrease) in accounts payable	2,380	-	2,380
Increase (decrease) in deferred revenue	512	-	512
Total adjustments	<u>35,524</u>	<u>-</u>	<u>35,524</u>
Net cash provided by (used in) operating activities	<u>\$ (90,470)</u>	<u>8,615</u>	<u>(81,855)</u>

**UNION BEACH SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**June 30, 2017**

	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 38,061	\$ 45,823	\$ 83,884
Intergovernmental accounts receivable	-	-	-
Interfund receivable	-	-	-
Total assets	<u>\$ 38,061</u>	<u>\$ 45,823</u>	<u>\$ 83,884</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	6,143	6,143
Payable to student groups	-	35,243	35,243
Interfund payable	20,151	4,414	24,565
Other current liabilities	-	23	23
Total liabilities	<u>20,151</u>	<u>45,823</u>	<u>65,974</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	17,910	-	17,910
Reserved for scholarships	-	-	-
Total net position	<u>17,910</u>	<u>-</u>	<u>17,910</u>
Total liabilities and net position	<u>\$ 38,061</u>	<u>\$ 45,823</u>	<u>\$ 83,884</u>

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

	<b>Unemployment Compensation Trust</b>
<b>ADDITIONS</b>	
Contributions:	
Plan members	\$ 20,322
Other	-
Total contributions	20,322
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	-
Dividends	65
Less investment expense	-
Net investment earnings	65
Total additions	20,387
<b>DEDUCTIONS</b>	
Quarterly contribution reports	-
Unemployment claims	18,643
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	18,643
Change in net position	1,744
Net position—beginning of the year	16,166
Net position—end of the year	\$ 17,910



Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

**1. Summary of Significant Accounting Policies**

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

**A. Reporting Entity:**

The Union Beach School District is a Type II district located in the county of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Union Beach School District had an approximate enrollment of 628 students at June 30, 2017.

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

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

**B. Basis of Presentation, Basis of Accounting:**

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

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

**Basis of Presentation**

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

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

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

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

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

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

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

The District reports the following governmental funds:

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

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

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

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

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

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

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

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

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

The District reports the following fund types:

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

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

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

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

**Basis of Accounting**

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

**District-Wide, Proprietary, and Fiduciary Fund Financial Statements:** The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

All governmental and business-type activities and Enterprise Funds of the District follow the codification of the Financial Accounting Standards Board.

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

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

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

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2017, there was a reconciling difference of \$(422,282) between the budgetary basis and GAAP basis in the General Fund and of \$(6,046) in the Special Revenue Fund.

The following presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

**D. Encumbrance Accounting:**

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

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

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

**E. Assets, Liabilities, and Equity:**

**Interfund Transactions:**

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

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

**Inventories:**

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

**E. Assets, Liabilities, and Equity (Cont'd):**

**Capital Assets:**

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

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

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

**Compensated Absences:**

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

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

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

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



Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

**E. Assets, Liabilities, and Equity (Cont'd):**

**Unearned Revenue:**

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

**Accrued Liabilities and Long-Term Obligations:**

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

**Net Position:**

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

**Fund Balance Reserves:**

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

**E. Assets, Liabilities, and Equity (Cont'd):**

**Revenues - Exchange and Nonexchange Transactions:**

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

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

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

**Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and latch-key program. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

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

**E. Assets, Liabilities, and Equity (Cont'd):**

**Deferred Outflows/Inflows of Resources**

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

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

**Allocation of Indirect Expenses:**

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

**Extraordinary and Special Items:**

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

**Management Estimates:**

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

**2. Capital Reserve Account**

A Capital Reserve Account was established by the Union Beach School District in October 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

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

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

Beginning Balance June 30, 2016	\$ 773,678
Add:	
Increase per Resolution	250,000
Unspent project costs	-
Interest Earnings	741
Less:	
Withdrawals for budget	<u>(226,000)</u>
Ending Balance, June 30, 2017	<u>\$ 798,419</u>

The June 30, 2017 LRFP balance of local support costs of uncompleted Capital Projects is \$5,381,000.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**3. Maintenance Reserve Account**

A maintenance Reserve Account was established by the Union Beach School District by inclusion of \$ 100,000 for the accumulation of funds for use as required maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Maintenance Reserve Account are to provide maintenance for completed projects in the District's approved LRFP.

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

Balance, June 30, 2016	\$ 410,675
Add:	
Increase per Board Resolution	100,000
Less:	
Withdrawals	<u>          -</u>
Balance, June 30, 2017	<u>\$ 510,675</u>

**4. Emergency Reserve Account**

An Emergency Reserve Account was established by the Union Beach School District by inclusion of \$ 200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

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

Balance, June 30, 2016	\$ 50,000
Add:	
Increase per Board Resolution	<u>          -</u>
Balance, June 30, 2017	<u>\$ 50,000</u>

**5. Tuition Reserve Account**

A Tuition Reserve Account was established by the Union Beach School District by inclusion of \$ 200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Tuition Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Tuition Reserve Account are to finance tuition charges required for a thorough and efficient education.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

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

Balance, June 30, 2016	\$	700,000
Add:		
Increase per Board Resolution		315,000
Less:		
Budgeted utilization		<u>(100,000)</u>
Balance, June 30, 2017	\$	<u>915,000</u>

**6. Deposits and Investments**

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

Deposits

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

Custodial Credit Risk Related to Deposits

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

At June 30, 2017, the Board's bank balances of \$5,038,489 were exposed to Custodial Credit Risk as follows:

	<u>2016</u>
Insured	\$ 384,535
Uninsured and Uncollateralized	<u>4,653,954</u>
	<u>\$ 5,038,489</u>

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

**6. Deposits and Investments (Cont'd)**

Investments

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

In order to maximize liquidity, the District utilized the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

As of June 30, 2017, the Board had the following investments:

<u>Investment Type</u>	<u>Fair Value Amount</u>	<u>Moody's Rating</u>	<u>S &amp; P Rating</u>
New Jersey Cash Management Fund	\$134,535	AAA	AAA

Interest Rate Risk

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

Credit Risk

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

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**7. Receivables**

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

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	\$ 168,444	\$ 168,615
Federal Aid	131,348	137,790
Interfunds	<u>114,609</u>	<u>114,609</u>
	414,401	421,014
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 414,401</u>	<u>\$ 421,014</u>

**8. Interfund Balances and Transfers**

Balances due to/from other funds at June 30, 2017 consist of the following:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 114,609	\$ -
Enterprise Fund	-	90,044
Trust and Agency Fund	<u>-</u>	<u>24,565</u>
	<u>\$ 114,609</u>	<u>\$ 114,609</u>

The Enterprise Fund owes the General Fund for cash advances.

The Trust and Agency Fund owes the General Fund for cash advances.

**9. Inventory**

As of June 30, 2017, the District had the following inventory:

Food	\$ 1,615
Supplies	<u>707</u>
	<u>\$ 2,322</u>



Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 1,381,000	\$ -	-	\$ 1,381,000
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>1,381,000</u>	<u>-</u>	<u>-</u>	<u>1,381,000</u>
Capital Assets Being Depreciated				
Site Improvements	934,043	-	-	934,043
Building and Building Improvements	8,949,737	123,052	-	9,072,789
Machinery and Equipment	<u>902,910</u>	<u>55,697</u>	<u>-</u>	<u>958,607</u>
Totals at Historical Cost	<u>10,786,690</u>	<u>178,749</u>	<u>-</u>	<u>10,965,439</u>
Less Accumulated Depreciation for:				
Site Improvements	(360,316)	(18,681)	-	(378,997)
Building and Building Improvements	(4,576,099)	(177,946)	-	(4,754,045)
Machinery and Equipment	<u>(597,215)</u>	<u>(80,038)</u>	<u>-</u>	<u>(677,253)</u>
Total Accumulated Depreciation	<u>(5,533,630)</u>	<u>(276,665)</u>	<u>-</u>	<u>(5,810,295)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>5,253,060</u>	<u>(97,916)</u>	<u>-</u>	<u>5,155,144</u>
Government Activity Capital Assets, Net	<u>6,634,060</u>	<u>(97,916)</u>	<u>-</u>	<u>6,536,144</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	338,751	-	-	338,751
Less Accumulated Depreciation	<u>(267,295)</u>	<u>(16,938)</u>	<u>-</u>	<u>(284,233)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 71,456</u>	<u>\$ (16,938)</u>	<u>-</u>	<u>\$ 54,518</u>

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

**10. Capital Assets (Cont'd)**

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 234,095
Student and Instruction Related Services	608
General Administration Services	11,970
Plant Operations and Maintenance	20,456
Student Transportation Services	<u>9,536</u>
 Total	 <u>\$ 276,665</u>

**11. Long-Term Obligations**

**A. Long-Term Obligation Activity:**

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

	<u>Balance June 30, 2016</u>	<u>Increases/ Decreases</u>	<u>Balance June 30, 2017</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 314,008	\$ 26,739	\$ 340,747	\$ -
Community Disaster Loan	899,147	-	899,147	-
Pension liability - PERS	<u>4,044,495</u>	<u>602,442</u>	<u>4,646,937</u>	<u>-</u>
	<u>\$ 5,257,650</u>	<u>\$ 629,181</u>	<u>\$ 5,886,831</u>	<u>\$ -</u>

**B. Bonds Authorized But Not Issued**

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

**C. Capital Leases**

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

**D. Operating Leases**

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**12. FEMA Community Disaster Loan (CDL)**

The school district applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The district was approved for \$4,158,107 total loan and chose to withdraw \$899,147 as a reduction of the tax levy assessed for the 2013-2014 school year. The amount of principal and interest accrued through June 30, 2017 is \$899,147 and \$38,473, respectively. This loan is subject to FEMA review in 2016 and may be fully or partially cancelled based upon FEMA's calculation of the revenue loss that the district experienced over a specified period. The loan matures in 2018.

**13. Pension Plans**

**Description of Plans**

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

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

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

For the year ended June 30, 2017, the District recognized pension expense of \$433,635 and revenue of \$433,635 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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

At June 30, 2017, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.0399501732% total plan. The information below was provided from the State of New Jersey June 30, 2016 audit of the TPAF fund and has been adjusted to the District's proportionate share:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 110,242	\$ 53,499
Changes of assumptions	6,244,498	-
Net difference between projected and actual earnings on pension plan investments	570,547	-
Changes in proportion and differences between District contributions and proportionate share of contributions	42,024	24,415
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 6,967,311</u>	<u>\$ 77,914</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$31,427,350.

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

Year ended June 30:	
2017	\$ 1,014,149
2018	1,014,149
2019	1,188,056
2020	1,111,095
2021	938,568
Thereafter	<u>1,637,439</u>
Total	<u>\$ 6,903,456</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Long-Term Expected Rate of Return

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

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

Discount Rate

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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

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

	1% Decrease ( 2.22 %)	Current Discount Rate ( 3.22 %)	1% Increase ( 4.22 %)
District's proportionate share of the net pension liability	37,704,245	31,572,185	26,564,567

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

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

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

For the year ended June 30, 2017, the District recognized pension expense of \$396,782. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.0156900316% of the total plan. The information below was provided from the State of New Jersey June 30, 2016 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 86,419	\$ -
Changes of assumptions	962,597	-
Net difference between projected and actual earnings on pension plan investments	177,192	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	349,960
District contributions subsequent to the measurement date	131,795	-
Total	<u>\$ 1,358,003</u>	<u>\$ 349,960</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$4,646,937 and has been recorded on the district-wide financials.

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

Year ended June 30:	
2017	\$ 276,070
2018	276,070
2019	319,836
2020	268,709
2021	85,524
Thereafter	-
Total	<u>\$ 1,226,209</u>

**Long-Term Expected Rate of Return**

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

Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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

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

**Discount Rate**

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



Union Beach School District  
Notes to Financial Statements  
For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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

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

	1% Decrease ( 2.98 %)	Current Discount Rate ( 3.98 %)	1% Increase ( 4.98 %)
District's proportionate share of the net pension liability	5,694,279	4,646,937	3,782,266

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

**Vesting and Benefit Provisions**

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

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

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Contribution Requirements

Year Funding June 30,	<u>Three-Year Trend Information for PERS</u>		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	\$ 135,545	100 %	\$ 135,545
2016	149,461	100 %	149,461
2015	146,635	100 %	146,635

Year Funding June 30,	<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	\$ 796,019	100 %	\$ 796,019
2016	700,717	100 %	700,717
2015	600,978	100 %	600,978

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

There was a current year contribution to the TPAF post-retirement medical benefits made by the State of New Jersey on behalf of the Board in the amount of \$796,019. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A 18A: 66-66, the State of New Jersey reimbursed the District \$303,392 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.

These amounts have been included in the general purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with Governmental Accounting Standards.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**13. Pension Plans (Cont'd)**

**Defined Contribution Retirement Plan (DCRP)**

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

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

The District's contributions to the DCRP for June 30, 2017 were \$3,200. There was no liability for unpaid contributions at June 30, 2017.

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

**14. Post-Retirement Benefits**

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**14. Post-Retirement Benefits (Cont'd)**

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

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

**15. Deferred Compensation**

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

Lincoln Investment Financial  
Franklin Templeton  
AXA Equitable

Metropolitan Life Insurance  
Oppenheimer Funds  
Siracusa

**16. Risk Management**

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

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

16. Risk Management (Cont'd)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016 / 2017	-	20,322	65	(18,643)	17,910
2015 / 2016	-	18,556	101	(47,912)	16,166
2014 / 2015	-	18,125	87	(6,709)	45,421

17. Contingent Liabilities

**Grant Programs**

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

18. Fund Balance Appropriated

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

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**18. Fund Balance Appropriated (Cont'd)**

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

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

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

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

Classification Totals

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Fund Balances:					
Restricted	3,076,309	-	-	-	3,076,309
Committed	22,183	-	-	-	22,183
Assigned	739,086	-	-	-	739,086
Unassigned	<u>(396,782)</u>	<u>(18,343)</u>	<u>-</u>	<u>-</u>	<u>(415,125)</u>
	<u>3,440,796</u>	<u>(18,343)</u>	<u>-</u>	<u>-</u>	<u>3,422,453</u>

**19. Deficit Fund Balances**

The District has a deficit fund balance of \$396,782 in the General Fund as of June 30, 2017 as reported in the fund statements. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, Governmental Accounting Standards require that recognition revenue, expenditure, asset, liability should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district can not recognize the June state aid payments (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2017

**19. Deficit Fund Balances (Cont'd)**

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 June payments of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$396,782 is less than the two state aid payments.

**20. Calculation of Excess Surplus**

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$1,062,215.

**21. Uncertain Tax Positions**

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

**22. Subsequent Events**

Management has evaluated subsequent events through December 1, 2017, the date the financial statements were available to be issued.

**23. Tax Abatement**

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II



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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 6,498,711	\$ -	\$ 6,498,711	\$ 6,498,711	\$ -
Tuition	5,000	-	5,000	4,618	(382)
Interest	5,000	-	5,000	7,366	2,366
Interest earned on capital reserve funds	-	-	-	741	741
Rents and Royalties	-	-	-	50	50
Miscellaneous	-	-	-	940	940
<b>Total - local sources</b>	<b>6,508,711</b>	<b>-</b>	<b>6,508,711</b>	<b>6,512,426</b>	<b>3,715</b>
State sources:					
Transportation aid	39,173	-	39,173	39,173	-
Special education aid	658,640	-	658,640	658,640	-
Equalization aid	7,444,810	-	7,444,810	7,444,810	-
Extraordinary aid	-	-	-	147,392	147,392
Security aid	28,312	-	28,312	28,312	-
Adjustment Aid	73,023	-	73,023	73,023	-
Additional Adjustment Aid	87,352	-	87,352	87,352	-
Non-public transportation	-	-	-	6,207	6,207
PARCC Readiness	8,820	-	8,820	8,820	-
Per Pupil Growth	8,820	-	8,820	8,820	-
Prof Learning Comm Aid	7,890	-	7,890	7,890	-
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	1,067	1,067
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	361,317	361,317
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	433,635	433,635
TPAF social security (reimbursed - Non-budgeted)	-	-	-	303,392	303,392
<b>Total state sources</b>	<b>8,356,840</b>	<b>-</b>	<b>8,356,840</b>	<b>9,609,850</b>	<b>1,253,010</b>
Federal sources:					
Medicaid reimbursement	-	-	-	1,504	1,504
<b>Total federal sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,504</b>	<b>1,504</b>
<b>Total revenues</b>	<b>\$ 14,865,551</b>	<b>\$ -</b>	<b>\$ 14,865,551</b>	<b>\$ 16,123,780</b>	<b>\$ 1,258,229</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of teachers	\$ 265,868	\$ 80	\$ 265,948	\$ 259,848	\$ 6,100
Grades 1-5 - Salaries of teachers	1,200,988	(43,594)	1,157,394	1,136,689	20,705
Grades 6-8 - Salaries of teachers	873,977	43,594	917,571	897,059	20,512
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	10,000	-	10,000	965	9,035
<b>Regular Programs - Undistributed Instruction</b>					
Other salaries for instruction	58,845	6,100	64,945	61,586	3,359
Other purchased services (400-500 series)	21,500	(8,600)	12,900	10,914	1,986
General supplies	194,191	41,679	235,870	210,631	25,239
Textbooks	8,200	700	8,900	8,796	104
Other objects	87,997	7,760	95,757	70,908	24,849
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>2,721,566</b>	<b>47,719</b>	<b>2,769,285</b>	<b>2,657,396</b>	<b>111,889</b>

**SPECIAL EDUCATION - INSTRUCTION**

**UNION BEACH SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General 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 Final to Actual</u>
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	\$ 732,012	\$ 26,193	\$ 758,205	\$ 757,175	\$ 1,030
Other salaries for instruction	221,461	65,845	287,306	287,306	-
Other purchased services (400-500 series)	500	420	920	516	404
<b>Total Resource Room/Resource Center</b>	<u>953,973</u>	<u>92,458</u>	<u>1,046,431</u>	<u>1,044,997</u>	<u>1,434</u>
<b>Preschool Disabilities Part Time</b>					
Salaries of teachers	130,411	28,676	159,087	159,086	1
Other salaries for instruction	56,888	(42,510)	14,378	10,725	3,653
<b>Total Preschool Disabilities Full Time:</b>	<u>187,299</u>	<u>(13,834)</u>	<u>173,465</u>	<u>169,811</u>	<u>3,654</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>1,141,272</u>	<u>78,624</u>	<u>1,219,896</u>	<u>1,214,808</u>	<u>5,088</u>
<b>School-Spon. Cocurricular Actvts. - Instruction</b>					
Salaries	11,450	-	11,450	10,470	980
Purchased services (300-500 series)	-	1,500	1,500	1,450	50
Supplies and materials	2,500	(2,000)	500	24	476
<b>Total School-Spon. Cocurric. Actvts. - Instruction</b>	<u>13,950</u>	<u>(500)</u>	<u>13,450</u>	<u>11,944</u>	<u>1,506</u>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	35,300	512	35,812	35,812	-
Other purchased services (300-500 series)	6,500	238	6,738	6,350	388
Supplies and materials	15,725	750	16,475	16,424	51
Other objects	1,675	-	1,675	711	964
<b>Total School-Spon. Athletics - Instruction</b>	<u>59,200</u>	<u>1,500</u>	<u>60,700</u>	<u>59,297</u>	<u>1,403</u>
<b>Total Instruction</b>	<u>3,935,988</u>	<u>127,343</u>	<u>4,063,331</u>	<u>3,943,445</u>	<u>119,886</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state-regular	3,161,066	(129,034)	3,032,032	2,945,710	86,322
Tuition to other LEAs within the state - special	449,186	10,974	460,160	445,722	14,438
Tuition to Co. Voc. School Dist. - reg.	69,960	-	69,960	64,584	5,376
Tuition to Co. Voc. School Dist. - special	29,160	-	29,160	19,056	10,104
Tuition to private schools for the handicapped - Within state	1,093,713	28,763	1,122,476	1,097,522	24,954
<b>Total Undistributed Expenditures - Instruction:</b>	<u>4,803,085</u>	<u>(89,297)</u>	<u>4,713,788</u>	<u>4,572,594</u>	<u>141,194</u>
<b>Undistributed Expenditures - Attend. &amp; Social Work</b>					
Salaries	2,600	30,012	32,612	32,611	1
Supplies and materials	-	500	500	310	190
<b>Total Undistributed Expenditures - Attend. &amp; Social Work</b>	<u>2,600</u>	<u>30,512</u>	<u>33,112</u>	<u>32,921</u>	<u>191</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	68,798	5,317	74,115	74,114	1
Purchased professional and technical services	7,650	18,857	26,507	26,484	23
Supplies and materials	4,500	(2,000)	2,500	2,420	80
Other objects	900	-	900	894	6
<b>Total Undistributed Expenditures - Health Services</b>	<u>81,848</u>	<u>22,174</u>	<u>104,022</u>	<u>103,912</u>	<u>110</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.</b>					
Salaries	\$ 202,987	\$ 20,136	\$ 223,123	\$ 223,123	\$ -
Purchased professional - educational services	206,877	(50,444)	156,433	130,868	25,565
Supplies and materials	6,000	-	6,000	2,822	3,178
Other objects	200	350	550	205	345
<b>Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser. Guidance</b>	<u>416,064</u>	<u>(29,958)</u>	<u>386,106</u>	<u>357,018</u>	<u>29,088</u>
Purchased professional - educational services	6,500	(3,232)	3,268	3,268	-
<b>Total Guidance</b>	<u>6,500</u>	<u>(3,232)</u>	<u>3,268</u>	<u>3,268</u>	<u>-</u>
<b>Child Study Teams</b>					
Salaries of other professional staff	360,458	(128)	360,330	357,977	2,353
Salaries of secretarial and clerical assistants	71,920	30	71,950	71,950	-
Other purchased professional & tech services	13,950	(6,274)	7,676	7,675	1
Other purchased services (400-500 series)	2,500	(2,193)	307	307	-
Residential costs	-	5,983	5,983	5,982	1
Miscellaneous purchased service	-	1,059	1,059	1,059	-
Supplies and materials	6,000	(6,000)	-	-	-
Other objects	1,000	(1,000)	-	-	-
<b>Total Child Study Teams</b>	<u>455,828</u>	<u>(8,523)</u>	<u>447,305</u>	<u>444,950</u>	<u>2,355</u>
<b>Undist. Expend. - Improvement of Instruction Services</b>					
Salaries of supervisor of instruction	79,135	1,961	81,096	81,095	1
<b>Total Undist. Expend. - Improvement of Instruction Services</b>	<u>79,135</u>	<u>1,961</u>	<u>81,096</u>	<u>81,095</u>	<u>1</u>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	18,667	-	18,667	18,667	-
Salaries of Technology Coordinators	83,488	800	84,288	84,288	-
Purchased professional and technical services	850	(800)	50	-	50
Other purchased services (400-500 series)	500	-	500	424	76
Supplies and materials	15,000	-	15,000	8,032	6,968
Other objects	1,000	-	1,000	-	1,000
<b>Total Undist. Expend. - Ed. Media Services/School Library</b>	<u>119,505</u>	<u>-</u>	<u>119,505</u>	<u>111,411</u>	<u>8,094</u>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Purchased professional - educational services	15,672	-	15,672	11,473	4,199
Other purchased services (400-500 series)	32,850	(3,261)	29,589	10,948	18,641
Supplies and materials	500	-	500	-	500
Other objects	500	-	500	-	500
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<u>49,522</u>	<u>(3,261)</u>	<u>46,261</u>	<u>22,421</u>	<u>23,840</u>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	170,526	-	170,526	170,526	-
Legal services	30,000	-	30,000	27,658	2,342
Audit fees	21,500	-	21,500	20,750	750
Other purchased professional services	-	10,645	10,645	7,925	2,720
Purchased technical services	8,055	2,500	10,555	10,436	119
Communications/Telephone	39,700	(2,500)	37,200	32,166	5,034
Other Purchased Services	7,500	-	7,500	3,728	3,772
Other purchased services (400-500 series)	28,800	-	28,800	24,976	3,824
General supplies	7,000	-	7,000	4,143	2,857
In-House Training/Meeting Supplies	500	-	500	24	476
Miscellaneous expenditures	4,000	19,355	23,355	4,431	18,924
Membership Dues and Fees	8,000	-	8,000	7,713	287
<b>Total Undist. Expend. - Support Service - Gen. Admin.</b>	<u>325,581</u>	<u>30,000</u>	<u>355,581</u>	<u>314,476</u>	<u>41,105</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of principals/Assistant principals	\$ 98,664	\$ -	\$ 98,664	\$ 98,664	\$ -
Salaries of secretarial and clerical assistants	90,600	2,214	92,814	92,814	-
Other purchased services (400-500 series)	10,000	-	10,000	2,748	7,252
Supplies and materials	10,000	2,073	12,073	11,886	187
Other objects	2,000	15,866	17,866	1,640	16,226
<b>Total Undist. Expend. - Support Service - School Admin.</b>	<b>211,264</b>	<b>20,153</b>	<b>231,417</b>	<b>207,752</b>	<b>23,665</b>
<b>Undist. Expend. - Support Service - Central Services</b>					
Salaries	147,572	-	147,572	147,571	1
Other purchased professional services	15,300	-	15,300	15,149	151
Purchased technical services	22,441	-	22,441	21,942	499
Miscellaneous purchased services	2,200	-	2,200	1,508	692
Supplies and materials	5,000	450	5,450	5,314	136
Miscellaneous expenditures	1,450	(1,450)	-	-	-
Other objects	-	19,000	19,000	1,415	17,585
<b>Total Undist. Expend. - Support Service - Central Services</b>	<b>193,963</b>	<b>18,000</b>	<b>211,963</b>	<b>192,899</b>	<b>19,064</b>
<b>Undist. Expend. - Required Maintenance for School Facilities</b>					
Cleaning, repair and maintenance services	241,046	13,497	254,543	170,897	83,646
General supplies	22,900	1,500	24,400	19,252	5,148
Other objects	900	4,600	5,500	816	4,684
<b>Total Undist. Expend. - Required Maint. for School Facilities</b>	<b>264,846</b>	<b>19,597</b>	<b>284,443</b>	<b>190,965</b>	<b>93,478</b>
<b>Undist. Expend. - Other Operation &amp; Maintenance of Plant</b>					
Energy (gasoline)	1,500	-	1,500	1,323	177
Salaries	409,642	(2,621)	407,021	364,816	42,205
Salaries of Non-Instructional Aids	63,450	4,878	68,328	68,328	-
Purchased professional and technical services	1,500	-	1,500	600	900
Cleaning, repair and maintenance services	8,200	(296)	7,904	5,197	2,707
Lease Purchase payments Energy Savings	42,000	(42,000)	-	-	-
Other purchased property services	35,000	-	35,000	28,206	6,794
Insurance	103,000	(5,300)	97,700	86,414	11,286
Miscellaneous purchased services	2,400	-	2,400	1,789	611
General supplies	42,200	(2,161)	40,039	30,652	9,387
Energy (energy and electricity)	60,000	47,300	107,300	91,408	15,892
Other objects	3,950	200	4,150	3,958	192
Energy (Natural Gas)	80,000	-	80,000	45,487	34,513
<b>Total Undist. Expend. - Other Operation &amp; Maint. Of Plant</b>	<b>852,842</b>	<b>-</b>	<b>852,842</b>	<b>728,178</b>	<b>124,664</b>
<b>Undist. Expend. - Care &amp; Upkeep of Grounds</b>					
Cleaning, repair and maintenance services	49,000	(1,700)	47,300	5,563	41,737
General supplies	8,000	1,700	9,700	9,055	645
Other Objects	500	-	500	-	500
<b>Total Undist. Expend. - Care and Upkeep of Grounds</b>	<b>57,500</b>	<b>-</b>	<b>57,500</b>	<b>14,618</b>	<b>42,882</b>
<b>Undist. Expend. - Security</b>					
Salaries	65,000	(30,000)	35,000	432	34,568
Purchased prof. & tech. svc.	-	30,000	30,000	23,599	6,401
Cleaning, repair and maintenance services	17,300	2,000	19,300	17,442	1,858
General supplies	11,500	(542)	10,958	7,035	3,923
<b>Total Undist. Expend. - Security</b>	<b>93,800</b>	<b>1,458</b>	<b>95,258</b>	<b>48,508</b>	<b>46,750</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries of Non-Instructional Aids	\$ 33,875	\$ -	\$ 33,875	\$ 33,875	\$ -
Salaries for pupil transportation (between home and school) - Regular	86,946	-	86,946	67,431	19,515
Salaries for pupil transportation (between home and school) - Special	40,988	19,000	59,988	51,328	8,660
Other purchased professional & tech services	45,600	5,200	50,800	47,184	3,616
Cleaning, repair and maintenance services	20,000	18,000	38,000	37,512	488
Contract services (between home & school) - Vendors	105,000	-	105,000	99,823	5,177
Contract services (other than between home & school) - Vendors	7,000	1,000	8,000	4,996	3,004
Contract services (between home & school) - joint agreements	20,000	24,400	44,400	43,900	500
Contract services - (Sp Ed) - vendors	6,000	2,400	8,400	7,000	1,400
Contract services - (regular education students) - ESCs & CTSA's	155,000	(8,000)	147,000	126,375	20,625
Contract services - (special education students) - ESCs & CTSA's	350,000	(123,400)	226,600	219,405	7,195
Aid in lieu of payments	15,000	(6,600)	8,400	5,304	3,096
Miscellaneous purchased services - Transportation	13,000	-	13,000	12,077	923
Transportation Supplies	21,000	-	21,000	15,830	5,170
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>919,409</b>	<b>(68,000)</b>	<b>851,409</b>	<b>772,040</b>	<b>79,369</b>
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Group insurance	300	-	300	227	73
Social security contributions	125,000	445	125,445	125,445	-
Other Retirement Contributions - PERS	153,000	(445)	152,555	135,545	17,010
Other Retirement Contributions - ERIP	15,000	-	15,000	14,277	723
Other Retirement Contributions - Regular	7,000	6,000	13,000	7,812	5,188
Unemployment compensation	50,000	(27,000)	23,000	-	23,000
Workmen's compensation	96,000	2,296	98,296	98,296	-
Health benefits	1,485,905	18,704	1,504,609	1,305,966	198,643
Tuition reimbursement	20,000	-	20,000	2,952	17,048
Other employee benefits	57,000	-	57,000	31,417	25,583
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<b>2,009,205</b>	<b>-</b>	<b>2,009,205</b>	<b>1,721,937</b>	<b>287,268</b>
On-behalf TPAF LTDI (non-budgeted)	-	-	-	1,067	(1,067)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	361,317	(361,317)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	433,635	(433,635)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	303,392	(303,392)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,099,411</b>	<b>(1,099,411)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>2,009,205</b>	<b>-</b>	<b>2,009,205</b>	<b>2,821,348</b>	<b>(812,143)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>10,942,497</b>	<b>(58,416)</b>	<b>10,884,081</b>	<b>11,020,374</b>	<b>(136,293)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>14,878,485</b>	<b>68,927</b>	<b>14,947,412</b>	<b>14,963,819</b>	<b>(16,407)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Preschool	7,497	-	7,497	-	7,497
<b>Special Education - Instruction:</b>					
Undistributed expenditures - Instruction	54,700	(48,268)	6,432	-	6,432
Undistributed expenditures - General administration	15,000	-	15,000	14,250	750
Undistributed expenditures - School administration	5,400	2,068	7,468	7,461	7
Athletics	16,254	4,751	21,005	21,004	1
<b>Total Equipment</b>	<b>98,851</b>	<b>(41,449)</b>	<b>57,402</b>	<b>42,715</b>	<b>14,687</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undistributed Expenses - Non Instructional Services</b>					
Undist. Exp. Custodial Services	\$ -	\$ 6,069	\$ 6,069	\$ 6,069	\$ -
Undist. Exp - Req. Maint. Schl Facilities	11,000	(10,420)	580	-	580
Undist. Exp - Care and Upkeep of Grounds	27,500	(400)	27,100	25,417	1,683
<b>Total Undistributed Expenses - Non Instructional Services</b>	<u>38,500</u>	<u>(4,751)</u>	<u>33,749</u>	<u>31,486</u>	<u>2,263</u>
<b>Facilities Acquisition and Construction Services</b>					
Construction services	120,000	(6,320)	113,680	94,717	18,963
Legal	1,000	-	1,000	292	708
Architect	4,000	3,295	7,295	7,295	-
Supplies and materials	-	3,025	3,025	2,930	95
Lease purchase agreements - principal	27,437	-	27,437	27,437	-
Assessment for Debt Service on SDA Funding	32,350	-	32,350	32,350	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>184,787</u>	<u>-</u>	<u>184,787</u>	<u>165,021</u>	<u>19,766</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>322,138</u>	<u>(46,200)</u>	<u>275,938</u>	<u>239,222</u>	<u>36,716</u>
<b>TOTAL EXPENDITURES</b>	<u>15,200,623</u>	<u>22,727</u>	<u>15,223,350</u>	<u>15,203,041</u>	<u>20,309</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(335,072)	(22,727)	(357,799)	920,739	1,278,538
<b>Fund Balance, July 1</b>	3,352,511	-	3,352,511	3,352,511	-
<b>Fund Balance, June 30</b>	<u>\$ 3,017,439</u>	<u>\$ (22,727)</u>	<u>\$ 2,994,712</u>	<u>4,273,250</u>	<u>\$ 1,278,538</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				798,419	
Emergency reserve				50,000	
Maintenance reserve				510,675	
Tuition reserve				915,000	
Excess surplus - current year				802,215	
Excess surplus - designated for subsequent year's expenditures				-	
<b>Committed Fund Balance:</b>					
Other purposes				-	
Year-end encumbrances				22,183	
<b>Assigned Fund Balance:</b>					
Designated for subsequent year's expenditures				739,086	
<b>Unrestricted/undesignated fund balance</b>				<u>\$ 435,672</u>	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Fund balance per governmental funds (Budgetary)				\$ 4,273,250	
Last state aid payment not recognized on GAAP basis				(832,454)	
<b>Fund balance per governmental funds (GAAP) - B-1</b>				<u>3,440,796</u>	
Restricted fund balances				3,837,578	
Unrestricted fund balances				(396,782)	
<b>Fund balance per governmental funds (GAAP) - B-1</b>				<u>\$ 3,440,796</u>	

**UNION BEACH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	165,092	-	165,092	183,435	18,343
Federal sources	575,184	-	575,184	534,544	(40,640)
<b>Total Revenues</b>	<u>740,276</u>	<u>-</u>	<u>740,276</u>	<u>717,979</u>	<u>(22,297)</u>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of teachers	262,099	9,421	271,520	271,520	-
Other salaries for instruction	65,619	(8,223)	57,396	46,660	10,736
Purchased professional services	2,000	(1,198)	802	802	-
Tuition	247,131	-	247,131	247,131	-
Textbooks	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-
General supplies	23,843	-	23,843	22,566	1,277
<b>Total instruction</b>	<u>600,692</u>	<u>-</u>	<u>600,692</u>	<u>588,679</u>	<u>12,013</u>
<b>Support services:</b>					
Other professional staff salaries	5,400	-	5,400	2,586	2,814
Secretarial/clerical salaries	-	-	-	-	-
Personal services - employee benefits	68,790	4,030	72,820	67,505	5,315
Purchased professional - educational services	29,974	-	29,974	28,822	1,152
Other purchased professional services	21,686	(4,030)	17,656	17,656	-
Purchased technical services	-	-	-	-	-
Travel	-	-	-	-	-
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	13,734	-	13,734	12,731	1,003
<b>Total support services</b>	<u>139,584</u>	<u>-</u>	<u>139,584</u>	<u>129,300</u>	<u>10,284</u>
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>740,276</u>	<u>-</u>	<u>740,276</u>	<u>717,979</u>	<u>22,297</u>
<b>Other financing sources (uses)</b>					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
<b>Total outflows</b>	<u>740,276</u>	<u>-</u>	<u>740,276</u>	<u>717,979</u>	<u>22,297</u>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				\$ (18,343)	
<b>Fund balance per governmental funds (GAAP)</b>				<u>\$ (18,343)</u>	

**UNION BEACH SCHOOL DISTRICT  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2017**

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

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 16,123,780	[C-2] \$ 717,979
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	941
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(433,635)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	843,807	11,356
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(832,454)	(18,343)
<b>Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.</b>	<b>[B-2] \$ 15,701,498</b>	<b>[B-2] \$ 711,933</b>
 <b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	[C-1] \$ 15,203,041	[C-2] \$ 717,979
Differences - budget to GAAP		
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(433,635)	
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.	-	941
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>[B-2] \$ 14,769,406</b>	<b>[B-2] \$ 718,920</b>



REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.0178010150%	0.0173962391%	0.0156900316%
District's proportionate share of the net pension liability	\$ 3,332,837	\$ 4,044,495	\$ 4,646,937
District's covered-employee payroll	277,585	226,561	273,887
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	1200.65%	1785.17%	5.89%
Plan fiduciary net position as a percentage of the total pension liability	67.89%	61.84%	45.35%

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

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

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

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contributions	\$ 146,749	\$ 149,561	\$ 135,545
Contributions in relation to the contractually required contribution	<u>146,635</u>	<u>149,561</u>	<u>135,545</u>
Contribution deficiency (excess)	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 277,585	\$ 226,561	\$ 273,887
Contributions as a percentage of covered-employee payroll	52.87%	66.01%	49.49%

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

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

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.0447031709%	0.0429608354%	0.0399501732%
District's proportionate share of the net pension liability	\$ 23,892,390	\$ 27,153,083	\$ 31,427,350
District's covered-employee payroll	1,155,506	966,280	1,247,572
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	2067.70%	2810.06%	3.97%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%

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

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

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

Union Beach School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2017

Assumptions

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. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

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

OTHER SUPPLEMENTARY INFORMATION

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

	Title I Part A 16/17	Title II Part A 16/17	IDEA-Part B-Basic Reg Prog 16/17
<b>Revenues:</b>			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	<u>238,749</u>	<u>34,392</u>	<u>247,131</u>
<b>Total revenues</b>	<u><u>238,749</u></u>	<u><u>34,392</u></u>	<u><u>247,131</u></u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	171,915	4,000	-
Other salaries/instruction	13,296	-	-
Purchased professional services	-	-	-
General supplies	16,316	-	-
Tuition	-	-	247,131
Textbooks	-	-	-
Miscellaneous expenses	-	-	-
<b>Total instruction</b>	<u><u>201,527</u></u>	<u><u>4,000</u></u>	<u><u>247,131</u></u>
<b>Support services:</b>			
<b>Other support services - students - special:</b>			
Other professional staff salaries	-	2,586	-
Secretarial/Clerical salaries	-	-	-
Purchased professional services	-	14,550	-
Other purchased professional services	-	-	-
Purchased technical services	-	-	-
Employee benefits	37,222	525	-
Travel	-	-	-
Miscellaneous purchased services	-	-	-
General supplies	-	12,731	-
Miscellaneous expenses	-	-	-
<b>Total other support services - students - special</b>	<u><u>37,222</u></u>	<u><u>30,392</u></u>	<u><u>-</u></u>
<b>Total support services</b>	<u><u>37,222</u></u>	<u><u>30,392</u></u>	<u><u>-</u></u>
<b>Equipment:</b>			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
<b>Total equipment</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Total expenditures</b>	<u><u>\$ 238,749</u></u>	<u><u>\$ 34,392</u></u>	<u><u>\$ 247,131</u></u>
<b>Other financing sources</b>			
Transfer from other funds	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Total outflows</b>	<u><u>238,749</u></u>	<u><u>34,392</u></u>	<u><u>247,131</u></u>
<b>Excess (deficiency) of revenue over expenses</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued on next page)

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

(continued from previous page)

	IDEA-Part B-Preschool Reg Prog 16/17	Pre-school Aid 16/17	Total 2017
<b>Revenues:</b>			
Local sources	\$ -	\$ -	\$ -
State sources	-	183,435	183,435
Federal sources	14,272	-	534,544
<b>Total revenues</b>	<u>14,272</u>	<u>183,435</u>	<u>717,979</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of teachers	-	95,605	271,520
Other salaries/instruction	-	33,364	46,660
Purchased professional services	-	802	802
General supplies	-	6,250	22,566
Tuition	-	-	247,131
Textbooks	-	-	-
Miscellaneous expenses	-	-	-
<b>Total instruction</b>	<u>-</u>	<u>136,021</u>	<u>588,679</u>
<b>Support services:</b>			
<b>Other support services - students - special:</b>			
Other professional staff salaries	-	-	2,586
Secretarial/Clerical salaries	-	-	-
Purchased professional services	14,272	-	28,822
Other purchased professional services	-	-	-
Purchased technical services	-	17,656	17,656
Employee benefits	-	29,758	67,505
Travel	-	-	-
Miscellaneous purchased services	-	-	-
General supplies	-	-	12,731
Miscellaneous expenses	-	-	-
<b>Total other support services - students - special</b>	<u>14,272</u>	<u>47,414</u>	<u>129,300</u>
<b>Total support services</b>	<u>14,272</u>	<u>47,414</u>	<u>129,300</u>
<b>Equipment:</b>			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 14,272</u>	<u>\$ 183,435</u>	<u>\$ 717,979</u>
<b>Other financing sources</b>			
Transfer from other funds	-	-	-
<b>Total outflows</b>	<u>\$ 14,272</u>	<u>\$ 183,435</u>	<u>\$ 717,979</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**UNION BEACH SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid Expenditures**  
**Preschool - All Programs**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 95,605	\$ 95,605	\$ -
Other Salaries for Instruction	33,364	33,364	-
Purchased Professional & Technical Services	-	-	-
Other Purchased Services (400-500 series)	802	802	-
Tuition to Other LEAs Within the State - Regular	-	-	-
General Supplies	6,250	6,250	-
Other Objects	-	-	-
<b>Total instruction</b>	<u>136,021</u>	<u>136,021</u>	<u>-</u>
<b>Support services:</b>			
Salaries of Program Directors	-	-	-
Salaries of Supervisors of Instruction	-	-	-
Salaries of Other Professional Staff	-	-	-
Salaries of Secr. And Clerical Assistants	-	-	-
Other Salaries	-	-	-
Salaries of Community Parent Involvement Spec.	-	-	-
Salaries of Master Teachers	-	-	-
Personal Services - Employee Benefits	29,758	29,758	-
Purchased Educational Services - Contracted Pre-K	-	-	-
Purchased Professional - Educational Services	17,656	17,656	-
Other Purchased Professional Services	-	-	-
Cleaning, Repair, and Maintenance Services	-	-	-
Purchased Technical Services	-	-	-
Rentals	-	-	-
Contr. Serv.-Trans. (Bet. Home & Sch.)	-	-	-
Contr. Serv.-Trans. (Wrap Around Services)	-	-	-
Contr. Serv.-Trans. (Field Trips)	-	-	-
Travel	-	-	-
Other Purchased Services (400-500 series)	-	-	-
Supplies & Materials	-	-	-
Other Objects	-	-	-
<b>Total support services</b>	<u>47,414</u>	<u>47,414</u>	<u>-</u>
<b>Facilities acquisition and cont. serv:</b>			
Instructional equipment	-	-	-
Noninstructional Equipment	-	-	-
<b>Total Facilities acquisition and cont. serv.</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Contribution to Charter Schools</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfer to General Fund</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 183,435</u>	<u>\$ 183,435</u>	<u>\$ -</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2016-17 PreK/ECPA Aid Allocation	\$ 183,435
Add: Actual PreK/ECPA Aid Carryover June 30, 2016	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2016-17 Budget	<u>183,435</u>
Less: 2016-17 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>(183,435)</u>
Available & Unbudgeted Funds as of June 30, 2017	-
Add: June 30, 2016 Unexpended PreK Aid	-
2017- Actual Carryover - PreK Aid	<u>\$ -</u>
2016-17 PreK Aid Carryover Budgeted in 2017-FY	<u>\$ -</u>

UNION BEACH SCHOOL DISTRICT  
Enterprise Fund  
Statement of Net Position  
June 30, 2017

	Business-Type Activities-Enterprise Funds		
	Food Service	Latchkey Program	Totals
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 207,038	\$ 231,660	\$ 438,698
Accounts receivable:			
State	171	-	171
Federal	6,442	-	6,442
Interfunds	-	-	-
Other	-	-	-
Inventories	<u>2,322</u>	<u>-</u>	<u>2,322</u>
<b>Total current assets</b>	<u>215,973</u>	<u>231,660</u>	<u>447,633</u>
<b>Fixed assets:</b>			
Equipment	338,751	-	338,751
Accumulated depreciation	<u>(284,233)</u>	<u>-</u>	<u>(284,233)</u>
<b>Total fixed assets</b>	<u>54,518</u>	<u>-</u>	<u>54,518</u>
<b>Total assets</b>	<u>270,491</u>	<u>231,660</u>	<u>502,151</u>
<b>Liabilities and Net Position:</b>			
<b>Liabilities:</b>			
Accounts payable	2,380	-	2,380
Deferred Revenues	1,644	-	1,644
Interfunds	<u>90,044</u>	<u>-</u>	<u>90,044</u>
<b>Total liabilities</b>	<u>94,068</u>	<u>-</u>	<u>94,068</u>
<b>Net position:</b>			
Invested in capital assets, net of related debt	54,518	-	54,518
Restricted for other purposes	-	-	-
Contributed capital	-	-	-
Unrestricted net position	<u>121,905</u>	<u>231,660</u>	<u>353,565</u>
<b>Total net position</b>	<u>176,423</u>	<u>231,660</u>	<u>408,083</u>
<b>Total liabilities and net position</b>	<u>\$ 270,491</u>	<u>\$ 231,660</u>	<u>\$ 502,151</u>

UNION BEACH SCHOOL DISTRICT  
 Food Services Enterprise Fund  
 Statement of Revenues, Expenses and  
 Changes in Net Position  
 for the Fiscal Year Ended June 30, 2017

	Business-Type Activities-Enterprise Funds		
	Food Service	Latchkey Program	Totals
Operating revenues:			
Tuition	\$ -	\$ 73,530	\$ 73,530
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	107,635	-	107,635
Special milk program	-	-	-
Total-daily sales-reimbursable programs	107,635	73,530	181,165
Daily sales non-reimbursable programs	-	-	-
Total operating revenues	<u>107,635</u>	<u>73,530</u>	<u>181,165</u>
Operating expenses:			
Salaries	63,217	58,088	121,305
Employee benefits	15,024	4,444	19,468
Purchased property	2,380	-	2,380
Other purchased services	9,797	165	9,962
Supplies and materials	7,288	2,218	9,506
Depreciation	16,938	-	16,938
Cost of sales - reimbursable programs	118,985	-	118,985
Cost of sales - non-reimbursable programs	-	-	-
Total operating expenses	<u>233,629</u>	<u>64,915</u>	<u>298,544</u>
Operating loss	<u>(125,994)</u>	<u>8,615</u>	<u>(117,379)</u>
Nonoperating revenues:			
Interest income	377	-	377
State sources:			
State school lunch program	2,630	-	2,630
Federal sources:			
National school lunch program	95,187	-	95,187
National school breakfast program	5,915	-	5,915
U.S.D.A. commodities	15,531	-	15,531
Total nonoperating revenues	<u>119,640</u>	<u>-</u>	<u>119,640</u>
Change in net position	(6,354)	8,615	2,261
Total net position beginning	<u>182,777</u>	<u>223,045</u>	<u>405,822</u>
Total net position ending	<u>\$ 176,423</u>	<u>\$ 231,660</u>	<u>\$ 408,083</u>

UNION BEACH SCHOOL DISTRICT  
Food Services Enterprise Fund  
Statement of Cash Flows  
for the Fiscal Year ended June 30, 2017

	Business-Type Activities-Enterprise Funds		
	Food Service	Latchkey Program	Totals
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and other funds	\$ 108,148	\$ 73,530	\$ 181,678
Payments to employees	(63,217)	(58,088)	(121,305)
Payments for employee benefits	(15,024)	(4,444)	(19,468)
Payments to suppliers	(120,377)	(2,383)	(122,760)
Net cash provided by (used for) operating activities	(90,470)	8,615	(81,855)
<b>Cash Flows from Noncapital Financing Activities</b>			
State sources	2,658	-	2,658
Federal sources	102,385	-	102,385
Net cash provided by (used for) noncapital financing activities	105,043	-	105,043
<b>Cash Flows from Investing Activities</b>			
Interest Income	377	-	377
Net cash provided by (used for) investing activities	377	-	377
Net increase (decrease) in cash and cash equivalents	14,950	8,615	23,565
Balances-beginning of the year	192,088	223,045	415,133
Balances-end of the year	207,038	231,660	438,698
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating loss	(125,994)	8,615	(117,379)
Adjustments to reconcile operating loss to cash used by operating activities:			
Depreciation	16,938	-	16,938
Federal commodities	15,531	-	15,531
Change in assets and liabilities:			
Decrease (increase) in interfund	-	-	-
Decrease (increase) in accounts receivable	-	-	-
Decrease (increase) in inventory	163	-	163
Increase (decrease) in accounts payable	2,380	-	2,380
Increase (decrease) in deferred revenues	512	-	512
Total adjustments	35,524	-	35,524
Net cash used by operating activities	\$ (90,470)	\$ 8,615	\$ (81,855)

**UNION BEACH SCHOOL DISTRICT**  
**Statement of Agency Fund Assets, Liabilities and Net Position**  
**Fiduciary Funds**  
**June 30, 2017**

	Trust	Agency		Total
	Unemployment Compensation Trust	Student Activity	Payroll Agency	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 38,061	\$ 35,243	\$ 10,580	\$ 83,884
Intergovernmental Accounts Receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>38,061</u>	<u>35,243</u>	<u>10,580</u>	<u>83,884</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	6,143	6,143
Payable to student groups	-	35,243	-	35,243
Interfund payable	20,151	-	4,414	24,565
Other current liabilities	-	-	23	23
Total liabilities	<u>20,151</u>	<u>35,243</u>	<u>10,580</u>	<u>65,974</u>
<b>NET POSITION</b>				
Held in trust for unemployment claims and other purposes	17,910	-	-	17,910
Reserved for scholarships	-	-	-	-
Total net position	<u>17,910</u>	<u>-</u>	<u>-</u>	<u>17,910</u>
Total liabilities and net position	<u>\$ 38,061</u>	<u>\$ 35,243</u>	<u>\$ 10,580</u>	<u>\$ 83,884</u>

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

	Unemployment Compensation Trust	Total
<b>ADDITIONS</b>		
Contributions:		
Plan member	\$ 20,322	\$ 20,322
Other	-	-
Total Contributions	<u>20,322</u>	<u>20,322</u>
Investment earnings:		
Net increase (decrease) in fair value of investments	-	-
Interest	65	65
Dividends	-	-
Less investment expense	-	-
Net investment earnings	<u>65</u>	<u>65</u>
Total additions	<u>20,387</u>	<u>20,387</u>
<b>DEDUCTIONS</b>		
Quarterly contribution reports	-	-
Unemployment claims	18,643	18,643
Scholarships awarded	-	-
Refunds of contributions	-	-
Administrative expenses	-	-
Total deductions	<u>18,643</u>	<u>18,643</u>
Change in net positions	1,744	1,744
Net position—beginning of the year	<u>16,166</u>	<u>16,166</u>
Net position—end of the year	<u>\$ 17,910</u>	<u>\$ 17,910</u>

**UNION BEACH SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Due to Student Groups	\$ 40,970	65,693	71,420	\$ 35,243
Total all schools	<u>\$ 40,970</u>	<u>65,693</u>	<u>71,420</u>	<u>\$ 35,243</u>

**UNION BEACH SCHOOL DISTRICT**  
**Payroll Agency and Payroll Account Funds**  
**Schedule of receipts and disbursements**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Interfund Accounts Payable	\$ 4,414	-	-	\$ 4,414
Accrued Salaries and Benefits	22	6,669,511	6,669,510	23
Payroll deductions and withholdings	<u>4,217</u>	<u>3,606,498</u>	<u>3,604,572</u>	<u>6,143</u>
Total	<u>\$ 8,653</u>	<u>10,276,009</u>	<u>10,274,082</u>	<u>\$ 10,580</u>



**UNION BEACH SCHOOL DISTRICT  
SCHEDULE OF LOANS PAYABLE  
AS OF JUNE 30, 2017**

	<u>Interest Rate Payables</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2016</u>	<u>Additions Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2017</u>
Community Disaster Loan	1.375%	899,147	\$ 899,147	-	-	\$ 899,147
			<u>\$ 899,147</u>	<u>-</u>	<u>-</u>	<u>\$ 899,147</u>

STATISTICAL SECTION

Union Beach School District  
Statistical Section

<u>Contents</u>	<u>Pages</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over	93-97
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	98-101
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's	102-105
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial	106-107
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it	108-112

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

**Union Beach School District**  
**Net Assets/Position by Component**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(accrual basis of accounting)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 7,712,770	\$ 7,430,567	\$ 7,167,697	\$ 6,884,634	\$ 6,636,702	\$ 6,674,457	\$ 6,914,516	\$ 6,722,949	\$ 6,634,060	\$ 6,536,144
Restricted	2,269,740	3,507,220	2,502,604	2,562,352	1,528,816	1,773,680	1,260,194	1,314,193	1,945,724	3,819,235
Unrestricted	(437,841)	(1,263,522)	(1,584,780)	(1,623,761)	(1,125,797)	(988,485)	(1,023,207)	(4,279,408)	(4,373,730)	(5,314,043)
<b>Total governmental activities net assets/position</b>	<b>\$ 9,544,669</b>	<b>\$ 9,674,265</b>	<b>\$ 8,085,521</b>	<b>\$ 7,823,225</b>	<b>\$ 7,039,721</b>	<b>\$ 7,459,652</b>	<b>\$ 7,151,503</b>	<b>\$ 3,757,734</b>	<b>\$ 4,206,054</b>	<b>\$ 5,041,336</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 186,893	\$ 167,073	\$ 151,002	\$ 156,146	\$ 139,208	\$ 122,270	\$ 105,332	\$ 88,394	\$ 71,456	\$ 54,518
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	275,771	322,527	369,936	373,038	395,353	235,276	264,310	290,707	334,366	353,565
<b>Total business-type activities net assets/position</b>	<b>\$ 462,664</b>	<b>\$ 489,600</b>	<b>\$ 520,938</b>	<b>\$ 529,184</b>	<b>\$ 534,561</b>	<b>\$ 357,546</b>	<b>\$ 369,642</b>	<b>\$ 379,101</b>	<b>\$ 405,822</b>	<b>\$ 408,083</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 7,899,663	\$ 7,597,640	\$ 7,318,699	\$ 7,040,780	\$ 6,775,910	\$ 6,796,727	\$ 7,019,848	\$ 6,811,343	\$ 6,705,516	\$ 6,590,662
Restricted	2,269,740	3,507,220	2,502,604	2,562,352	1,528,816	1,773,680	1,260,194	1,314,193	1,945,724	3,819,235
Unrestricted	(162,070)	(940,995)	(1,214,844)	(1,250,723)	(730,444)	(753,209)	(758,897)	(3,988,701)	(4,039,364)	(4,960,478)
<b>Total district net assets/position</b>	<b>\$ 10,007,333</b>	<b>\$ 10,163,865</b>	<b>\$ 8,606,459</b>	<b>\$ 8,352,409</b>	<b>\$ 7,574,282</b>	<b>\$ 7,817,198</b>	<b>\$ 7,521,145</b>	<b>\$ 4,136,835</b>	<b>\$ 4,611,876</b>	<b>\$ 5,449,419</b>

**Union Beach School District  
Changes in Net Assets/Position  
Last Ten Fiscal Years  
UNAUDITED  
(accrual basis of accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 5,307,569	\$ 4,926,525	\$ 5,861,585	\$ 5,594,153	\$ 3,663,075	\$ 3,450,127	\$ 3,450,528	\$ 3,027,074	\$ 3,122,538	\$ 3,247,016
Special education	1,258,974	1,414,406	664,106	1,138,160	834,897	917,104	914,164	1,038,462	1,087,527	1,214,808
Other special education	58,191	53,942	50,953	10,949	50,217	49,461	53,540	49,083	58,027	71,241
Other instruction	71,552	60,468	64,795	68,942	-	-	-	-	-	-
Support Services:										
Instruction	4,509,769	4,914,402	5,229,798	4,878,956	6,520,501	6,187,161	5,547,840	5,479,405	4,997,825	4,806,689
Student and Instruction Services	1,128,786	1,066,067	1,486,089	1,618,449	202,760	222,305	201,964	208,988	202,977	237,744
Other support services	743,712	762,988	860,936	733,766	955,499	906,186	1,089,669	945,836	904,391	1,049,160
General Business and Administrative	-	-	-	-	327,711	535,454	306,298	297,047	330,980	326,446
School administrative services	539,401	533,719	269,366	264,380	201,083	202,384	220,908	220,470	199,165	207,752
Central services	-	-	-	-	244,875	179,191	159,839	180,681	179,429	192,899
Plant operations and maintenance	1,481,013	1,298,958	1,307,281	1,221,260	890,782	1,036,502	1,093,614	932,596	951,957	1,048,580
Care & upkeep of grounds	-	-	-	-	101,451	4,788	10,724	19,260	19,925	14,618
Pupil transportation	580,753	595,926	642,544	655,527	612,363	1,330,413	626,931	778,304	742,462	781,576
Attendance and social work	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	87,400	26,800	326,519	-	-	-	-	-	-
Special schools	620,141	16,727	14,064	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	1,030	12,363	12,363	12,717
Unallocated employee benefits	-	-	-	-	1,729,195	1,476,000	2,001,405	1,655,501	1,749,579	1,701,127
Non-budgeted expenditures	-	-	-	-	807,664	915,576	802,704	654,395	673,775	665,776
Total governmental activities expenses	16,299,861	15,731,528	16,478,317	16,511,061	17,142,073	17,412,652	16,481,158	15,499,465	15,232,920	15,778,149
<b>Business-type activities:</b>										
Food service/LatchKey Program	331,189	336,414	347,769	360,213	354,938	383,732	279,113	266,350	272,792	298,544
Total business-type activities expense	331,189	336,414	347,769	360,213	354,938	383,732	279,113	266,350	272,792	298,544
Total district expenses	\$ 16,631,050	\$ 16,067,942	\$ 16,826,086	\$ 16,871,274	\$ 17,497,011	\$ 17,796,384	\$ 16,760,271	\$ 15,765,815	\$ 15,505,712	\$ 15,876,693
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ 12,210	\$ -	\$ -	\$ 23,314.0	\$ 1,740.0	\$ 4,618
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,291,985	886,417	844,431	662,436	807,664	915,576	802,704	654,395	673,775	665,776
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	2,291,985	886,417	844,431	662,436	819,874	915,576	802,704	677,709	675,515	670,394
<b>Business-type activities:</b>										
Charges for services:										
Food service	244,621	234,073	233,168	211,624	125,592	29,524	100,739	101,745	103,843	107,635
Child care	-	-	-	-	72,766	24,497	44,440	46,035	61,587	73,530
Operating grants and contributions	132,960	129,277	145,939	136,554	161,957	152,612	145,920	127,995	134,083	119,263
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	377,581	363,350	379,107	348,178	360,315	206,633	291,099	275,775	299,513	300,428
Total district program revenues	\$ 2,669,566	\$ 1,249,767	\$ 1,223,538	\$ 1,010,614	\$ 1,180,189	\$ 1,122,209	\$ 1,093,803	\$ 953,484	\$ 975,028	\$ 970,822
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (14,007,876)	\$ (14,845,111)	\$ (15,633,966)	\$ (15,848,625)	\$ (16,322,199)	\$ (16,497,076)	\$ (15,678,454)	\$ (14,821,756)	\$ (14,557,405)	\$ (14,907,755)
Business-type activities	46,392	26,936	31,338	(12,035)	5,377	(177,099)	11,986	9,425	26,721	1,884
Total district-wide net expense	\$ (13,961,484)	\$ (14,818,175)	\$ (15,602,628)	\$ (15,860,660)	\$ (16,316,822)	\$ (16,674,175)	\$ (15,666,468)	\$ (14,812,331)	\$ (14,530,684)	\$ (14,905,871)
<b>General Revenues and Other Changes in Net Assets/Position</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$ 6,246,176	\$ 6,280,672	\$ 6,280,672	\$ 6,280,672	\$ 6,371,285	\$ 6,498,711	\$ 5,599,563	\$ 5,756,058	\$ 5,871,180	\$ 6,498,711
Unrestricted grants and contributions	7,929,280	8,609,308	7,717,485	9,307,691	9,149,475	9,422,727	9,549,813	9,172,519	9,125,886	9,235,229
Investment earnings	69,331	29,698	26,118	2,650	259	2,741	3,330	4,992	-	8,107
Miscellaneous income	47	55,029	20,947	20,000	17,676	1,211,739	217,599	101,396	8,659	990
Loss on disposal of asset	-	-	-	-	-	(218,911)	-	-	-	-
Total governmental activities	14,244,834	14,974,707	14,045,222	15,611,013	15,538,695	16,917,007	15,370,305	15,034,965	15,005,725	15,743,037
<b>Business-type activities:</b>										
Miscellaneous Income	3,167	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	84	110	34	-	377
Total business-type activities	3,167	-	-	-	-	84	110	34	-	377
Total district-wide	\$ 14,248,001	\$ 14,974,707	\$ 14,045,222	\$ 15,611,013	\$ 15,538,695	\$ 16,917,091	\$ 15,370,415	\$ 15,034,999	\$ 15,005,725	\$ 15,743,414
<b>Change in Net Assets/Position</b>										
Governmental activities	\$ 236,958	\$ 129,596	\$ (1,588,744)	\$ (237,612)	\$ (783,504)	\$ 419,931	\$ (308,149)	\$ 213,209	\$ 448,320	\$ 835,282
Business-type activities	49,559	26,936	31,338	(12,035)	5,377	(177,015)	12,096	9,459	26,721	2,261
Total district	\$ 286,517	\$ 156,532	\$ (1,557,406)	\$ (249,647)	\$ (778,127)	\$ 242,916	\$ (296,053)	\$ 222,668	\$ 475,041	\$ 837,543

**Notes**  
The J-2 is a ten year schedule. This sample is for the year [redacted]. Districts are not required by GASB to report years prior to the implementation date of Statement 44. However, the department strongly encourages districts to report [redacted].

**Union Beach School District**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Reserved	\$ 2,384,444	\$ 3,527,967	\$ 2,522,074	\$ 2,143,918	\$ 1,575,284	\$ 1,788,149	\$ 2,182,930	\$ 2,682,507	\$ 3,006,219	\$ 3,837,578
Unreserved	263,454	(472,070)	(812,556)	(448,141)	(400,800)	(521,114)	(477,956)	(469,633)	(497,515)	(396,782)
<b>Total general fund</b>	<u>\$ 2,647,898</u>	<u>\$ 3,055,897</u>	<u>\$ 1,709,518</u>	<u>\$ 1,695,777</u>	<u>\$ 1,174,484</u>	<u>\$ 1,267,035</u>	<u>\$ 1,704,974</u>	<u>\$ 2,212,874</u>	<u>\$ 2,508,704</u>	<u>\$ 3,440,796</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	(24,988)	(20,747)	(20,970)	(25,681)	(46,468)	(14,469)	(23,589)	(14,850)	(10,415)	(18,343)
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ (24,988)</u>	<u>\$ (20,747)</u>	<u>\$ (20,970)</u>	<u>\$ (25,681)</u>	<u>\$ (46,468)</u>	<u>\$ (14,469)</u>	<u>\$ (23,589)</u>	<u>\$ (14,850)</u>	<u>\$ (10,415)</u>	<u>\$ (18,343)</u>

**Union Beach School District**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 6,246,176	\$ 6,280,672	\$ 6,280,672	\$ 6,280,672	\$ 6,371,285	\$ 6,498,711	\$ 5,599,563	\$ 5,756,058	\$ 5,871,180	\$ 6,498,711
Tuition charges	-	-	-	-	-	-	-	23,314	1,740	4,618
Interest earnings	20,604	29,698	26,118	2,650	259	2,741	3,330	4,992	-	8,107
Miscellaneous	48,774	55,029	20,947	20,000	17,676	228,499	142,751	101,396	8,659	990
State sources	9,728,190	9,373,680	6,963,500	9,259,664	9,416,614	9,492,697	9,410,906	9,259,437	9,233,312	9,364,016
Federal sources	493,075	423,197	1,901,162	710,463	540,525	845,606	941,611	567,477	566,349	536,989
<b>Total revenue</b>	<b>16,536,819</b>	<b>16,162,276</b>	<b>15,192,399</b>	<b>16,273,449</b>	<b>16,358,569</b>	<b>17,068,254</b>	<b>16,098,161</b>	<b>15,712,674</b>	<b>15,681,240</b>	<b>16,413,431</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	3,696,653	3,669,600	4,417,394	3,901,037	3,663,075	3,450,127	3,450,528	3,027,074	3,122,538	3,247,016
Special education instruction	824,565	1,033,395	485,569	747,895	834,897	917,104	914,164	1,038,462	1,087,527	1,214,808
Other special instruction	38,009	39,411	37,255	7,195	50,217	49,461	53,540	49,083	58,027	71,241
Other instruction	54,016	47,807	51,868	50,008	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education	-	-	-	-	-	-	-	-	-	-
<b>Support Services:</b>										
Tuition	4,509,769	4,914,402	5,229,798	4,878,956	6,310,717	5,984,559	5,327,103	5,252,152	4,771,396	4,572,594
Student & inst. related services	819,771	820,320	1,119,261	1,129,222	202,760	222,305	201,964	208,988	202,977	237,744
General administration	542,555	559,411	528,745	546,102	316,984	269,592	295,011	285,427	319,402	314,476
School administrative services	355,778	392,372	199,316	176,382	201,083	202,384	220,908	220,470	199,165	207,752
Central services	-	-	-	-	244,875	179,191	159,839	180,681	179,429	192,899
Security	-	-	-	-	5,128	5,988	16,092	5,998	17,811	48,508
Plant operations and maintenance	1,192,179	1,064,713	1,085,672	965,370	832,713	969,968	897,607	839,033	854,149	919,143
Pupil transportation	514,913	538,998	585,735	571,036	603,818	999,808	617,939	769,047	733,239	772,040
Other Support Services	-	-	-	-	954,954	905,660	1,089,096	945,246	903,803	1,048,552
Care & upkeep of grounds	-	-	-	-	101,451	4,788	10,724	19,260	19,925	14,618
Employee benefits	3,025,964	2,551,760	2,771,508	2,977,380	1,735,703	1,733,626	1,924,555	1,712,495	1,843,333	1,721,937
Non-budgeted expenditures	-	-	-	-	807,664	915,576	802,704	654,395	673,775	665,776
Special Schools	443,135	-	-	-	-	-	-	-	-	-
Capital outlay	100,334	117,847	26,880	341,318	34,610	133,567	586,715	144,718	238,926	239,222
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>16,117,641</b>	<b>15,750,036</b>	<b>16,539,001</b>	<b>16,291,901</b>	<b>16,900,649</b>	<b>16,943,704</b>	<b>16,568,489</b>	<b>15,352,529</b>	<b>15,225,422</b>	<b>15,488,326</b>
Excess (Deficiency) of revenues over (under) expenditures	419,178	412,240	(1,346,602)	(18,452)	(542,080)	124,550	(470,328)	360,145	455,818	925,105
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing	-	-	-	-	-	-	-	156,494	-	-
Repayment of CDL	-	-	-	-	-	-	-	-	(156,494)	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
State school building aid - Section 15 grant	-	-	-	-	-	-	-	-	-	-
Original issue discount	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	397,390	1,768,068	-	-	-	-	-	-	-	-
Transfers out	(397,390)	(1,768,068)	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,494</b>	<b>(156,494)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>419,178</b>	<b>412,240</b>	<b>(1,346,602)</b>	<b>(18,452)</b>	<b>(542,080)</b>	<b>124,550</b>	<b>(470,328)</b>	<b>516,639</b>	<b>299,324</b>	<b>925,105</b>
Debt service as a percentage of noncapital expenditures	0.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Source: District records**

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

**Union Beach School District**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	<u>Sale of Capital Assets</u>	<u>Donations</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2008	-	-	-	-	-	48,774	48,774
2009	-	-	-	-	-	55,029	55,029
2010	-	-	-	-	-	20,947	20,947
2011	-	-	-	-	-	20,000	20,000
2012	-	-	-	-	-	17,676	17,676
2013	-	-	-	-	-	228,499	228,499
2014	-	-	-	-	-	14,942	14,942
2015	-	-	8,625	-	-	85,600	94,225
2016	-	-	-	-	-	8,659	8,659
2017	-	-	-	-	-	990	990

Source: District records



**Union Beach School District  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
UNAUDITED**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qform	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2008	7,182,800	383,651,000	-	-	14,099,100	44,428,600	190,800	449,552,300	-	364263	449,916,563	1.393	681,371,734
2009	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2010	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2011	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2012	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2013	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2014	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2015	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2016	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2017	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	0.000	0

Source: Municipal Tax Assessor

**Union Beach School District**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Union Beach School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	<u>Basic Rate <sup>a</sup></u>	<u>General Obligation Debt Service <sup>b</sup></u>	<u>Total Direct J-7</u>	<u>Borough of Union Beach</u>	<u>Monmouth County</u>	
2008	1.393	0.000	1.393	1.118	0.398	2.909
2009	N/A	0.000	N/A	N/A	N/A	N/A
2010	N/A	0.000	N/A	N/A	N/A	N/A
2011	N/A	0.000	N/A	N/A	N/A	N/A
2012	N/A	0.000	N/A	N/A	N/A	N/A
2013	N/A	0.000	N/A	N/A	N/A	N/A
2014	N/A	0.000	N/A	N/A	N/A	N/A
2015	N/A	0.000	N/A	N/A	N/A	N/A
2016	N/A	0.000	N/A	N/A	N/A	N/A
2017	N/A	0.000	N/A	N/A	N/A	N/A

Source: Municipal Tax Collector

Union Beach School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago  
UNAUDITED

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
	Not Available					
Total	\$ -		0.00%	-		0.00%

Source: Municipal Tax Assessor

**Union Beach School District  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
UNAUDITED**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentag e of Levy	
2008	6,246,176	6,246,176	100.00%	-
2009	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A

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

**Union Beach School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities				Compensated Absences Payable	Business- Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)		Capital Leases			
2008	-	-	-	-	791,011	-	791,011	0.00%	-
2009	-	-	-	-	791,452	-	791,452	0.00%	-
2010	-	-	-	-	770,724	-	770,724	0.00%	-
2011	-	-	-	-	731,505	-	731,505	0.00%	-
2012	-	-	-	-	724,997	-	724,997	0.00%	-
2013	-	-	-	-	467,371	-	467,371	0.00%	-
2014	-	-	-	-	314,008	-	314,008	0.00%	-
2015	-	-	-	-	484,415	-	484,415	0.00%	-
2016	-	-	-	-	314,008	-	314,008	0.00%	-
2017	-	-	-	-	340,747	-	340,747	0.00%	-

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

**Union Beach School District  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
UNAUDITED**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	-	-	-	N/A	N/A
2009	-	-	-	N/A	N/A
2010	-	-	-	N/A	N/A
2011	-	-	-	N/A	N/A
2012	-	-	-	N/A	N/A
2013	-	-	-	N/A	N/A
2014	-	-	-	N/A	N/A
2015	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.  
**a** See Exhibit NJ J-6 for property tax data.  
**b** Population data can be found in Exhibit NJ J-14.  
**N/A** At the time of CAFR completion, this data was not yet available

**Union Beach School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2017  
UNAUDITED**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Borough of Union Beach	0	0.000%	0
Monmouth County General Obligation Debt	0	0.000%	0
<b>Other debt</b>			
Subtotal, overlapping debt			0
<b>Union Beach School District Direct Debt</b>			N/A
<b>Total direct and overlapping debt</b>			<u>\$ -</u>

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

**Union Beach School District  
Legal Debt Margin Information,  
Last Ten Fiscal Years  
UNAUDITED**

Equalized valuation basis

	2017	\$	-	
	2016	\$	-	
	2015	\$	-	
	<b>[A]</b>	\$	-	
	<b>[A/3]</b>	\$	-	
Debt limit (3 %	<b>[B]</b>	\$	-	<b>a</b>
Net bonded school debt	<b>[C]</b>	\$	-	
Legal debt margin	<b>[B-C]</b>	\$	-	

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 25,014,171	\$ 26,815,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 25,014,171	\$ 26,815,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

**a** Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts



**Union Beach School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
UNAUDITED**

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	6,616	392,553,744	59,334	0.0%
2009	6,612	368,711,568	55,764	0.0%
2010	6,250	355,968,750	56,955	0.0%
2011	6,251	N/A	N/A	0.0%
2012	N/A	N/A	N/A	10.9%
2013	N/A	N/A	N/A	10.9%
2014	N/A	N/A	N/A	10.9%
2015	N/A	N/A	N/A	10.9%
2016	N/A	N/A	N/A	10.9%
2017	N/A	N/A	N/A	10.9%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept. of Labor and Workforce Development

<sup>b</sup> Personal income not available by municipality.

<sup>c</sup> Per Capita Income not available by municipality

<sup>d</sup> Unemployment data provided by the NJ Dept. of Labor and Workforce Development

**N/A** At the time of CAFR completion, this data was not available

Union Beach School District  
Principal Employers,  
Current Year and Ten Years Ago  
UNAUDITED

Employer	2017			2008		
	Employees	Rank (Optional)	Percentage of Total Employment <sup>b</sup>	Employees	Rank (Optional)	Percentage of Total Employment <sup>b</sup>
		Not Available				
	-		0.00%			

Source: Borough of Union Beach Official Bond Statement

<sup>b</sup> Total labor force provided by U.S. Department of Labor, Bureau of Labor Statistics  
**N/A** At the time of CAFR completion, this data was not available

**Union Beach School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years  
UNAUDITED**

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	65	60	62	62	62	62	62	62	62	62
Special education	12	8	23	23	23	23	23	23	23	23
Adult/continuing education programs	6	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	11	12	16	16	16	16	16	16	16	16
General administrative services	5	1	1	1	1	1	1	1	1	1
School administrative services	6	5	2	2	2	2	2	2	2	2
Other Administrative Services	1	1	5	5	5	5	5	5	5	5
Business administrative services	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	24	46	10	10	10	10	10	10	10	10
Pupil transportation	7	7	4	4	4	4	4	4	4	4
Food Service	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>137</u>	<u>140</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>

**Source:** District Personnel Records

**Union Beach School District  
Operating Statistics  
Last Ten Fiscal Years  
UNAUDITED**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2008	1,086	16,017,307	14,749	5.61%	82	13.2	0.0	0.0	813.9	772.1	-4.02%	94.86%
2009	794	15,632,189	19,688	33.49%	82	9.7	0.0	0.0	799.7	758.0	-1.78%	94.79%
2010	875	16,512,121	18,871	-4.15%	82	10.7	0.0	0.0	875.0	875.0	8.61%	100.00%
2011	1,158	15,950,583	13,774	-27.01%	82	14.1	0.0	0.0	1,158.0	1,158.0	24.44%	100.00%
2012	1,068	16,046,404	15,025	9.08%	83	8.9	0.0	0.0	1,068.0	1,068.0	22.06%	100.00%
2013	690	16,251,085	23,552	56.76%	-	-	0.0	0.0	690.0	690.0	-40.41%	100.00%
2014	658	0	-	-100.00%	62	-	0.0	0.0	658.0	658.0	-24.80%	100.00%
2015	658	14,869,096	22,597	50.40%	85	-	0.0	0.0	658.0	658.0	-43.18%	100.00%
2016	628	0	-	-100.00%	-	-	0.0	0.0	628.0	628.0	-45.77%	100.00%
2017	628	15,203,041	24,209	61.13%	85	-	0.0	0.0	628.0	628.0	-45.77%	0.00%

**Sources:** District records and Schedules J-12, J-14

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS)

**Union Beach School District  
School Building Information  
Last Ten Fiscal Years  
UNAUDITED**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>District Building<sup>a</sup></b>										
<b>Elementary</b>										
Memorial School										
Square Feet	99,106	99,106	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009
Capacity (students)	826	826	826	826	826	826	826	826	826	826
Enrollment	813	800	794	794	794	794	794	794	628	628
<b>Other</b>										
Central Administration										
Square Feet	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818
Number of Schools at June 30, 2004										
Elementary = 1										
Middle School = 0										
Other = 1										

**Source:** District Facilities Office

<sup>a</sup> Increases in square footage and capacity are the result of and additions  
Enrollment is based on the annual October District count

<sup>b</sup> At the time of CAFR completion, this data was not yet available



**UNION BEACH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
UNAUDITED**

Company	Type of Coverage	Coverage	Deductible
G.R. Murray Insurance New Jersey School Boards Association Insurance Group	<b>Property</b>	10,157,088,555	5,000
	Blanket Building & Contents		
	Business Income & Extra Exp.		
	Flood		
	Computer Equipment		
	Contractors Equipment		
	<b>Equipment Breakdown (Blanket)</b>	100,000,000	5,000
	Per Breakdown		
	<b>Commercial Liability</b>		
	Bodily Injury & Property Damage		
	Each Occurrence		
	General Aggregate		
	Damage to Premises Rented		
	Medical Payments		
	Personal & Advertising Injury		
	Employee Benefits Liability		
	<b>Crime</b>	100,000,000	5,000
	Employee Theft		
	Forgery or Alteration		
	Computer Fraud		
	<b>Business Auto</b>		
	Combined Single Limit		
	Personal Injury Protection		
Medical Payments			
Uninsured & Underinsured			
Comprehensive Deductible			
Collision Deductible			
<b>School Board Legal</b>			
Limit of Liability			
<b>Worker's Compensation</b>	2,000,000	-	
Section A			
Section B			
<b>Supplemental Worker's Compensation</b>			
Maximum Benefit Period			
Waiting Period			
<b>Student Accident</b>			
Maximum Benefit			
<b>Bonds</b>			
Business Adm./Board Sec'y.	250,000		
<b>Environmental Policy</b>			
Each Incident			
Aggregate			
<b>Excess Umbrella</b>			
Limit of Liability			
Retention			
<b>CAP Program</b>			
Each Occurrence			
Aggregate			

Source: District Records

SINGLE AUDIT SECTION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Board of Education of the Union Beach School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Board of Education of the Union Beach School District basic financial statements, and have issued our report thereon dated December 1, 2017.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

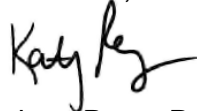
As part of obtaining reasonable assurance about whether the Board of Education of Union Beach School District financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with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

### **Purpose of this Report**

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

Respectfully Submitted

Jump, Perry and Company, LLP  
Toms River, NJ



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

December 1, 2017

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

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

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

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

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

## Opinion on Each Major Federal and State Program

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

## Report on Internal Control Over Compliance

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

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

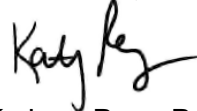
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

**Purpose of this Report**

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

Respectfully submitted,

Jump, Perry, & Company, L.L.P.  
Toms River, NJ



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

December 1, 2017

**UNION BEACH SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**for the Fiscal Year ended June 30, 2017**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant Period</b>	<b>Award Amount</b>	<b>Balance at June 30, 2016</b>	<b>Adjustment Amount</b>	<b>Cash Received</b>	<b>Budgetary Expenditures</b>	<b>Repayment of Prior years' Balances</b>	<b>Deferred Revenue at June 30, 2017</b>	<b>(Accounts Receivable) at June 30, 2017</b>	<b>Due to Grantor at June 30, 2017</b>
U.S. Department of Education General Fund: Medical Assistance Program	ARRA-93.778	04/01/09-12/31/09	\$ 1,504	\$ -	\$ -	\$ 1,504	\$ (1,504)	\$ -	\$ -	\$ -	\$ -
				-	-	1,504	(1,504)	-	-	-	-
U.S. Department of Homeland Security General Fund: Community Disaster Loan	97.030	7/1/2013-6/30/2018	899,147	-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
U.S. Department of Agriculture Passed-through State Department of Education:											
Food Distribution Program	10.550	7/1/16-6/30/17	15,531	-	-	15,531	(15,531)	-	-	-	-
School Breakfast Program	10.553	7/1/15-6/30/16	6,981	(503)	-	503	-	-	-	-	-
School Breakfast Program	10.553	7/1/16-6/30/17	5,915	-	-	5,521	(5,915)	-	-	(394)	-
National School Lunch Program	10.555	7/1/15-6/30/16	105,573	(7,222)	-	7,222	-	-	-	-	-
National School Lunch Program	10.555	7/1/16-6/30/17	95,187	-	-	89,139	(95,187)	-	-	(6,048)	-
<b>Total U.S. Department of Agriculture</b>				<b>(7,725)</b>	<b>-</b>	<b>117,916</b>	<b>(116,633)</b>	<b>-</b>	<b>-</b>	<b>(6,442)</b>	<b>-</b>
U.S. Department of Education Passed-through State Department of Education:											
Title I	84.010	9/1/15-8/31/16	241,675	(6,523)	-	6,523	-	-	-	-	-
Title I	84.010	9/1/16-8/31/17	237,299	-	-	141,793	(238,749)	-	-	(96,956)	-
Title II Part A	84.168	9/1/15-8/31/16	42,208	(720)	-	720	-	-	-	-	-
Title II Part A	84.168	9/1/16-8/31/17	34,392	-	-	-	(34,392)	-	-	(34,392)	-
I.D.E.A. Part B Basic Regular	84.027	9/1/16-8/31/17	247,131	-	-	247,131	(247,131)	-	-	-	-
I.D.E.A. Part B Preschool	84.173	9/1/16-8/31/17	14,272	-	-	14,272	(14,272)	-	-	-	-
<b>Total U.S. Department of Education</b>				<b>(7,243)</b>	<b>-</b>	<b>410,439</b>	<b>(534,544)</b>	<b>-</b>	<b>-</b>	<b>(131,348)</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$ (14,968)</b>	<b>\$ -</b>	<b>\$ 529,859</b>	<b>\$ (652,681)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (137,790)</b>	<b>\$ -</b>

See accompanying notes to schedules of expenditures.

**UNION BEACH SCHOOL DISTRICT**  
**Schedule of Expenditures of State Awards**  
**for the Fiscal Year ended June 30, 2017**

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016	Adjustment Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2017	(Accounts Receivable) at June 30, 2017	Due to Grantor at June 30, 2017	Budgetary Receivable	Total Expenditures
<b>State Department of Education</b>													
General Fund:													
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	\$ 39,173	\$ -	\$ -	35,271	\$ (39,173)	\$ -	\$ -	\$ -	\$ -	3,902	39,173
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	7,444,810	843,807	-	843,807	-	-	-	-	-	-	-
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	7,444,810	-	-	6,703,206	(7,444,810)	-	-	-	-	741,604	7,444,810
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	658,640	-	-	593,031	(658,640)	-	-	-	-	65,609	658,640
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	28,312	-	-	25,492	(28,312)	-	-	-	-	2,820	28,312
Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	73,023	-	-	65,749	(73,023)	-	-	-	-	7,274	73,023
Additional Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	87,352	-	-	78,651	(87,352)	-	-	-	-	8,701	87,352
PARCC Readiness	17-495-034-5120-098	7/1/16-6/30/17	8,820	-	-	7,941	(8,820)	-	-	-	-	879	8,820
Per Pupil Growth	17-495-034-5120-097	7/1/16-6/30/17	8,820	-	-	7,941	(8,820)	-	-	-	-	879	8,820
Prof Learning Comm Aid	17-495-034-5120-101	7/1/16-6/30/17	7,890	-	-	7,104	(7,890)	-	-	-	-	786	7,890
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	88,345	(88,345)	-	88,345	-	-	-	-	-	-	-
Extraordinary Aid	17-100-034-5120-473	7/1/16-6/30/17	147,392	-	-	-	(147,392)	-	-	(147,392)	-	-	147,392
Nonpublic Transportation Aid	17-100-034-5120-068	7/1/16-6/30/17	6,207	-	-	-	(6,207)	-	-	(6,207)	-	-	6,207
Nonpublic Transportation Aid	16-100-034-5120-068	7/1/15-6/30/16	5,193	(5,193)	-	5,193	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	17-100-034-5095-002	7/1/16-6/30/17	433,635	-	-	433,635	(433,635)	-	-	-	-	-	433,635
On-Behalf TPAF Post-Retirement Medical	17-100-034-5095-001	7/1/16-6/30/17	361,317	-	-	361,317	(361,317)	-	-	-	-	-	361,317
On-Behalf TPAF Long-Term Disability Insi	17-100-034-5095-004	7/1/16-6/30/17	1,067	-	-	1,067	(1,067)	-	-	-	-	-	1,067
Reimbursed TPAF Social Security Contribution	16-495-034-5094-003	7/1/15-6/30/16	292,914	(14,219)	-	14,219	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	7/1/16-6/30/17	303,392	-	-	288,547	(303,392)	-	-	(14,845)	-	-	303,392
<b>Total General Fund</b>				<u>736,050</u>	<u>-</u>	<u>9,560,516</u>	<u>(9,609,850)</u>	<u>-</u>	<u>-</u>	<u>(168,444)</u>	<u>-</u>	<u>832,454</u>	<u>9,609,850</u>
Special Revenue Fund:													
Preschool Education Aid	16-495-034-5120-086	7/1/15-6/30/16	113,555	(11,356)	-	11,356	-	-	-	-	-	-	-
Preschool Education Aid	17-495-034-5120-086	7/1/16-6/30/17	183,435	-	-	165,092	(183,435)	-	-	-	-	18,343	183,435
<b>Total Special Revenue Fund</b>				<u>(11,356)</u>	<u>-</u>	<u>176,448</u>	<u>(183,435)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,343</u>	<u>183,435</u>
<b>State Department of Agriculture</b>													
Enterprise Fund													
State School Lunch Program	14-100-010-3350-023	7/1/15-6/30/16	2,869	(199)	-	199	-	-	-	-	-	-	-
State School Lunch Program	15-100-010-3350-023	7/1/16-6/30/17	2,630	-	-	2,459	(2,630)	-	-	(171)	-	-	2,630
<b>Total Special Revenue Fund</b>				<u>(199)</u>	<u>-</u>	<u>2,658</u>	<u>(2,630)</u>	<u>-</u>	<u>-</u>	<u>(171)</u>	<u>-</u>	<u>-</u>	<u>2,630</u>
<b>Total Expenditures of State Awards</b>				<u>\$ 724,495</u>	<u>\$ -</u>	<u>\$ 9,739,622</u>	<u>\$ (9,795,915)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (168,615)</u>	<u>\$ -</u>	<u>\$ 850,797</u>	<u>\$ 9,795,915</u>
State Financial Assistance Not Subject to Single Audit Determination				-	-	(796,019)	796,019	-	-	-	-	-	(434,702)
<b>Total Expenditures of State Awards Subject to Single Audit Determination</b>				<u>\$ 724,495</u>	<u>\$ -</u>	<u>\$ 8,943,603</u>	<u>\$ (8,999,896)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (168,615)</u>	<u>\$ -</u>	<u>\$ 850,797</u>	<u>\$ 9,361,213</u>

See accompanying notes to schedules of expenditures.

## Union Beach School District

## Notes to Schedules of Awards and Financial Assistance

June 30, 2017

## 1. General

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

## 2. Basis of Accounting

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

## 3. Relationship to Basic Financial Statements

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

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



## Union Beach School District

## Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2017

## 3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(422,282) for the general fund and \$(6,046) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 1,504	9,187,568	\$ 9,189,072
Special Revenue Fund	535,485	176,448	711,933
Debt Service Fund	-	-	-
Food Service Fund	<u>116,633</u>	<u>2,630</u>	<u>119,263</u>
Total awards and financial assistance	<u>\$ 653,622</u>	<u>9,366,646</u>	<u>\$ 10,020,268</u>

## 4. Relationship to Federal and State Financial Reports

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

## 5. Other

TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of Social Security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2017.

The TPAF Post Retirement/Medical Benefits expenditures are not subject to New Jersey OMB Circular 15-08 and are not included in the above schedule.

## Union Beach School District

## Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2017

**Section I - Summary of Auditor's Results**Financial StatementsType of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified?  yes  no
- 2) Significant deficiencies identified?  yes  none reported

Noncompliance material to basic financial statements noted?  yes  noFederal Awards: N/A

Internal Control over major programs:

- 1) Material weakness(es) identified?  yes  no
- 2) Significant deficiencies identified?  yes  none reported

Type of auditor's report issued on compliance for major programs: N/AAny audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance?  yes  no

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$750,000Auditee qualified as low-risk auditee?  yes  no

Union Beach School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2017

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

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 Opinion

Internal Control over major programs:

1) Material weakness(es) identified?  yes  no

2) Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

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

Identification of major programs:

<u>State grant/Project Number(s)</u>	<u>Name of State Program</u>
<b>State Aid-Cluster</b>	
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-085	Additional Adjustment Aid
495-034-5130-098	PARCC Readiness
495-034-5130-097	Per Pupil Growth
495-034-5130-101	Prof. Learning Comm. Aid

Union Beach School District  
Summary of Findings and Questioned Costs  
June 30, 2017

**Section II - Financial Statement Findings**

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

**Section III - State Award Findings and Questioned Costs**

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

Union Beach School District  
Summary Schedule of Prior Audit Findings

June 30, 2017

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