

SCHOOL DISTRICT
LITTLE SILVER
OF MONMOUTH COUNTY

LITTLE SILVER, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2018

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Little Silver School District
of Monmouth County

Little Silver, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

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

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

	Page
INTRODUCTORY SECTION	
Letter of Introduction	1-4
Organizational Chart	5
Roster of Officials	6
Consultants, and Advisors	7
Certificate of Excellence	8
FINANCIAL SECTION	
Independent Auditor's Report	10-12
Required Supplementary Information - Part I	
Management's Discussion and Analysis	14-23
Basic Financial Statements	
A. District Wide Financial Statements	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	28
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	29
Proprietary Funds	
B-4 Statement of Net Position	30
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	31
B-6 Statement of Cash Flows	32
Fiduciary Funds	
B-7 Statement of Fiduciary Net Position	33
B-8 Statement of Changes in Fiduciary Net Position	34
Notes to the Financial Statements	35-69

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information - Part II

C.	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	71-75
	C-1a Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual	N/A
	C-1b Community Development Block Grant - Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	76

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	77
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Required Supplementary Information - Part III

L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
	L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	79
	L-2 Schedule of District Contributions - PERS	80
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	81
M.	Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
	M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	82

Notes to the Required Supplementary Information - Part III

83

Other Supplementary Information

D.	School Based Budget Schedules	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A
E.	Special Revenue Fund	
	E-1 Combining Schedules of Program Revenues and Expenditures, Special Revenue Fund - Budgetary Basis	87
	E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

F.	Capital Projects Fund	
	F-1 Summary Schedule of Project Revenue, Expenditures and Changes in Fund Balance- Budgetary Basis	89-90
G.	Proprietary Funds	
	Enterprise Fund	
	G-1 Schedule of Net Position	92
	G-2 Schedule of Revenues, Expenses and Changes in Fund Net Position	93
	G-3 Schedule of Cash Flows	94
H.	Fiduciary Funds	
	H-1 Combining Statement of Fiduciary Net Position	96
	H-2 Statement of Changes in Fiduciary Net Position	97
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	98
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	99
I.	Long-Term Debt	
	I-1 Schedule of Serial Bonds	101
	I-2 Schedule of Obligations Under Capital Leases	102
	I-3 Debt Service Fund Budgetary Comparison Schedule	103

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends	
J-1 Net Asstes/Position by Component	106
J-2 Changes in Net Asset/Net Position	107
J-3 Fund Balances - Governmental Funds	108
J-4 Changes in Fund Balances - Governmental Funds	109
J-5 General Fund - Other Local Revenue by Source	110
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	111
J-7 Direct and Overlapping Property Tax Rates	112
J-8 Principal Property Taxpayers	113
J-9 Property Tax Levies and Collections	114
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	115
J-11 Ratios of General Bonded Debt Outstanding	116
J-12 Direct and Overlapping Governmental Activities Debt	117
J-13 Legal Debt Margin Information	118

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

Demographic and Economic Information	
J-14 Demographic and Economic Statistics	119
J-15 Principal Employers	120
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	121
J-17 Operating Statistics	122
J-18 School Building Information	123
J-19 Schedule of Allowable Maintenance Expenditures by School Facility	124
J-20 Insurance Schedule	125

SINGLE AUDIT SECTION

K-1 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	127-128
K-2 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 Letter 15-08	129-131
K-3 Schedule of Expenditures of Federal Awards, Schedule A	132
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	133
K-5 Notes to the Schedules of Awards and Financial Assistance	134-135
K-6 Summary of Findings and Questioned Costs	136-137
K-7 Summary Schedule of Prior Audit Findings	138

INTRODUCTORY SECTION



LITTLE SILVER PUBLIC SCHOOLS

124 Willow Drive, Little Silver, NJ 07739

Phone: 732-741-2188

Fax: 732-741-3644

December 1, 2018

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

Dear Board Members and Constituents:

The comprehensive annual financial report of the Little Silver School District (hereinafter, the “District”) for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Little Silver Board of Education (“Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES: Little Silver School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and government-wide financial statements of the District are included in this report. The Little Silver Board of Education and both its schools constitute the District’s reporting entity. The Little Silver School District provides a comprehensive full range of educational services appropriate to grade levels Pre-School Handicapped through 8. These include regular instruction and special education for both special needs and for handicapped children in and out of district. The District provides a variety of after school activities which include band, chorus, computer club, and athletic activities. The District provides transportation for children who live 2 miles from the school and also provides subscription bussing, which allows the District to charge parents for transporting children who live less than 2 miles from school.

The programs are provided at two locations: Markham Place Middle School on Markham Place and Point Road Elementary School on Little Silver Point Road. There are 59 employees at the middle school, 69 at the elementary school and 11 in district positions. School enrollment during 2017-2018 was 377 middle, 476 elementary school, which are 4 students above the 2016-2017 student enrollments. The following details the changes in the student enrollment of the District over the last ten years.

Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2018-19 Projected	838	-1.75%
2017-18	853	0.47%
2016-17	849	0.47%
2015-16	845	-1.05%
2014-15	854	-2.06%
2013-14	872	3.07%
2012-13	846	3.55%
2011-12	817	-1.21%
2010-11	827	1.97%
2009-10	811	0.50%
2008-09	807	0.62%

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

The school system is highly valued by local residents. Students in Little Silver attain very high scores on performance assessments, placing the school system year after year in the top five percent in the state academically. 67% of the professional staff holds advanced academic degrees, and there is a great deal of emphasis on continuing professional development.

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

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

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

3) MAJOR INITIATIVES: The Little Silver School District remains competitive with comparable communities in educational performance.

Professional Development, as mandated by the state department, logs the number of hours each teacher spending during the course of the school year on professional development. Professional development activities were aligned

with each individual professional development plan (PDP), and the results indicate that the vast majority of teachers far exceeded the suggested 20 hours per year, with all teachers successfully meeting their PDP for 2017-2018.

Many professional development activities were accomplished in the 2017-2018 school year. The district has provided multiple in-service days and training sessions for the staff. Many workshops were also presented during the year including parent workshops (i.e. Café after Dark, Curriculum Café). These workshops support the focus on federal and state mandated use of technology as well as the implementation of New Jersey Student Learning Standards and PARCC for both regular and special education. Little Silver Schools is also a member of a number of networks and consortiums, which provide professional development on a shared-cost basis.

The District updated the five year strategic plan to identify and prioritize projects. The District was able to improve safety and security with the installation of internal and external cameras and the implementation of a building lockdown system. Markham Place School was awarded a grant to install a new audio visual system for the cafeteria. The District will continue to review the plan as part of the annual budget process.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open purchase encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2018.

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

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

8) DEBT ADMINISTRATION: At June 30, 2018, the District's outstanding debt issues included \$3,515,225 of general obligation bonds. Annual payments on the outstanding debt are made timely and the district continuously searches for the opportunities to refund existing debt at a savings to the district.

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

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

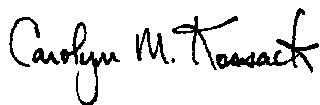
11) OTHER INFORMATION: *Independent Audit*: State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Jump, Perry and Company, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth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

Awards: The District had applied to the Association of School Business Officials (ASBO) International for the "Certificate of Excellence in Financial Reporting" for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This is the second year that the District has received this prestigious award. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

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

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

Respectfully submitted,

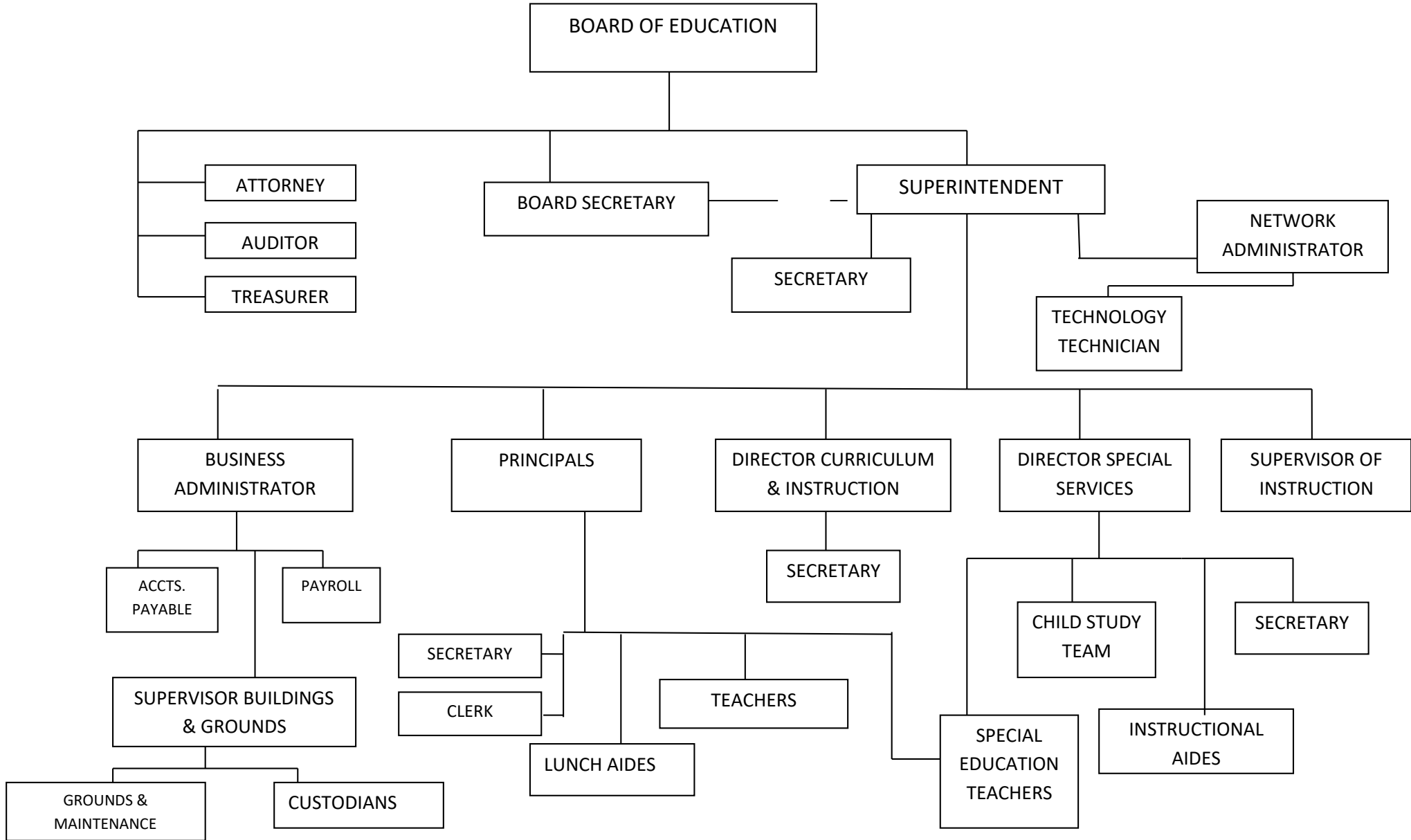


Dr. Carolyn M. Kossack
Superintendent of Schools



Lindsey Case
School Business Administrator/Board Secretary

LITTLE SILVER BOARD OF EDUCATION ORGANIZATION CHART



Little Silver School District
Little Silver, New Jersey

Roster of Officials
June 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Christian Smith, President,	2018
Andrew Walsh, Vice President	2019
Meggan Bateman	2020
Carolyn Glynn	2020
Meghan Clark	2019
Michael Grant	2020
Lorre Weisman	2018

Other Officials

Dr. Carolyn M. Kossack, Superintendent

Lindsey Case, Board Secretary/School Business Administrator

Sean Boyce, Treasurer

Bruce Padula, Attorney

Little Silver School District
Consultants and Advisors

Attorney

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

Audit Firm

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

Official Depositories

Investors Bank
20 White Street
Red Bank, New Jersey 07701



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Little Silver Public Schools

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Little Silver School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 Little Silver School District in the County of Monmouth, State of New Jersey as of June 30, 2018 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, in 2018, the Board adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). Our opinions are not modified with respect to this matter.

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

Other Information

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

Other Information (continued)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2019 on our consideration of the Little Silver School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Little Silver School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted

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



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

January 31, 2019
Toms River, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Little Silver School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

The discussion and analysis of Little Silver School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2018. 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, 2018 are as follows:

Net position totaled \$15,363,737, which represents a 6.20 percent increase from June 30, 2017.

General revenues accounted for \$14,364,667 in revenue or 88.98 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,779,678 or 11.02 percent of total revenues of \$16,144,345.

Total assets increased by \$452,171 as current assets increased by \$747,339 and capital assets, net decreased by \$295,168.

The School Board had \$15,247,908 in expenses; only \$1,779,678 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$14,364,667 were adequate to provide for these programs.

Among major funds, the General Fund had \$14,681,182 in revenues and \$14,025,241 in expenditures and transfers. The General Fund's balance increased \$655,941 over June 30, 2017. The General Fund's balance is \$2,697,916.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the School Board to provide programs and activities viewing the School Board as a whole and reports the culmination of all financial transactions. The report answers the question "How Did We Do Financially During Fiscal Year June 30, 2018?" The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets, liabilities, deferred outflows of resources and deferred inflows of resources 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 with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service 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, 2018 and 2017.

Table 1

Net Position as of June 30, 2018 and June 30, 2017

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 2,788,042	\$ 37,432	\$ 2,825,474	\$ 2,048,657	\$ 29,478	\$ 2,078,135
Capital assets, net	19,245,680	7,245	19,252,925	19,539,963	8,130	19,548,093
Total assets	22,033,722	44,677	22,078,399	21,588,620	37,608	21,626,228
Deferred outflow of resources	1,411,458	-	1,411,458	1,404,837	-	1,404,837
Liabilities:						
Current liabilities	87,660	10,591	98,251	4,216	10,346	14,562
Long-term liabilities outstanding	7,158,373	-	7,158,373	8,383,975	-	8,383,975
Total liabilities	7,246,033	10,591	7,256,624	8,388,191	10,346	8,398,537
Deferred inflow of resources	869,496	-	869,496	165,228	-	165,228
Net position:						
Net investment in capital assets	16,089,302	7,245	16,096,547	15,668,168	8,130	15,676,298
Restricted	2,219,406	-	2,219,406	1,736,309	-	1,736,309
Unrestricted	(2,979,057)	26,841	(2,952,216)	(2,964,439)	19,132	(2,945,307)
Total Net Position	\$ 15,329,651	\$ 34,086	\$ 15,363,737	\$ 14,440,038	\$ 27,262	\$ 14,467,300

The School Board's combined net position was \$15,363,737 on June 30, 2018. This is a change of 6.20% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2018 and 2017.

Table 2

Changes in Net Position

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 125,700	\$ 290,463	\$ 416,163	\$ 228,959	\$ 268,873	\$ 497,832
Operating and capital grants and contributions	1,363,515	-	1,363,515	1,303,858	-	1,303,858
General revenues:						
Property taxes	13,807,751	-	13,807,751	13,047,024	-	13,047,024
Federal and state aid	479,930	-	479,930	481,434	-	481,434
Investment earnings	8,321	-	8,321	9,964	213	10,177
Miscellaneous	68,665	-	68,665	52,551	-	52,551
Total revenues	15,853,882	290,463	16,144,345	15,123,790	269,086	15,392,876
Expenses						
Instructional services	6,372,616	-	6,372,616	6,285,766	-	6,285,766
Support services	8,424,418	283,639	8,708,057	7,826,726	264,435	8,091,161
Interest on long-term liabilities	167,235	-	167,235	194,297	-	194,297
Total expenses	14,964,269	283,639	15,247,908	14,306,789	264,435	14,571,224
Change in net position	889,613	6,824	896,437	817,001	4,651	821,652
Net position - beginning	14,440,038	27,262	14,467,300	13,623,037	22,611	13,645,648
Net position (deficit) - ending	\$ 15,329,651	\$ 34,086	\$ 15,363,737	\$ 14,440,038	\$ 27,262	\$ 14,467,300

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

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

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

Expenses for Fiscal Year June 30, 2018

Business-Type Activities

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

Total Enterprise Fund revenues exceeded expenses by \$6,824.

Charges for services represent \$290,463 of revenue. This represents the amount paid by patrons for daily food service and catering.

Governmental Activities

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

Table 3

Governmental Activities

	2018		2017	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 6,372,616	\$ 6,011,709	\$ 6,285,766	\$ 5,838,019
Support Services:				
Pupils and Instructional Staff	2,987,807	1,859,499	2,789,917	1,716,512
General Administration, School Administration, Business Operation and Maintenance of Facilities	5,195,101	5,195,101	4,831,809	4,831,809
Pupil Transportation	241,510	241,510	205,000	193,335
Interest and Fiscal Charges	167,235	167,235	194,297	194,297
Total Expenses	\$ 14,964,269	\$ 13,475,054	\$ 14,306,789	\$ 12,773,972

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

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

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

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

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

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

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

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2018, it reported a combined fund balance of \$2,700,382, which is an increase of \$655,941. 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, 2018.

<u>Revenue</u>	<u>2018 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 14,010,437	88.37 %	\$ 547,866	4.07 %
State Sources	1,575,341	9.94	52,683	3.46
Federal Sources	<u>268,104</u>	<u>1.69</u>	<u>5,470</u>	<u>2.08</u>
Total	<u>\$ 15,853,882</u>	<u>100.00 %</u>	<u>\$ 606,019</u>	<u>3.97 %</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, 2018.

<u>Expenditures</u>	<u>2018 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 6,372,616	41.94 %	\$ 86,850	1.38 %
Undistributed Expenditures	7,865,317	51.75	422,241	5.67
Capital Outlay	84,058	0.55	(142,689)	(62.93)
Debt Service:				
Principal	710,000	4.67	(10,000)	(1.39)
Interest	<u>165,950</u>	<u>1.09</u>	<u>(27,600)</u>	<u>(14.26)</u>
Total	<u>\$ 15,197,941</u>	<u>100.00 %</u>	<u>\$ 328,802</u>	<u>2.21 %</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 \$725,790 more than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$143,286 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 \$960,657, Maintenance Reserve \$667,464 and Emergency Reserve \$137,173. 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 2017-2018 fiscal year and will be used to reduce the local tax levy for the 2019-2020 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2018, the School Board had \$19,252,925 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2018 and June 30, 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 5,297,900	\$ 5,297,900	\$ -	\$ -	\$ 5,297,900	\$ 5,297,900
Construction in Progress	190,447	190,447	-	-	190,447	190,447
Building and Improvements	13,467,828	13,737,767	-	-	13,467,828	13,737,767
Machinery and Equipment	289,505	313,849	7,245	8,130	296,750	321,979
Total	\$ 19,245,680	\$ 19,539,963	\$ 7,245	\$ 8,130	\$ 19,252,925	\$ 19,548,093

During the current fiscal year, \$56,840 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 and business-type activities :

	June 30, 2018	June 30, 2017
Bonds Payable (net)	\$ 3,135,000	\$ 3,845,000
Capital Leases payable	21,378	26,795
Pension Liability-PERS	3,726,280	4,263,882
Compensated Absences payable	<u>275,715</u>	<u>248,298</u>
Total long-term liabilities	\$ <u>7,158,373</u>	\$ <u>8,383,975</u>

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

Economic Factors and Next Year's Budget

For the 2017-2018 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 11.63% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 88.37% of total revenue is from local sources.

The \$(2,979,057) 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 2017-2018 budget was adopted in March 2017 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Little Silver for increased aid.

The School Board anticipates a slight increase in enrollment for the 2018-2019 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

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

BASIC FINANCIAL STATEMENTS

LITTLE SILVER SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,565,599	\$ 37,432	\$ 2,603,031
Receivables, state	148,928	-	148,928
Receivables, federal	49,860	-	49,860
Receivables, other	23,655	-	23,655
Capital assets, non-depreciable	5,488,347	-	5,488,347
Capital assets, net	13,757,333	7,245	13,764,578
Total assets	<u>22,033,722</u>	<u>44,677</u>	<u>22,078,399</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	<u>1,411,458</u>	<u>-</u>	<u>1,411,458</u>
LIABILITIES			
Accounts payable	83,450	-	83,450
Unearned revenue	4,210	10,591	14,801
Noncurrent liabilities:			
Due within one year	716,631	-	716,631
Due beyond one year	6,441,742	-	6,441,742
Total liabilities	<u>7,246,033</u>	<u>10,591</u>	<u>7,256,624</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	<u>869,496</u>	<u>-</u>	<u>869,496</u>
NET POSITION			
Net Investment in capital assets	16,089,302	7,245	16,096,547
Restricted for:			
Debt service	-	-	-
Capital projects	960,657	-	960,657
Other purposes	1,258,749	-	1,258,749
Unrestricted	(2,979,057)	26,841	(2,952,216)
Total net position	<u>\$ 15,329,651</u>	<u>\$ 34,086</u>	<u>\$ 15,363,737</u>

LITTLE SILVER SCHOOL DISTRICT
 Statement of Activities
 For the Fiscal Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 5,382,311	\$ 125,700	\$ 235,207	\$ -	\$ (5,021,404)	\$ -	\$ (5,021,404)
Special education instruction	789,045	-	-	-	(789,045)	-	(789,045)
Other special instruction	201,260	-	-	-	(201,260)	-	(201,260)
Support services and undistributed costs:							
Instruction	147,915	-	-	-	(147,915)	-	(147,915)
Health services	162,897	-	-	-	(162,897)	-	(162,897)
Student and instr related services	1,386,877	-	32,897	-	(1,353,980)	-	(1,353,980)
Educational media services	167,009	-	-	-	(167,009)	-	(167,009)
Instruction staff training	27,698	-	-	-	(27,698)	-	(27,698)
General administrative services	443,430	-	-	-	(443,430)	-	(443,430)
School administrative services	524,479	-	-	-	(524,479)	-	(524,479)
Information technology services	286,138	-	-	-	(286,138)	-	(286,138)
Allowed maintenance for school facilities	212,880	-	-	-	(212,880)	-	(212,880)
Other operation & maintenance of plant	1,154,346	-	-	-	(1,154,346)	-	(1,154,346)
Student transportation services	241,510	-	-	-	(241,510)	-	(241,510)
Unallocated employee benefits	2,573,828	-	-	-	(2,573,828)	-	(2,573,828)
Non-budgeted expenditures	1,095,411	-	1,095,411	-	-	-	-
Special schools	-	-	-	-	-	-	-
Interest expense	167,235	-	-	-	(167,235)	-	(167,235)
Total governmental activities	<u>14,964,269</u>	<u>125,700</u>	<u>1,363,515</u>	<u>-</u>	<u>(13,475,054)</u>	<u>-</u>	<u>(13,475,054)</u>
Business-type activities:							
Food service	283,639	290,463	-	-	-	6,824	6,824
Total business-type activities	<u>283,639</u>	<u>290,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,824</u>	<u>6,824</u>
Total primary government	<u>\$ 15,247,908</u>	<u>\$ 416,163</u>	<u>\$ 1,363,515</u>	<u>\$ -</u>	<u>\$ (13,475,054)</u>	<u>\$ 6,824</u>	<u>\$ (13,468,230)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					12,931,801	-	12,931,801
Taxes levied for debt service					875,950	-	875,950
Federal and state aid					479,930	-	479,930
Miscellaneous income					68,665	-	68,665
Investment earnings					8,321	-	8,321
Total general revenues					<u>14,364,667</u>	<u>-</u>	<u>14,364,667</u>
Change in net position					889,613	6,824	896,437
Net position—beginning					14,440,038	27,262	14,467,300
Net position—ending					<u>\$ 15,329,651</u>	<u>\$ 34,086</u>	<u>\$ 15,363,737</u>

LITTLE SILVER SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,563,782	\$ (86,545)	\$ 79,522	\$ 8,840	\$ 2,565,599
Interfund receivables	85,896	18,634	-	-	104,530
Other receivable	-	23,655	-	-	23,655
Receivables from state	148,928	-	-	-	148,928
Receivables from other governments	-	49,860	-	-	49,860
Total assets	<u>2,798,606</u>	<u>5,604</u>	<u>79,522</u>	<u>8,840</u>	<u>2,892,572</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	82,056	1,394	-	-	83,450
Interfund payable	18,634	-	77,056	8,840	104,530
Unearned revenue	-	4,210	-	-	4,210
Total liabilities	<u>100,690</u>	<u>5,604</u>	<u>77,056</u>	<u>8,840</u>	<u>192,190</u>
Fund Balances:					
Restricted for:					
Other purposes	-	-	-	-	-
Excess surplus prior year - designated for subsequent years expenditures	293,882	-	-	-	293,882
Emergency reserve	137,173	-	-	-	137,173
Maintenance reserve	667,464	-	-	-	667,464
Capital reserve account	960,657	-	-	-	960,657
Excess surplus	160,230	-	-	-	160,230
Capital projects	-	-	2,466	-	2,466
Debt service	-	-	-	-	-
Assigned to:					
Other purposes	126,890	-	-	-	126,890
Designated for subsequent year's expended by the board of education	-	-	-	-	-
Unassigned to:					
General fund	351,620	-	-	-	351,620
Total Fund balances	<u>2,697,916</u>	<u>-</u>	<u>2,466</u>	<u>-</u>	<u>2,700,382</u>
Total liabilities and fund balances	<u>\$ 2,798,606</u>	<u>\$ 5,604</u>	<u>\$ 79,522</u>	<u>\$ 8,840</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$26,441,991 and the accumulated depreciation is \$7,196,311.

\$ 19,245,680

Deferred outflows related to the PERS pension plan

1,411,458

Deferred inflows related to the PERS pension plan

(869,496)

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.

(7,158,373)

Net position of governmental activities

\$ 15,329,651

LITTLE SILVER SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 12,931,801	\$ -	\$ -	\$ 875,950	\$ 13,807,751
Tuition charges	125,700	-	-	-	125,700
Interest income	2,211	-	540	-	2,751
Interest earned - capital reserve	5,570	-	-	-	5,570
Miscellaneous	40,559	28,106	-	-	68,665
Total Local Sources	<u>13,105,841</u>	<u>28,106</u>	<u>540</u>	<u>875,950</u>	<u>14,010,437</u>
State sources	1,575,341	-	-	-	1,575,341
Federal sources	-	268,104	-	-	268,104
Total revenues	<u>14,681,182</u>	<u>296,210</u>	<u>540</u>	<u>875,950</u>	<u>15,853,882</u>
EXPENDITURES					
Current:					
Regular instruction	5,118,998	263,313	-	-	5,382,311
Special education instruction	789,045	-	-	-	789,045
Other special instruction	201,260	-	-	-	201,260
Support Services and Undistributed Costs:					
Instruction	147,915	-	-	-	147,915
Health services	162,897	-	-	-	162,897
Student and instruction related services	1,353,980	32,897	-	-	1,386,877
Educational media services	167,009	-	-	-	167,009
Instruction staff training	27,698	-	-	-	27,698
General administrative services	443,430	-	-	-	443,430
School administrative services	524,479	-	-	-	524,479
Information technology	286,138	-	-	-	286,138
Allowed maintenance for school facilities	212,880	-	-	-	212,880
Other operation & maintenance of plant	782,707	-	-	-	782,707
Student transportation services	241,510	-	-	-	241,510
Unallocated employee benefits	2,386,366	-	-	-	2,386,366
Non-budgeted expenditures	1,095,411	-	-	-	1,095,411
Special schools	-	-	-	-	-
Debt service:					
Principal	-	-	-	710,000	710,000
Interest and other charges	-	-	-	165,950	165,950
Capital outlay	84,058	-	-	-	84,058
Total expenditures	<u>14,025,781</u>	<u>296,210</u>	<u>-</u>	<u>875,950</u>	<u>15,197,941</u>
Excess (Deficiency) of revenues over expenditures	<u>655,401</u>	<u>-</u>	<u>540</u>	<u>-</u>	<u>655,941</u>
OTHER FINANCING SOURCES (USES)					
Transfer capital reserve to capital projects	-	-	-	-	-
Transfer interest	540	-	(540)	-	-
Transfer to cover deficit food service	-	-	-	-	-
Total other financing sources and (uses)	<u>540</u>	<u>-</u>	<u>(540)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of revenues over expenditures and other financings sources and (uses)	<u>655,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655,941</u>
Fund balance—July 1	2,041,975	-	2,466	-	2,044,441
Fund balance—June 30	<u>\$ 2,697,916</u>	<u>\$ -</u>	<u>\$ 2,466</u>	<u>\$ -</u>	<u>\$ 2,700,382</u>

LITTLE SILVER SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2018

Total net change in fund balances - governmental funds (from B-2)	\$	655,941				
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>						
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>						
	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 10px;">Depreciation expense</td> <td style="text-align: right;">(351,123)</td> </tr> <tr> <td style="padding-right: 10px;">Capital outlays</td> <td style="text-align: right;"><u>56,840</u></td> </tr> </table>	Depreciation expense	(351,123)	Capital outlays	<u>56,840</u>	(294,283)
Depreciation expense	(351,123)					
Capital outlays	<u>56,840</u>					
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		710,000				
Payment of lease is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		5,417				
In the statement of activities, certain operating expenses such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported when paid.		(27,417)				
In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey		<u>(160,045)</u>				
Change in net position of governmental activities	\$	<u>889,613</u>				

LITTLE SILVER SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2018

	Food Service
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 37,432
Total current assets	37,432
Fixed assets:	
Equipment, net	7,245
Total assets	44,677
Current liabilities:	
Deferred revenue	10,591
Total liabilities	10,591
NET POSITION	
Net investment in capital assets	7,245
Unrestricted	26,841
Total net position	34,086
Total liabilities and net position	\$ 44,677

LITTLE SILVER SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Food Service
Operating revenues:	
Sales	\$ 290,463
Total operating revenue	290,463
Operating expenses:	
Cost of sales - reimbursable programs	-
Cost of sales - non-reimbursable programs	141,319
Salaries and benefits	121,723
Cost of supplies	-
Depreciation	885
Other purchased services	19,712
Total operating expenses	283,639
Operating (loss)/profit	6,824
Non-operating revenues:	
Interest revenue	-
Total non-operating revenues	-
Change in net position	6,824
Total net position—beginning	27,262
Total net position—ending	\$ 34,086

LITTLE SILVER SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year ended June 30, 2018

	Food Service
Cash Flows from Operating Activities:	
Sales to customers	\$ 298,068
Payments to suppliers	(290,114)
Net cash provided by operating activities	7,954
Cash Flows from Investing Activities	
Interest	-
Fixed asset purchases	-
Net cash provided by investing activities	-
Net increase in cash and cash equivalents	7,954
Cash and cash equivalents July 1	29,478
Cash and cash equivalents June 30	37,432
Cash flows from operating activities:	
Operating profit	6,824
Depreciation	885
Change in assets and liabilities:	
Decrease (increase) in deferred revenues	7,605
Increase (decrease) in accounts payable	(7,360)
Net cash provided by operating activities	\$ 7,954

LITTLE SILVER SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	<u>Agency Funds</u>	<u>Unemployment Compensation Trust</u>
ASSETS		
Cash and cash equivalents	\$ 35,201	\$ 38,357
Total assets	<u>35,201</u>	<u>38,357</u>
LIABILITIES		
Payroll deductions and withholdings	13,552	-
Due to student groups	21,649	-
Total liabilities	<u>35,201</u>	<u>-</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>-</u>	<u>38,357</u>
Total net position	<u>-</u>	<u>38,357</u>
Total liabilities and net position	<u>\$ 35,201</u>	<u>\$ 38,357</u>

LITTLE SILVER SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2018

	<u>Unemployment Compensation Trust</u>
<u>ADDITIONS</u>	
Contributions:	\$ 14,522
Investment earnings:	
Interest	326
Total additions	<u>14,848</u>
<u>DEDUCTIONS</u>	
Unemployment claims	<u>5,774</u>
Total deductions	<u>5,774</u>
Change in net position	9,074
Net position—beginning of the year	<u>29,283</u>
Net position—end of the year	<u><u>\$ 38,357</u></u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

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

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

B. Basis of Presentation

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

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.

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

B. Basis of Presentation (Cont'd):

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

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

The District reports the following governmental funds:

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

B. Basis of Presentation (Cont'd):

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

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

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

The District reports the following proprietary fund:

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

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

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

C. Basis of Accounting:

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

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

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

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

D. Property Taxes

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

E. Budgets/Budgetary Control

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

All budget amendments/transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2018 were insignificant.

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

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

F. Encumbrances

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

G. Cash, Cash Equivalents and Investments

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

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

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

H. Tuition Receivable

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

I. Tuition Payable

Tuition charges for the fiscal years 2017-2018 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

J. Inventories and Prepaid Expenses

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

Prior to 2018, the District reported inventories at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method. The District began stating inventories prospectively at the lower of FIFO cost and net realizable value. This change was made in response to a recent FASB standard issued as part of the Board's simplification initiative. Under the prior method, "market", was replacement cost, subject to possible adjustments. Net realizable value is based on the selling price. The change is intended to reduce complexity in financial statement preparation. This change had no significant effect on earnings for 2018.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets

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

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

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

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

M. Compensated Absences

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

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

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

M. Compensated Absences (Cont'd)

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

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

N. Unearned/Deferred Revenue

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

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Bonds are recognized as a liability on the fund financial statements when due.

P. Deferred Outflows/Inflows of Resources

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

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

Q. Net Position

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

R. Fund Balance Resources

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

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

S. Revenues - Exchange and Non-exchange Transactions

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

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

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

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

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

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

T. Operating Revenues and Expenses

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

U. Management Estimates

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

2. Cash and Cash Equivalents and Investments

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2018, the carrying amount of the District's deposits was \$2,676,589 and the bank balance was \$2,789,661. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

Pursuant to Government Accounting Standards, the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2018, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

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

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

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

3. Investments

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

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

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

The District has no deposits invested.

4. Capital Reserve Account

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

4. Capital Reserve Account (Cont'd)

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

The activity of the Capital Reserve for the July 01, 2017 to June 30, 2018 fiscal year is as follows:

Balance, July 1, 2017	\$	755,087
Add:		
Interest Earned		5,570
Approved at June 2018 Meeting		250,000
Transfer to Capital Projects		<u>(50,000)</u>
Balance, June 30, 2018	\$	<u><u>960,657</u></u>

5. Maintenance Reserve Account

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

5. Maintenance Reserve Account (Cont'd)

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2018.

The activity of the Maintenance Reserve for the July 01, 2017 to June 30, 2018 fiscal year is as follows:

Balance, July 1, 2017	\$ 415,255
Add:	
Interest	2,209
Approved at June 2018 Meeting	250,000
Less:	
Budgeted transfer out	-
Balance, at June 30, 2018	<u>\$ 667,464</u>

6. Emergency Reserve Account

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

The activity of the Emergency Reserve for the July 01, 2017 to June 30, 2018 fiscal year is as follows:

Balance July 1, 2017	\$ 105
Add:	
Interest	2
Approved at June 2018 Meeting	137,066
Less:	
Budgeted transfer out	-
Balance, June 30, 2018	<u>\$ 137,173</u>

7. Receivables

Receivables at June 30, 2018, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables is as follows:

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
State Aid	\$ 148,928	\$ 148,928
Federal Aid	49,860	49,860
Interfunds	104,530	-
Other	<u>23,655</u>	<u>23,655</u>
Gross Receivables	326,973	222,443
Allowance for Uncollectible	-	-
Total Receivables, Net	<u>\$ 326,973</u>	<u>\$ 222,443</u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

8. Capital Assets

Capital Assets consisted of the following at June 30, 2018.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 5,297,900	-	-	\$ 5,297,900
Construction in Progress	<u>190,447</u>	<u>-</u>	<u>-</u>	<u>190,447</u>
Total Capital Assets Not Being Depreciated	<u>5,488,347</u>	<u>-</u>	<u>-</u>	<u>5,488,347</u>
Capital Assets Being Depreciated				
Building and Building Improvements	19,750,851	34,450	-	19,785,301
Machinery and Equipment	<u>1,145,953</u>	<u>22,390</u>	<u>-</u>	<u>1,168,343</u>
Totals at Historical Cost	<u>20,896,804</u>	<u>56,840</u>	<u>-</u>	<u>20,953,644</u>
Less Accumulated Depreciation for:				
Site Improvements	-	-	-	-
Building and Building Improvements	(6,013,084)	(304,389)	-	(6,317,473)
Machinery and Equipment	<u>(832,104)</u>	<u>(46,734)</u>	<u>-</u>	<u>(878,838)</u>
Total Accumulated Depreciation	<u>(6,845,188)</u>	<u>(351,123)</u>	<u>-</u>	<u>(7,196,311)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>14,051,616</u>	<u>(294,283)</u>	<u>-</u>	<u>13,757,333</u>
Government Activity Capital Assets, Net	<u>\$ 19,539,963</u>	<u>(294,283)</u>	<u>-</u>	<u>\$ 19,245,680</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	8,580	-	-	8,580
Less: Accumulated Depreciation	<u>(450)</u>	<u>(885)</u>	<u>-</u>	<u>(1,335)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 8,130</u>	<u>(885)</u>	<u>-</u>	<u>\$ 7,245</u>

Depreciation expense was charged to governmental functions as follows:

Operations and maintenance	\$ <u>351,123</u>
Total depreciation expense	\$ <u><u>351,123</u></u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

9. Non-current Liabilities

During the fiscal year ended June 30, 2018 the following changes occurred in the non-current liabilities:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Due within one year
Bonds payable	\$ 3,845,000	-	(710,000)	3,135,000	\$ 705,000
Capital leases	26,795	-	(5,417)	21,378	5,710
Compensated absences payable	248,298	27,417	-	275,715	5,921
Pension liability - PERS	4,263,882	-	(537,602)	3,726,280	-
	<u>\$ 8,383,975</u>	<u>27,417</u>	<u>(1,253,019)</u>	<u>7,158,373</u>	<u>\$ 716,631</u>

A. Bonds Payable

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

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

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

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

Year ended June 30	Principal	Interest	Total
2019	\$ 705,000	\$ 137,250	\$ 842,250
2020	705,000	102,825	807,825
2021	705,000	68,825	773,825
2022	685,000	41,563	726,563
2023	50,000	8,625	58,625
2024-2028	<u>285,000</u>	<u>21,138</u>	<u>306,138</u>
	<u>\$ 3,135,000</u>	<u>\$ 380,226</u>	<u>\$ 3,515,226</u>

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

9. Non-current Liabilities (Cont'd)

B. Bonds Authorized But Not Issued

As of June 30, 2018 the District had no authorized but not issued bonds.

C. Capital Leases:

The District is leasing equipment under various capital leases. During 2017, equipment of \$29,398 financed by the lease was recorded in machinery and equipment. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2018:

Year ended June 30,		
2019	\$	6,703
2020		6,703
2021		6,702
2022		<u>3,352</u>
Total minimum lease payments		23,460
Less: amounts representing interest		<u>(2,082)</u>
Present value of lease payments	\$	<u><u>21,378</u></u>

10. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

10. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2018, the School District reported a liability of \$3,726,280 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was .0160074577%, which was an increase of .0016107832% from its proportion measured as of June 30, 2016.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

10. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$160,045 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,741	\$ -
Changes of assumptions	750,717	747,965
Net difference between projected and actual earnings on pension plan investments	25,373	-
Changes in proportion and differences between District contributions and proportionate share of contributions	380,196	121,531
District contributions subsequent to the measurement date	167,431	-
Total	<u>\$ 1,411,458</u>	<u>\$ 869,496</u>

\$167,431 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 283,550
2019	427,884
2020	259,276
2021	(344,837)
2022	(251,342)
Thereafter	-
Total	<u>\$ 374,531</u>

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

10. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	-
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	5.00	-

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for the 2017, 2016, 2015 and 2014 amounts, respectively.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

10. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

Actuarial Assumptions - The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2016 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

10. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50 %	1.00 %
U.S. Treasuries	3.00 %	1.87 %
Investment Grade Credit	10.00 %	3.78 %
Public High Yield	2.50 %	6.82 %
Global Diversified Credit	5.00 %	7.10 %
Credit Oriented Hedge Funds	1.00 %	6.60 %
Debt Related Private Equity	2.00 %	10.63 %
Debt Related Real Estate	1.00 %	6.61 %
Private Real Asset	2.50 %	11.83 %
Equity Related Real Estate	6.25 %	9.23 %
U.S. Equity	30.00 %	8.19 %
Non-U.S. Developed Markets Equity	11.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.64 %
Buyouts/Venture Capital	8.25 %	13.08 %

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 contribution rate in the most recent fiscal year. State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

10. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (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, 2017 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 (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the net pension liability	4,622,704	3,726,280	2,979,449

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/18</u>	<u>6/30/17</u>
Collective Deferred Outflows of Resources	723,829,861	7,815,204,785
Collective Deferred Inflows of Resources	-	-
Collective Net Pension Liability	23,278,401,588	29,617,131,759
School District's Portion	.0160074577%	.0143966745%

B. Teachers' Pension and Annuity (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit plan with a special-funding situation, by which a State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

10. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the School District.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$40,738,256. The School District's proportionate share was \$0.

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

10. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was .0604213553%, which was an increase of .0001345909% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized a pension expense in the amount of \$945,663 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2017 measurement date.

Actuarial Assumptions - The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

10. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Long-term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50 %	1.00 %
U.S. Treasuries	3.00 %	1.87 %
Investment Grade Credit	10.00 %	3.78 %
Public High Yield	2.50 %	6.82 %
Global Diversified Credit	5.00 %	7.10 %
Credit Oriented Hedge Funds	1.00 %	6.60 %
Debt Related Private Equity	2.00 %	10.63 %
Debt Related Real Estate	1.00 %	6.61 %
Private Real Asset	2.50 %	11.83 %
Equity Related Real Estate	6.25 %	9.23 %
U.S. Equity	30.00 %	8.19 %
Non-U.S. Developed Markets Equity	11.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.64 %
Buyouts/Venture Capital	8.25 %	13.08 %

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

10. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Discount Rate - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 contribution rate in the most recent fiscal year. State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2017 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 (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's proportionate share of the net pension liability	48,575,344	40,887,258	34,553,778

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

10. Pension Plans (Cont'd)

Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2018 were \$6,200. There was no liability for unpaid contributions at June 30, 2018.

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

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

11. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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. The cost of these benefits is funded through contributions by the State in accordance with, P.L. 1994 c. 62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.
(GASB Cod. Sec. 2300.106(g))

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Employees covered by benefit terms

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	142,331
Active plan members	<u>223,747</u>
Total	<u><u>366,078</u></u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Post-Retirement Benefits (cont'd)

Total Nonemployer OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified returned PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

Actuarial assumptions and other imputes

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.15%-4.15% PFRS 2.1%-8.98% TPAF 1.55%-4.55%
Salary Increases after 2026	PERS 3.15%-5.15% PFRS 3.1%-9.98% TPAF 2.0%-5.45%
Discount Rate	3.58%
Healthcare Cost Trend Rates	4.5%-5.9%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Preretirement mortality rates were based on the RP-2014 Headcount-weighted Healthy Employee Male/Female Mortality Table with Fully Generational Mortality Improvement projections from the central year using Scale MP-2017. Postretirement mortality rates were based on the RP-2014 Headcount-weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. The disabled mortality was based on the RP-2014 Headcount-weighted Male/Female mortality table with fully generational improvement projects from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for PERS-June 30, 2014; TPAF-June 30, 2015 and PFRS-June 30, 2013.

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

11. Post-Retirement Benefits (cont'd)

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at June 30, 2016	\$ 57,831,784,184
Changes for the year:	
Service cost	2,391,878,884
Interest on the total OPEB liability	1,699,441,736
Changes in assumptions	(7,086,599,129)
Gross benefit payments by the state	(1,242,412,566)
Contributions from members	<u>45,748,749</u>
Net changes	<u>(4,191,942,326)</u>
Balance at June 30, 2017	<u>\$ 53,639,841,858</u>

Discount rate

The discount rate was 2.85% percent in 2016 and 3.58% percent in 2017. This represents the municipal bond rate chosen by the State of New Jersey Division of Pension and Benefits. The source is the Bond Buyer Go 20-Bond municipal bond index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the June 30, 2017 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
Total OPEB Liability of the State for School Retirees	\$63,674,362,200	\$53,639,841,858	\$45,680,364,953
Total OPEB Liability of the State Associated with the School District for School Retirees	\$35,776,419	\$30,138,371	\$25,666,216

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Post-Retirement Benefits (cont'd)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following presents the June 30, 2017 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability of the State for School Retirees	\$44,113,584,560	\$53,639,841,858	\$66,290,599,457
Total OPEB Liability of the State Associated with the School District for School Retirees	\$24,785,796	\$30,138,371	\$37,246,394

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$2,041,074 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Little Silver School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Post-Retirement Benefits (cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (cont'd)

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience		
Changes of assumptions	\$ -	\$ 6,343,769,032
Contributions made in fiscal year ending 2018 after June 30, 2017 measurement date	<u>1,190,373,242</u>	<u>-</u>
Total	<u>\$ 1,190,373,242</u>	<u>\$ 6,343,769,032</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	<u>(2,629,618,547)</u>
Total	<u>\$ (6,343,769,032)</u>

12. Compensated Absences

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Deferred Compensation

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

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

14. Risk Management

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

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

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

District Financial Year	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2017-2018	\$ 14,522	326	(5,774)	\$ 38,357
2016-2017	14,226	108	(624)	29,283
2015-2016	\$ 35,372	15	(24,176)	\$ 15,573

Little Silver School District
Notes to Financial Statements
For the Year Ended June 30, 2018

15. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2018:

	Interfund Receivable	Interfund Payable
General Fund	\$ 85,896	\$ 18,634
Special Revenue Fund	18,634	-
Capital Projects Fund	-	77,056
Debt Service Fund	-	8,840
Enterprise Fund	-	-
Trust and Agency Fund	-	-
	<u>\$ 104,530</u>	<u>\$ 104,530</u>

The General Fund owes the Special Revenue Fund for deposits not transferred by year end.

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

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

16. Contingent Liabilities

Grant Programs

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2018

17. Fund Balances

General Fund - Of the \$2,697,916 General Fund balance at June 30, 2018, \$126,890 of encumbrances is assigned to other purposes, \$960,657 is restricted for capital reserve, \$667,464 is restricted for maintenance reserve, \$137,173 is restricted for the emergency reserve, \$293,882 is restricted for excess surplus for subsequent year expenditures, \$- has been classified as assigned fund balance designated for subsequent year expenditures, \$160,230 is restricted for excess surplus and \$351,620 is unassigned.

18. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$160,230. The excess fund balance at June 30, 2017 was \$293,882.

19. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2018. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2015.

20. Subsequent Events

Management has evaluated subsequent events through January 31, 2019, the date the financial statements were available to be issued.

21. Tax Abatement

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 12,931,801	\$ -	\$ 12,931,801	\$ 12,931,801	\$ -
Tuition	96,500	-	96,500	125,700	29,200
Transportation Fees from Other Individuals	27,000	-	27,000	-	(27,000)
Interest earned on capital reserve funds	1,000	1,000	-	5,570	5,570
Interest earned on current expense emergency reserve	1	1	-	2	2
Interest earned on maintenance reserve	200	200	-	2,209	2,209
Miscellaneous	17,001	(1,201)	18,202	40,559	22,357
Total - local sources	13,073,503	-	13,073,503	13,105,841	32,338
State sources:					
Categorical transportation aid	12,408	-	12,408	12,408	-
Categorical special education aid	270,349	-	270,349	306,548	36,199
Extraordinary aid	50,000	-	50,000	124,169	74,169
Non public transportation aid	-	-	-	580	580
Categorical security aid	13,628	-	13,628	13,628	-
PARCC readiness aid	8,430	-	8,430	8,430	-
Per pupil growth aid	8,430	-	8,430	8,430	-
Professional learning community aid	8,410	-	8,410	8,410	-
TPAF-LTDI (on-behalf - Non-budgeted)	-	-	-	1,803	1,803
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	610,784	610,784
Teacher' pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	945,663	945,663
TPAF social security (reimbursed - Non-budgeted)	-	-	-	482,824	482,824
Total state sources	371,655	-	371,655	2,523,677	2,152,022
Total revenues	13,445,158	-	13,445,158	15,629,518	2,184,360
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Preschool- Salaries of teachers	56,500	4,635	61,135	60,980	155
Kindergarten - Salaries of teachers	351,239	-	351,239	349,200	2,039
Grades 1-5 - Salaries of teachers	2,413,213	117,466	2,530,679	2,530,678	1
Grades 6-8 - Salaries of teachers	1,747,595	20,529	1,768,124	1,767,161	963
Regular Programs - Home Instruction:					
Salaries of teachers	1,000	3,335	4,335	4,335	-
Purchased professional-educational services	750	2,490	3,240	3,032	208
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	97,064	6,269	103,333	103,038	295
Purchased professional-educational services	500	(500)	-	-	-
Purchased professional technical services	20,860	1,770	22,630	12,743	9,887
Other purchased services (400-500 series)	400	1	401	400	1
General supplies	294,122	23,797	317,919	263,899	54,020
Textbooks	38,448	(5,256)	33,192	20,139	13,053
Other objects	9,902	-	9,902	3,393	6,509
TOTAL REGULAR PROGRAMS - INSTRUCTION	5,031,593	174,536	5,206,129	5,118,998	87,131
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of teachers	182,850	(6,792)	176,058	167,177	8,881
Other salaries for instruction	18,850	2,464	21,314	21,314	-
General supplies	300	400	700	198	502
Multiple Disabilities:	202,000	(3,928)	198,072	188,689	9,383

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of teachers	\$ 698,615	\$ (129,887)	\$ 568,728	\$ 562,195	\$ 6,533
Other salaries for instruction	47,707	-	47,707	33,737	13,970
Purchased professional-educational services	4,000	-	4,000	3,488	512
General supplies	1,150	-	1,150	936	214
Total Resource Room/Resource Center	751,472	(129,887)	621,585	600,356	21,229
TOTAL SPECIAL EDUCATION - INSTRUCTION	953,472	(133,815)	819,657	789,045	30,612
Basic Skills/Remedial - Instruction					
Salaries of teachers	143,550	-	143,550	88,743	54,807
General Supplies	882	-	882	27	855
Total Basic Skills/Remedial - Instruction	144,432	-	144,432	88,770	55,662
School-Spon. Cocurricular Activities - Instruction					
Salaries	51,200	-	51,200	45,206	5,994
Supplies and materials	8,165	-	8,165	899	7,266
Other objects	1,075	(602)	473	450	23
Total School-Spon. Cocurricular Actvts. - Instruction	60,440	(602)	59,838	46,555	13,283
School-Spon. Athletics - Instruction					
Salaries	42,324	-	42,324	36,892	5,432
Purchased services (300-500 series)	6,000	-	6,000	5,584	416
Supplies and materials	7,475	-	7,475	5,570	1,905
Other objects	2,200	-	2,200	1,655	545
Total School-Spon. Cocurricular Actvts. - Instruction	57,999	-	57,999	49,701	8,298
Summer School - Instruction					
Salaries of teachers	15,600	(2,700)	12,900	12,900	-
Other salaries for instruction	-	5,055	5,055	3,334	1,721
General Supplies	5,655	(5,655)	-	-	-
Total Summer School - Instruction	21,255	(3,300)	17,955	16,234	1,721
Total Instruction	6,269,191	36,819	6,306,010	6,109,303	196,707
Undistributed Expenditures - Instruction:					
Tuition to Priv. Sch. For Handic. in state	229,067	(2,000)	227,067	147,915	79,152
Total Undistributed Expenditures - Instruction:	229,067	(2,000)	227,067	147,915	79,152
Undist. Expend. - Health Services					
Salaries	158,250	-	158,250	157,296	954
Purchased professional and technical services	3,500	-	3,500	3,500	-
Supplies and materials	3,575	(59)	3,516	2,101	1,415
Total Undistributed Expenditures - Health Services	165,325	(59)	165,266	162,897	2,369
Undist. Expend. - Other Support Serv - Students Related Service					
Salaries	314,210	5,388	319,598	319,050	548
Purchased professional - educational services	65,045	(4,052)	60,993	56,458	4,535
Supplies and materials	2,750	(211)	2,539	1,436	1,103
Total Undist. Expend. - Other Support Serv - Students	382,005	1,125	383,130	376,944	6,186
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	217,003	49,545	266,548	266,547	1
Total Undist. Expend. - Other Support Services Students - Extraordi	217,003	49,545	266,548	266,547	1
Undist. Expend. - Other Support Serv Students-Regular					
Salaries of other professional staff	128,840	360	129,200	129,200	-
Other purchased prof. and tech. services	15,645	-	15,645	-	15,645
Supplies and materials	5,901	(360)	5,541	4,841	700
Total Undist. Expend. - Other Support Serv - Students-Regular	150,386	-	150,386	134,041	16,345
Undist. Expend. - Other Support Serv - Students-Special					
Salaries of other professional staff	374,748	5,435	380,183	369,755	10,428
Salaries of secretarial and clerical assistants	30,000	(125)	29,875	29,875	-
Purchased Prof. Ed. Services	12,500	(7,080)	5,420	1,054	4,366
Other purchased prof. and tech. services	21,600	-	21,600	13,426	8,174
Other purchased services (400-500 series)	100	-	100	-	100
Supplies and materials	6,000	(195)	5,805	5,523	282
Other objects	8,660	-	8,660	8,478	182
Total Undist. Expend. - Other Supp Services - Students-Special	453,608	(1,965)	451,643	428,111	23,532

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr					
Salaries of supervisor of instruction	\$ 105,264	\$ -	\$ 105,264	\$ 105,263	\$ 1
Salaries Other Prof. Staff	-	1,200	1,200	1,200	-
Salaries of secretarial and clerical assistants	31,302	-	31,302	29,301	2,001
Other Salaries	7,500	(369)	7,131	5,116	2,015
Purchased professional - educational services	4,500	-	6,245	4,250	1,995
Supplies and materials	1,000	-	1,000	228	772
Other objects	3,100	-	3,100	2,979	121
Total Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr	152,666	831	155,242	148,337	6,905
Undist. Expend. - Educational Media Services/School Library					
Salaries	30,480	1,000	31,480	25,431	6,049
Salaries - Technology Coordinators	121,874	-	121,874	121,874	-
Purchased professional and technical services	46,181	(22,000)	24,181	-	24,181
Supplies and materials	21,614	-	21,614	19,704	1,910
Total Undist. Expend. - Educational Media Services/School Library	220,149	(21,000)	199,149	167,009	32,140
Undist. Expend. - Instruction Staff Training Services					
Salaries of supervisor of instruction	22,295	-	22,295	22,295	-
Other Salaries	5,500	369	5,869	5,403	466
Total Undist. Expend. - Instruction Staff Training Services	27,795	369	28,164	27,698	466
Undist. Expend. - Support Service - General Administration					
Salaries	248,921	(15,951)	232,970	231,021	1,949
Legal services	45,000	13,780	58,780	42,198	16,582
Audit Fees	10,200	535	10,735	10,735	-
Architectural/Engineering Services	5,000	-	5,000	-	5,000
Other purchased professional services	5,000	-	5,000	4,585	415
Purchased technical services	4,275	-	4,275	2,858	1,417
Communications/Telephone	45,270	3,118	48,388	42,922	5,466
BOE Other purchased services	2,600	870	3,470	3,055	415
Other purchased services (400-500 series)	44,137	1,650	45,787	44,726	1,061
General supplies	2,500	(150)	2,350	1,160	1,190
Judgements against the school district	8,500	36,674	45,174	43,788	1,386
Miscellaneous expenditures	7,389	-	7,389	7,373	16
BOE membership dues and fees	6,320	2,829	9,149	9,009	140
Total Undist. Expend. - Support Service - General Administration	435,112	43,355	478,467	443,430	35,037
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	282,790	-	282,790	282,790	-
Salaries of secretarial and clerical assistants	89,175	-	89,175	87,750	1,425
Salaries of other professional staff	136,192	6,580	142,772	137,933	4,839
Purchased professional and technical services	3,500	-	3,500	1,286	2,214
Other purchased services (400-500 series)	4,940	170	5,110	4,910	200
Supplies and materials	9,726	1,824	11,550	7,207	4,343
Other objects	2,664	-	2,664	2,603	61
Total Undist. Expend. - Support Service - School Administration	528,987	8,574	537,561	524,479	13,082
Undistributed Expenditures - Central Services					
Salaries	207,045	25,270	232,315	232,297	18
Purchased professional services	11,200	(1)	11,199	11,199	-
Purchased technical services	3,325	3,405	6,730	6,730	-
Misc. Purchased Services	4,450	(2,000)	2,450	2,450	-
Supplies and materials	3,000	(2,349)	651	651	-
Miscellaneous expenditures	2,070	2,400	4,470	4,286	184
Total Undist. Expend. - Central Services	231,090	26,725	257,815	257,613	202
Undist.- Admin. Info. Technology					
Purchased technical services	41,377	(3,880)	37,497	22,510	14,987
Supplies and materials	2,145	3,870	6,015	6,015	-
Total Undist. Expend - Admin. Info. Technology	43,522	(10)	43,512	28,525	14,987
Undist. Expend. - Allowed Maintenance for School Facilities					
Salaries	37,189	-	37,189	37,188	1
Cleaning, repair and maintenance services	163,872	9,160	173,032	156,763	16,269
Other objects	15,000	(1,000)	14,000	13,998	2
General supplies	4,200	1,000	5,200	4,931	269
Total Undist. Expend. - Allowed Maintenance for School Facilities	220,261	9,160	229,421	212,880	16,541

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	\$ 345,679	\$ 37,738	\$ 383,417	\$ 337,277	\$ 46,140
Salaries of non-instructional aides	20,915	(14,250)	6,665	6,659	6
Cleaning, repair and maintenance services	80,370	18,344	98,714	85,473	13,241
Other purchased property services	28,500	-	28,500	28,328	172
Travel	-	300	300	190	110
Insurance	79,548	(1,993)	77,555	77,555	-
General supplies	40,994	(350)	40,644	40,419	225
Energy (electricity)	155,000	(7,620)	147,380	138,855	8,525
Energy (natural gas)	58,000	(15,019)	42,981	41,610	1,371
Other objects	3,000	(1,500)	1,500	1,189	311
Total Undist Expend-Other Operation & Maint Of Plant	812,006	15,650	827,656	757,555	70,101
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	23,228	-	23,228	19,408	3,820
Cleaning, repair and maintenance services	4,000	-	4,000	3,942	58
General supplies	400	-	400	122	278
Total Undist Expend-Care & Upkeep of Grounds	27,628	-	27,628	23,472	4,156
Security					
Cleaning, repair and maintenance services	10,100	-	10,100	1,230	8,870
General supplies	500	-	500	450	50
Total Security	10,600	-	10,600	1,680	8,920
Undist. Expend. - Student Transportation Services					
Salaries-pupil transport(between home & school)-Regular	10,415	1,194	11,609	11,609	-
Salaries-pupil transport (between home & school)-Special	7,925	(3,215)	4,710	4,710	-
Contract Svc (btw Home & Sch.) - Vendors	34,000	(4,472)	29,528	27,699	1,829
Contract Svc (other btw home & Sch.) - Vendors	1,000	(1,000)	-	-	-
Contract Svc (btw home & Sch.) - Joint Agreements	26,510	10,817	37,327	37,327	-
Contract Svc (Spl. Ed. Students) - ESCs & CTSAs	145,930	12,236	158,166	158,165	1
Contract Svc - Aid in Lieu Pymts - NonPub Sch	6,188	(4,187)	2,001	2,000	1
Total Undist. Expend. - Student Transportation Services	231,968	11,373	243,341	241,510	1,831
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	8,350	(250)	8,100	8,005	95
Social security contributions	138,720	-	138,720	138,699	21
Other retirement contributions - PERS	152,350	2,105	154,455	153,392	1,063
Unemployment Compensation	13,000	(8,000)	5,000	-	5,000
Workmen's compensation	86,540	1,427	87,967	87,967	-
Health benefits	2,287,031	(120,352)	2,166,679	1,980,001	186,678
Tuition reimbursement	25,000	(5,734)	19,266	15,018	4,248
Other employee benefits	6,220	(5,860)	360	335	25
Unused Sick Payment to Term/Ret Staff	-	2,949	2,949	2,949	-
TOTAL UNALLOCATED EMPLOYEE BENEFITS	2,717,211	(133,715)	2,583,496	2,386,366	197,130
On-behalf TPAF-LTDI (non-budgeted)	-	-	-	1,803	(1,803)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	610,784	(610,784)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	945,663	(945,663)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	482,824	(482,824)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	2,041,074	(2,041,074)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,717,211	-	-	2,041,074	(2,041,074)
TOTAL UNDISTRIBUTED EXPENDITURES	7,256,389	141,673	7,266,092	8,778,083	(1,511,991)
TOTAL GENERAL CURRENT EXPENSE	13,525,580	46,522	13,572,102	14,887,386	(1,315,284)
CAPITAL OUTLAY					
Interest	201	(201)	-	-	-
Equipment					
Regular Programs - Instruction:					
Undistributed expenditures - Instruction	50,000	-	50,000	50,000	-
Total Equipment	50,000	-	50,000	50,000	-
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	30,962	3,096	34,058	34,058	-
Total Facilities Acquisition and Construction Services	30,962	3,096	34,058	34,058	-
TOTAL CAPITAL OUTLAY	81,163	2,895	84,058	84,058	-

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ -
General Supplies	-	-	-	-	-
Total Summer School - Instruction	-	-	-	-	-
TOTAL SPECIAL SCHOOLS	-	-	-	-	-
Transfer of funds to Charter Schools	-	-	-	-	-
TOTAL EXPENDITURES	<u>13,606,743</u>	<u>49,417</u>	<u>13,656,160</u>	<u>14,971,444</u>	<u>(1,315,284)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(161,585)</u>	<u>(49,417)</u>	<u>(211,002)</u>	<u>658,074</u>	<u>(869,076)</u>
Other Financing Sources/ (Uses):					
Transfer to capital projects from capital reserve	109,553	-	109,553	-	109,553
Transfer interest earned on capital projects fund	-	-	-	540	(540)
Interest deposit to capital reserve	1,000	(1,000)	-	-	-
Total Other Financing Sources:	<u>110,553</u>	<u>(1,000)</u>	<u>109,553</u>	<u>540</u>	<u>109,013</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures & Other Financing Sources (Uses)	<u>(272,138)</u>	<u>(48,417)</u>	<u>(320,555)</u>	<u>658,614</u>	<u>(760,063)</u>
Fund Balance, July 1	2,071,038	-	2,071,038	2,071,038	-
Fund Balance, June 30	<u>\$ 1,798,900</u>	<u>\$ (48,417)</u>	<u>\$ 1,750,483</u>	<u>\$ 2,729,652</u>	<u>\$ (760,063)</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				960,657	
Maintenance reserve				667,464	
Emergency reserve				137,173	
Excess surplus-current year				160,230	
Excess surplus - designated for subsequent year's expenditures				293,882	
Assigned Fund Balance:					
Year-end encumbrances				126,890	
Designated for subsequent year's expenditures				-	
Unrestricted/undesignated fund balance				<u>383,356</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				2,729,652	
Last state aid payment not recognized on GAAP basis				<u>(31,736)</u>	
Fund balance per governmental funds (GAAP) - B-1				<u>2,697,916</u>	
Restricted fund balances				2,219,406	
Unrestricted fund balances				478,510	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 2,697,916</u>	

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ 134,395	\$ 134,395	\$ 28,656	\$ (105,739)
Federal sources	211,905	57,163	269,068	267,548	(1,520)
Total Revenues	<u>211,905</u>	<u>191,558</u>	<u>403,463</u>	<u>296,204</u>	<u>(107,259)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	42,370	5,509	47,879	47,879	-
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	134,395	134,395	28,656	105,739
Textbooks	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-
Tuition	119,782	36,756	156,538	156,538	-
General supplies	32,627	706	33,333	32,380	953
Total instruction	<u>194,779</u>	<u>177,366</u>	<u>372,145</u>	<u>265,453</u>	<u>106,692</u>
Support services:					
Other professional staff salaries	-	-	-	-	-
Secretarial/clerical salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased professional educational services	-	-	-	-	-
Purchased professional technical services	-	-	-	-	-
Other purchased services (400-500 series)	16,567	13,241	29,808	29,290	518
General supplies	559	951	1,510	1,461	49
Total support services	<u>17,126</u>	<u>14,192</u>	<u>31,318</u>	<u>30,751</u>	<u>567</u>
Total Expenditures	<u>\$ 211,905</u>	<u>\$ 191,558</u>	<u>\$ 403,463</u>	<u>\$ 296,204</u>	<u>\$ 107,259</u>

LITTLE SILVER SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2018

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 15,629,518	[C-2] \$ 296,204
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	6
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(945,663)	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	29,063	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	<u>(31,736)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>14,681,182</u>	[B-2] \$ <u>296,210</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 14,971,444	[C-2] \$ 296,204
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	-	6
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(945,663)	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ <u>14,025,781</u>	[B-2] \$ <u>296,210</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

LITTLE SILVER SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Fiscal Year Ended June 30, 2018

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability (asset)	100.000%	100.000%	0.01477%	0.01440%	0.01601%
District's proportionate share of the net pension liability (asset) associated with the district	\$ 2,824,263	2,574,308	\$ 3,442,726	\$ 4,263,882	\$ 3,726,280
District's covered-employee payroll	960,557	981,115	1,160,042	1,233,088	1,215,828
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	294.02%	262.39%	296.78%	345.79%	306.48%
Plan fiduciary net position as a percentage of the total pension liability	40.71%	42.74%	61.84%	45.35%	58.18%

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

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

**LITTLE SILVER SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Fiscal Year Ended June 30, 2018**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contributions	\$ 109,279	112,358	\$ 129,425	\$ 129,019	\$ 152,381
Contributions in relation to the contractually required contribution	<u>109,279</u>	<u>112,358</u>	<u>129,425</u>	<u>132,938</u>	<u>153,392</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ (3,919)</u>	<u>\$ (1,011)</u>
District's covered-employee payroll	\$ -	960,557	\$ 981,115	\$ 1,160,042	\$ 1,233,088
Contributions as a percentage of covered-employee payroll	0.00%	11.70%	13.19%	11.12%	12.36%

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

LITTLE SILVER SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Fiscal Year Ended June 30, 2018

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability (asset)	0.0000%	0.0000%	0.5789%	0.0603%	0.0000%
District's proportionate share of the net pension liability (asset)	\$ 29,364,054	30,343,665	36,588,072	47,425,407	40,738,256
District's covered-employee payroll	\$ 5,605,158	5,985,625	6,834,775	7,028,636	7,145,083
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	523.876%	506.942%	535.322%	674.746%	570.158%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%

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

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

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

LITTLE SILVER SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the Total OPEB Liability and Related Ratios
 For the Fiscal Year Ended June 30, 2018
 (Unaudited)

Last 10 Fiscal Years*

	2018
Total OPEB liability	
Service cost	\$ 1,538,546
Interest cost	960,971
Changes in assumptions	(4,202,332)
Member contributions	25,705
Gross benefit payments	(698,069)
Net change in total OPEB liability	(2,375,179)
Total OPEB liability - beginning	32,513,550
Total OPEB liability - ending	\$ 30,138,371
District's covered employee payroll	\$ 8,856,609
Total OPEB liability as a percentage of covered employee payroll	340%

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

Little Silver School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2018

Notes for TPAF Pension Schedules

Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. 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	2.25 %
Salary increases: 2012-2021	1.65 - 4.15 % based on age
Thereafter	2.65 - 5.15 % based on age
Investment rate of return	7.00 %

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, 2016 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.

Notes to OPEB Schedule

Benefit changes: None

Changes in assumptions: The increase in the liability from June 30, 2015 to June 30, 2016 is due to the decrease in the assumed discount rate from 3.8% as of June 30, 2015 to 2.85% as of June 30, 2016. The decrease in the liability from June 30, 2016 to June 30, 2017 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

LITTLE SILVER SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Title I	Title IIA	I.D.E.A. - Part B		Title IV	Donations	Totals 2018
			Basic	Preschool			
Revenues:							
Federal Sources	\$ 53,828	\$ 17,247	\$ 184,838	\$ 6,092	\$ 5,543	\$ -	\$ 267,548
Local sources	-	-	-	-	-	28,656	28,656
Total revenues	<u>53,828</u>	<u>17,247</u>	<u>184,838</u>	<u>6,092</u>	<u>5,543</u>	<u>28,656</u>	<u>296,204</u>
Expenditures:							
Instruction:							
Salaries of teachers	46,471	1,408	-	-	-	-	47,879
Tuition	-	-	156,538	-	-	-	156,538
Other purchased services	-	-	-	-	-	28,656	28,656
General supplies	7,357	-	17,250	3,691	4,082	-	32,380
Total instruction	<u>53,828</u>	<u>1,408</u>	<u>173,788</u>	<u>3,691</u>	<u>4,082</u>	<u>28,656</u>	<u>265,453</u>
Support services:							
Salaries of program directors	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased professional technical services	-	-	-	-	-	-	-
Purchased professional educational services	-	-	-	-	-	-	-
Other purchased services	-	15,839	11,050	2,401	-	-	29,290
General supplies	-	-	-	-	1,461	-	1,461
Total support services	<u>-</u>	<u>15,839</u>	<u>11,050</u>	<u>2,401</u>	<u>1,461</u>	<u>-</u>	<u>30,751</u>
Total expenditures	<u>\$ 53,828</u>	<u>\$ 17,247</u>	<u>\$ 184,838</u>	<u>\$ 6,092</u>	<u>\$ 5,543</u>	<u>\$ 28,656</u>	<u>\$ 296,204</u>

F. Capital Projects Fund

LITTLE SILVER SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2018

Revenues and Other Financing Sources

Transfer from capital reserve	\$	-
ROD grants		-
Total revenues		-

Expenditures and Other Financing Uses

Architectural/Engineering services		-
Construction services		-
Land and improvements		-
Total expenditures		-

Excess (deficiency) of revenues over (under) expenditures		-
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Fund balance - beginning		2,466
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Fund balance - ending	\$	2,466
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LITTLE SILVER SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Markham Window and Door Replacement
From Inception and for the Year Ended June 30, 2018

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

Additional project information

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

G. Proprietary Funds

LITTLE SILVER SCHOOL DISTRICT
Enterprise Fund
Statement of Net Position
June 30, 2018

	Food Service
Assets:	
Current assets:	
Cash and cash equivalents	\$ 37,432
Total current assets	37,432
Fixed assets:	
Equipment	8,580
Accumulated depreciation	(1,335)
Total fixed assets	7,245
Total assets	\$ 44,677
Liabilities and Net Position:	
Liabilities:	
Deferred revenue	10,591
Total liabilities	10,591
Net position:	
Net investment in capital assets	7,245
Restricted for other purposes	-
Contributed capital	-
Unrestricted net position	26,841
Total net position	34,086
Total liabilities and net position	\$ 44,677

LITTLE SILVER SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position
for the Fiscal Year ended June 30, 2018

	Food Service
Operating revenues:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ -
Special milk program	-
	-
Total-daily sales-reimbursable programs	-
Daily sales non-reimbursable programs	290,463
	290,463
Total operating revenues	290,463
Operating expenses:	
Salaries	100,365
Employee benefits	21,358
Purchased property	-
Other purchased services	19,712
Supplies and materials	-
Depreciation	885
Cost of sales - reimbursable programs	-
Cost of sales - non-reimbursable programs	141,319
	141,319
Total operating expenses	283,639
Operating gain / loss	6,824
Nonoperating revenues:	
State sources:	
State school lunch program	-
Federal sources:	
National school lunch program	-
National School Breakfast program	-
U.S.D.A. commodities	-
Interest Income	-
	-
Total nonoperating revenues	-
Change in net position	6,824
Total net position beginning	27,262
Total net position ending	\$ 34,086

LITTLE SILVER SCHOOL DISTRICT
Food Services Enterprise Fund
Schedule of Cash Flows
for the Fiscal Year ended June 30, 2018

	Food Service
Cash Flows from Operating Activities:	
Receipts from customers and other funds	\$ 298,068
Payments to employees	-
Payments for employee benefits	-
Payments to suppliers	(290,114)
Net cash provided by (used for) operating activities	7,954
Net increase (decrease) in cash and cash equivalents	7,954
Balances-beginning of the year	29,478
Balances-end of the year	37,432
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating gain / loss	6,824
Adjustments to reconcile operating loss to cash provided by (used for) operating activities:	
Depreciation	885
Federal commodities	-
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	-
Decrease (increase) in accounts receivable	-
Decrease (increase) in deferred revenues	7,605
Increase (decrease) in accounts payable	(7,360)
Total adjustments	1,130
Net cash provided by (used for) operating activities	\$ 7,954

H. Fiduciary Funds

LITTLE SILVER SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	<u>Agency</u>		<u>Trust</u>	<u>Total 2018</u>
	<u>Payroll Agency</u>	<u>Student Activity</u>	<u>Unemployment Compensation Trust</u>	
ASSETS				
Cash and cash equivalents	\$ 13,552	\$ 21,649	\$ 38,357	\$ 73,558
Total assets	<u>13,552</u>	<u>21,649</u>	<u>38,357</u>	<u>73,558</u>
LIABILITIES				
Payroll deductions and withdrawals	13,552	-	-	13,552
Due to student groups	-	21,649	-	21,649
Total liabilities	<u>13,552</u>	<u>21,649</u>	<u>-</u>	<u>35,201</u>
NET POSITION				
Reserved - Dedicated to Unemployment	-	-	38,357	38,357
Total net position	<u>-</u>	<u>-</u>	<u>38,357</u>	<u>38,357</u>
Total liabilities and net position	<u>\$ 13,552</u>	<u>\$ 21,649</u>	<u>\$ 38,357</u>	<u>\$ 73,558</u>

LITTLE SILVER SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2018

	Unemployment Compensation Trust	Total
Operating Income:		
Contributions	\$ 14,522	\$ 14,522
Interest	326	326
Total Income	14,848	14,848
Expenditures:		
Claims Paid	5,774	5,774
Operating Income	9,074	9,074
Net position, July 1, 2017	29,283	29,283
Net position, June 30, 2018	\$ 38,357	\$ 38,357

LITTLE SILVER SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2018

	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2018</u>
<u>Elementary School</u> Student Activities	\$ 15,994	54,997	49,342	\$ 21,649

LITTLE SILVER SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Assets</u>				
Cash and cash equivalents	<u>\$ 10,945</u>	<u>10,109,237</u>	<u>10,106,630</u>	<u>\$ 13,552</u>
<u>Liabilities</u>				
Payroll deductions, withholdings and amount due to employees	<u>\$ 10,945</u>	<u>10,109,237</u>	<u>10,106,630</u>	<u>\$ 13,552</u>

I. Long-Term Debt

LITTLE SILVER SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Serial Bonds
 June 30, 2018

Issue	Date of Issue	Amount of Original Issue	Annual Date	Maturities Amount	Interest Rate	Beginning Balance July 1, 2017	Issued	Retired	Ending Balance June 30, 2018
Refunding Bonds (MCIA)	5/1/2015	4,715,000				\$ 3,270,000	-	665,000	\$ 2,605,000
			2-1-19	660,000	5.00%				
			2-1-20	655,000	5.00%				
			2-1-21	655,000	4.00%				
			2-1-22	635,000	5.00%				
2012 Referendum	11/2/2012	750,000				575,000	-	45,000	530,000
			8-1-18	45,000	3.00%				
			8-1-19	50,000	3.00%				
			8-1-20	50,000	2.00%				
			8-1-21	50,000	2.50%				
			8-1-22	50,000	2.50%				
			8-1-23	55,000	2.50%				
			8-1-24	55,000	2.75%				
			8-1-25	55,000	2.75%				
			8-1-26	60,000	3.00%				
			8-1-27	60,000	3.00%				
					<u>\$ 3,845,000</u>	<u>-</u>	<u>710,000</u>	<u>\$ 3,135,000</u>	

LITTLE SILVER SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Leases
 Year Ended June 30, 2018

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issued</u>	<u>Beginning Balance July 1, 2017</u>	<u>Additions</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2018</u>
Municipal Capital Finance Copier Lease	5.28%	\$ 29,398	\$ 26,795	-	5,417	\$ 21,378

LITTLE SILVER SCHOOL DISTRICT
Debt Service Fund Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 875,950	-	875,950	\$ 875,950	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>875,950</u>	<u>-</u>	<u>875,950</u>	<u>875,950</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	165,950	-	165,950	165,950	-
Redemption of Principal	710,000	-	710,000	710,000	-
Total Expenditures	<u>875,950</u>	<u>-</u>	<u>875,950</u>	<u>875,950</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>

STATISTICAL SECTION

LITTLE SILVER SCHOOL DISTRICT
Statistical Section

J series

Contents

Pages

Financial Trends

106-110

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

Revenue Capacity

111-114

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

Debt Capacity

115-118

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

Demographic and Economic Information

119-120

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

Operating Information

121-125

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

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 9,947,265	\$ 10,621,270	\$ 10,938,259	\$ 11,336,359	\$ 12,004,737	\$ 12,913,600	\$ 14,780,010	\$ 15,098,218	\$ 15,668,168	\$ 16,089,302
Restricted	1,748,015	1,639,728	1,875,884	1,886,066	2,317,845	1,796,621	1,362,997	1,482,788	1,736,309	2,219,406
Unrestricted	139,634	131,523	328,632	618,276	241,042	248,644	(2,397,710)	(2,957,969)	(2,964,439)	(2,979,057)
Total governmental activities position	<u>\$ 11,834,914</u>	<u>\$ 12,392,521</u>	<u>\$ 13,142,775</u>	<u>\$ 13,840,701</u>	<u>\$ 14,563,624</u>	<u>\$ 14,958,865</u>	<u>\$ 13,745,297</u>	<u>\$ 13,623,037</u>	<u>\$ 14,440,038</u>	<u>\$ 15,329,651</u>
Business-type activities										
Net investment in capital assets	\$ 11,418	\$ 21,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,130	\$ 7,245
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	28,238	17,962	-	-	-	-	(34,737)	22,611	19,132	26,841
Total business-type activities net position	<u>\$ 39,656</u>	<u>\$ 39,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,737)</u>	<u>\$ 22,611</u>	<u>\$ 27,262</u>	<u>\$ 34,086</u>
District-wide										
Net investment in capital assets	\$ 9,958,683	\$ 10,642,622	\$ 10,938,259	\$ 11,336,359	\$ 12,004,737	\$ 12,913,600	\$ 14,780,010	\$ 15,098,218	\$ 15,676,298	\$ 16,096,547
Restricted	1,748,015	1,639,728	1,875,884	1,886,066	2,317,845	1,796,621	1,362,997	1,482,788	1,736,309	2,219,406
Unrestricted	167,872	149,485	328,632	618,276	241,042	248,644	(2,432,447)	(2,935,358)	(2,945,307)	(2,952,216)
Total district net position	<u>\$ 11,874,570</u>	<u>\$ 12,431,835</u>	<u>\$ 13,142,775</u>	<u>\$ 13,840,701</u>	<u>\$ 14,563,624</u>	<u>\$ 14,958,865</u>	<u>\$ 13,710,560</u>	<u>\$ 13,645,648</u>	<u>\$ 14,467,300</u>	<u>\$ 15,363,737</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,716,283	\$ 3,827,448	\$ 3,685,962	\$ 3,892,351	\$ 4,103,804	\$ 4,667,671	\$ 4,625,757	\$ 5,110,799	\$ 5,246,960	\$ 5,382,311
Special education	1,183,941	1,100,857	962,172	1,088,086	920,051	868,641	741,742	831,675	800,501	789,045
Other special education	118,269	163,266	324,260	142,847	274,637	146,959	337,775	230,849	238,305	201,260
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	77,607	74,417	78,954	85,368	85,151	119,084	92,145	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	69,040	93,294	109,364	201,905	207,125	189,575	207,347	-	-	-
Student & instruction related services	1,271,129	1,457,590	1,353,935	1,374,399	1,425,010	1,475,866	1,524,123	1,692,205	1,748,693	1,892,396
School administrative services	397,030	409,651	342,958	723,276	784,450	419,685	496,459	485,894	512,513	524,479
General administration	747,843	736,062	693,635	314,123	300,087	629,384	722,308	373,532	388,633	443,430
Plant operations and maintenance	1,058,348	1,080,161	1,018,571	972,813	984,285	997,085	984,813	1,051,964	1,060,199	1,016,103
Administrative information technology	-	-	-	-	-	-	-	275,017	247,655	286,138
Pupil transportation	238,267	289,030	247,361	257,299	227,110	243,157	264,467	222,181	205,000	241,510
Other support services	2,246,932	2,368,332	2,494,489	2,788,233	3,117,945	2,998,472	3,212,330	3,729,162	3,314,336	3,669,239
Special schools	-	-	-	-	-	-	-	5,232	-	-
Charter schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	379,824	356,815	330,848	332,182	307,170	274,977	191,820	139,975	194,297	167,235
Unallocated depreciations	421,375	432,778	475,241	435,005	445,260	970,170	724,654	512,980	349,697	351,123
Total governmental activities expenses	11,925,888	12,389,701	12,117,750	12,607,887	13,182,085	14,000,726	14,125,740	14,661,465	14,306,789	14,964,269
Business-type activities:										
Food service	97,585	2,342	6,383	-	-	-	225,070	197,577	264,435	283,639
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	97,585	2,342	6,383	-	-	-	225,070	197,577	264,435	283,639
Total district expenses	\$ 12,023,473	\$ 12,392,043	\$ 12,124,133	\$ 12,607,887	\$ 13,182,085	\$ 14,000,726	\$ 14,350,810	\$ 14,859,042	\$ 14,571,224	\$ 15,247,908
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ 6,417	\$ 20,500	\$ 28,500	\$ 117,550	\$ 99,450	\$ 166,843	\$ 217,294	\$ 125,700
Pupil transportation	-	-	37,203	42,775	90,550	-	-	-	11,665	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	297,696	316,145	311,588	283,840	253,568	283,288	278,942	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	1,039,903	1,303,858	1,363,515
Total governmental activities program revenues	297,696	316,145	355,208	347,115	372,618	400,838	378,392	1,206,746	1,532,817	1,489,215
Business-type activities:										
Charges for services										
Food service	73,026	-	-	-	-	-	190,290	254,828	268,873	290,463
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	73,026	-	-	-	-	-	190,290	254,828	268,873	290,463
Total district program revenues	\$ 370,722	\$ 316,145	\$ 355,208	\$ 347,115	\$ 372,618	\$ 400,838	\$ 568,682	\$ 1,461,574	\$ 1,801,690	\$ 1,779,678
Net (Expense)/Revenue										
Governmental activities	\$ (11,628,192)	\$ (12,073,556)	\$ -	\$ 12,260,772	\$ 12,809,467	\$ 13,599,888	\$ 13,747,348	\$ (13,454,719)	\$ (12,773,972)	\$ (13,475,054)
Business-type activities	(24,559,000)	(2,342,000)	(6,383,000)	-	-	-	(34,780)	57,251	4,438	6,824
Total district-wide net expense	\$ (11,652,751)	\$ (12,075,898)	\$ (6,383)	\$ 12,260,772	\$ 12,809,467	\$ 13,599,888	\$ 13,712,568	\$ (13,397,468)	\$ (12,769,534)	\$ (13,468,230)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,802,017	\$ 10,027,707	\$ 10,316,963	\$ 10,513,301	\$ 10,675,633	\$ 10,889,146	\$ 11,160,929	\$ 11,572,216	\$ 12,179,323	\$ 12,931,801
Taxes levied for debt service	\$ 970,775	\$ 927,165	\$ 1,001,150	\$ 982,302	\$ 1,031,418	\$ 1,061,976	\$ 1,028,073	\$ 992,074	\$ 867,701	\$ 875,950
Unrestricted grants and contributions	1,287,184	1,189,068	1,000,417	1,335,522	1,582,172	1,449,796	1,864,229	565,808	481,434	479,930
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	9,214	19,032	12,621	11,830	4,085	5,718	5,347	5,842	9,964	8,321
Miscellaneous income	157,615	89,007	81,029	104,852	32,902	66,668	54,972	196,519	52,551	68,665
Transfers	(22,398)	-	-	(58,038)	-	-	(11,219)	-	-	-
Inventory retirements	-	-	-	-	750,000	-	-	-	-	-
Total governmental activities	12,204,407	12,251,979	12,412,180	12,889,769	14,076,210	13,473,304	14,102,331	13,332,459	13,590,973	14,364,667
Business-type activities:										
Investment earnings	-	-	5	-	-	-	43	97	213	-
Transfers	22,398	-	-	-	-	-	-	-	-	-
Fixed asset adjustments	-	-	-	-	-	-	-	-	-	-
Total business-type activities	22,398	-	5	-	-	-	43	97	213	-
Total district-wide	\$ 12,226,805	\$ 12,251,979	\$ 12,412,185	\$ 12,889,769	\$ 14,076,210	\$ 13,473,304	\$ 14,102,374	\$ 13,332,556	\$ 13,591,186	\$ 14,364,667
Change in Net Assets/Position										
Governmental activities	\$ 576,215	\$ 178,423	\$ 649,998	\$ 628,997	\$ 1,266,743	\$ (126,584)	\$ (2,219,325)	\$ (122,260)	\$ 817,001	\$ 889,613
Business-type activities	(2,161)	(2,342)	(6,378)	-	-	-	(34,737)	57,348	4,651	6,824
Total district	\$ 574,054	\$ 176,081	\$ 643,620	\$ 628,997	\$ 1,266,743	\$ (126,584)	\$ (2,254,062)	\$ (64,912)	\$ 821,652	\$ 896,437

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,686,467	\$ 2,219,406
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	49,842	126,890
Unassigned	-	-	-	-	-	-	-	-	305,666	351,620
Reserved	1,702,956	1,639,725	1,875,878	2,195,826	1,748,053	1,727,405	1,177,316	1,327,386	-	-
Unreserved	252,766	250,278	328,632	314,370	241,042	248,644	285,451	307,002	-	-
Total general fund	<u>\$ 1,955,722</u>	<u>\$ 1,890,003</u>	<u>\$ 2,204,510</u>	<u>\$ 2,510,196</u>	<u>\$ 1,989,095</u>	<u>\$ 1,976,049</u>	<u>\$ 1,462,767</u>	<u>\$ 1,634,388</u>	<u>\$ 2,041,975</u>	<u>\$ 2,697,916</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Debt service fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	2,466	2,466
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	(5,858)	57,744	69,213	176,931	109,553	-	-
Debt service fund	45,059	3	6	4	2	3	8,750	45,849	-	-
Total all other governmental funds	<u>\$ 45,059</u>	<u>\$ 3</u>	<u>\$ 6</u>	<u>\$ (5,854)</u>	<u>\$ 57,746</u>	<u>\$ 69,216</u>	<u>\$ 185,681</u>	<u>\$ 155,402</u>	<u>\$ 2,466</u>	<u>\$ 2,466</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues											
Tax levy	\$ 10,852,968	\$ 10,772,792	\$ 10,954,872	\$ 11,318,113	\$ 11,495,603	\$ 11,707,051	\$ 11,951,122	\$ 12,189,002	\$ 12,564,290	\$ 13,047,024	\$ 13,807,751
Tuition charges	-	21,022	1,133	6,417	20,500	90,550	117,550	99,450	166,843	217,294	125,700
Transportation fees	43,978	43,106	48,578	37,203	42,775	28,500	27,150	31,871	-	11,665	-
Interest earnings	57,893	9,214	19,032	12,621	11,830	4,085	5,718	5,347	5,842	9,964	8,321
Miscellaneous	95,951	182,120	106,090	121,714	104,852	84,562	116,095	90,654	196,519	176,624	68,665
State sources	1,793,343	1,484,733	1,197,479	1,265,327	1,324,621	1,582,172	1,449,796	1,864,229	1,364,856	1,522,658	1,575,341
Federal sources	198,031	11,517	240,940	5,993	294,741	201,908	206,711	211,389	240,855	262,634	268,104
Total revenue	13,042,164	12,524,504	12,568,124	12,767,388	13,294,922	13,698,828	13,874,142	14,491,942	14,539,205	15,247,863	15,853,882
Expenditures											
Instruction:											
Regular Instruction	3,551,867	3,681,736	3,821,825	3,685,962	3,892,351	4,103,804	4,667,671	4,625,757	5,110,799	5,246,960	5,382,311
Special education instruction	1,261,801	1,183,941	1,100,857	962,172	1,088,086	920,051	868,641	741,742	831,675	800,501	789,045
Other special instruction	109,543	118,269	163,266	324,260	142,847	274,637	146,959	337,775	230,849	238,305	201,260
School-sponsored/other instructional	65,643	77,607	74,417	78,954	85,368	85,151	119,084	92,145	110,057	94,815	147,915
Support Services:											
Tuition	204,739	69,040	93,294	109,364	201,905	207,125	189,575	207,347	-	-	-
Student & inst. related services	1,011,114	1,271,129	1,457,590	1,353,935	1,374,399	1,425,010	1,475,866	1,524,123	1,587,380	1,653,878	1,744,481
General administration	-	397,030	409,651	342,598	314,123	300,087	419,685	496,459	373,532	388,633	443,430
School administration	387,688	527,175	736,062	693,635	723,276	784,450	629,384	722,308	485,894	512,513	524,479
Central services	609,308	220,668	-	-	-	-	-	984,813	275,017	247,655	286,138
Operations and maintenance	1,039,829	873,077	1,080,161	1,018,571	972,813	984,285	997,085	264,467	861,362	849,749	782,707
Student Transportation	268,996	238,267	289,030	247,361	257,299	227,110	243,157	-	222,181	205,000	241,510
Allowable maintenance-school facilities	-	185,271	207,053	-	-	-	-	2,022,930	157,996	184,097	212,880
Unallocated employee benefits	2,528,880	1,500,788	1,380,891	2,495,913	2,788,233	1,891,007	2,983,578	809,804	2,107,449	2,265,512	2,386,366
On-behalf TPAF pension contributions	-	339,188	350,487	-	-	799,940	-	453,980	574,738	567,861	612,587
Reimbursed TPAF social security	-	406,956	429,901	-	-	426,998	-	-	465,165	473,363	482,824
Capital outlay:											
Total capital outlay	578,842	429,721	112,193	139,006	114,054	933,208	585,104	565,815	48,794	226,747	84,058
Debt service:											
Principal	407,818	605,842	608,842	661,842	669,842	742,842	773,842	775,000	815,000	720,000	710,000
Interest and other charges	604,047	386,912	363,379	339,305	312,462	288,578	268,133	253,075	139,975	193,550	165,950
Total expenditures	12,630,115	12,512,617	12,678,899	12,452,878	12,937,058	14,394,283	14,367,764	14,877,540	14,397,863	14,869,139	15,197,941
Excess (Deficiency) of revenues over (under) expenditures	412,049	11,887	(110,775)	314,510	357,864	(695,455)	(513,622)	(385,598)	141,342	378,724	655,941
Other Financing sources (uses)											
Refund of extraordinary aid	-	-	-	-	(53,038)	-	-	-	-	-	-
Sale of bonds	-	-	-	-	-	750,000	-	-	-	-	-
Accrued interest on bonds	4,421	-	-	-	-	-	-	-	-	-	-
Transfers in	1,055	38,451	-	-	-	-	-	-	-	124,073	-
Transfers out	(23,072)	(60,852)	-	-	-	-	-	(11,219)	-	-	-
Total other financing sources (uses)	(17,596)	(22,401)	-	-	(53,038)	750,000	-	(11,219)	-	124,073	-
Net change in fund balances	\$ 394,453	\$ (10,514)	\$ (110,775)	\$ 314,510	\$ 304,826	\$ 54,545	\$ (513,622)	\$ (396,817)	\$ 141,342	\$ 254,651	\$ 655,941
Debt service as a percentage of noncapital expenditures	8.40%	8.22%	7.74%	8.13%	7.66%	7.66%	7.56%	7.18%	6.66%	6.24%	5.80%

Note: Noncapital expenditures are total expenditures less capital outlay.

Source: District Records

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Admissions	\$ -	\$ -	\$ -	\$ -	\$ 3,987	\$ 4,310	\$ -	\$ -	\$ 8,645	\$ -
Book fines	-	-	-	140	12	299	-	-	286	-
Enrichment programs	-	-	10,800	10,665	12,908	9,561	-	-	-	508
Interest	9,152	19,032	12,621	11,830	10,868	5,718	5,347	5,842	9,963	31,009
Miscellaneous	89,033	11,911	11,895	5,601	9,407	4,378	14,352	96,062	38,894	8,125
Facility rentals	-	-	5,861	1,413	450	694	-	-	2,207	2,685
Refund prior year's expenditures	-	-	-	-	-	18,375	-	-	2,341	2,180
Sale of assets	9,059	-	-	-	-	-	-	-	-	3,833
Transportation fees	49,722	48,578	37,203	35,775	28,500	27,150	31,871	-	11,665	-
Tuition	21,022	28,233	64,458	59,708	90,550	117,550	99,450	166,843	217,294	125,700
	<u>177,988</u>	<u>107,754</u>	<u>142,838</u>	<u>809,639</u>	<u>156,682</u>	<u>188,035</u>	<u>151,020</u>	<u>268,747</u>	<u>291,295</u>	<u>174,040</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
2009	14,215,700	1,134,855,600	3,376,500	15,800	84,643,500	-	-	1,237,107,100	-	1,227,857	1,238,334,957	1,690,394,643	0.885
2010	9,474,700	1,146,434,300	3,376,500	15,800	84,557,900	-	-	1,243,859,200	-	2,303,833	1,246,163,033	1,659,770,691	0.909
2011	9,557,900	1,152,263,400	3,376,500	15,500	84,557,900	-	-	1,249,771,200	-	1,021,967	1,250,793,167	1,621,069,059	0.919
2012	11,934,400	1,152,141,400	3,376,500	15,500	84,456,800	-	-	1,251,924,600	-	989,441	1,252,914,041	1,615,713,440	0.934
2013	15,317,400	1,233,714,800	4,051,200	17,300	100,897,600	-	-	1,353,998,300	-	1,395,197	1,355,393,497	1,595,594,714	0.882
2014	15,317,400	1,233,714,800	4,051,200	17,300	100,897,600	-	-	1,353,998,300	-	1,395,197	1,355,393,497	1,592,462,530	0.882
2015	24,062,400	1,330,815,200	4,128,500	17,300	100,937,900	-	-	1,459,961,300	-	974,140	1,460,935,440	1,719,005,830	0.834
2016	9,345,600	1,501,675,100	4,035,000	17,300	113,702,100	-	-	1,628,775,100	-	1,180,677	1,629,955,777	1,628,775,100	0.868
2017	8,067,100	1,535,922,600	4,066,300	17,300	114,869,100	-	-	1,662,942,400	-	1,155,753	1,664,098,153	1,692,700,912	0.830
2018	8,367,500	1,555,782,800	4,105,500	17,700	118,690,000	-	387,000	1,667,350,500	-	1,167,167	1,688,517,667	1,768,026,329	0.831

Source: Monmouth County Tax Board

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

Fiscal Year Ended June 30,	Little Silver School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Red Bank Regional School District	Municipality of Little Silver	Monmouth County	
2009	0.808	0.077	0.885	0.475	0.512	0.347	2.219
2010	0.832	0.077	0.909	0.479	0.508	0.363	2.259
2011	0.840	0.079	0.919	0.493	0.521	0.366	2.299
2012	0.851	0.083	0.934	0.493	0.521	0.366	2.314
2013	0.804	0.078	0.882	0.510	0.498	0.354	2.244
2014	0.804	0.078	0.882	0.510	0.498	0.354	2.244
2015	0.759	0.075	0.834	0.482	0.469	0.365	2.150
2016	0.801	0.067	0.868	0.439	0.429	0.320	2.056
2017	0.765	0.065	0.083	0.439	0.434	0.295	2.008
2018	0.780	0.051	0.831	0.424	0.437	0.296	1.998

Source: Monmouth County Tax Board

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

	2018		
	Assessed Valuation	Rank [Optional]	% of Total District Net Assessed Value
Markham Prospect Associates	\$ 7,647,400		0.61%
Markham Prospect Associates	6,783,600		0.55%
BK Trikha Properties, LLC	4,281,300		0.34%
Taxpayer #1	3,350,700		0.27%
Taxpayer #2	3,120,800		0.25%
1979 Associates, LLC	3,057,400		0.23%
Taxpayer #3	2,982,000		0.22%
Taxpayer #4	2,936,400		0.20%
Taxpayer #5	2,736,400		0.17%
Taxpayer #6	2,613,100		0.16%
Total Net Taxable Value	\$ 39,509,100		2.99%
	2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Markham Prospect Associates	\$ 8,694,700		0.69%
Conover Realty LLC	5,750,400		0.46%
Taxpayer #1	3,871,900		0.31%
Taxpayer #2	3,782,200		0.30%
I.S.T. Corp	2,796,700		0.22%
Taxpayer #3	2,780,100		0.21%
1979 Associates, LLC	2,452,200		0.18%
Yo Holdings, LLC	2,432,300		0.17%
Taxpayer #4	2,430,100		0.15%
Taxpayer #5	2,373,900		0.14%
	37,364,500		2.84%

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	10,772,792	10,772,792	100.00%	-
2010	10,954,872	10,954,872	100.00%	-
2011	11,318,113	11,318,113	100.00%	-
2012	11,495,603	11,495,603	100.00%	-
2013	11,707,051	11,707,051	100.00%	-
2014	11,951,122	11,951,122	100.00%	-
2015	12,189,002	12,189,002	100.00%	-
2016	13,047,024	13,047,024	100.00%	-
2017	12,179,323	12,179,323	0.00%	-
2018	12,931,801	12,931,801	0.00%	-

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities	Total District	% of Personal Income	Per Capita
	General Obligation Bonds & Loans	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2009	9,107,212	-	-	-	-	9,107,212	2.66%	1,483
2010	8,498,370	-	-	-	-	8,498,370	2.51%	1,427
2011	7,836,528	-	-	-	-	7,836,528	2.30%	1,316
2012	7,166,686	-	-	-	-	7,166,686	2.01%	1,198
2013	6,423,844	-	-	-	-	6,423,844	1.77%	1,088
2014	6,400,002	-	-	-	-	6,400,002	N/A	1081
2015	6,250,100	-	-	-	-	6,250,100	N/A	1057
2016	4,565,000	-	-	-	-	4,565,000	N/A	900
2017	3,845,000	-	26,795	-	-	3,871,795	N/A	N/A
2018	3,135,000	-	21,378	-	-	3,156,378	N/A	N/A

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

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

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

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

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
2009	9,107,212	-	9,107,212	0.74%	1,483
2010	8,498,370	-	8,498,370	0.68%	1,427
2011	7,836,528	-	7,836,528	0.63%	1,316
2012	7,166,686	-	7,166,686	0.57%	1,198
2013	6,423,844	-	6,423,844	0.47%	1,088
2014	6,400,002	-	6,400,002	0.47%	1,081
2015	6,250,100	-	6,250,100	0.43%	1,057
2016	4,565,000	-	4,565,000	0.28%	900
2017	4,390,425	-	4,390,425	0.00%	N/A
2018	3,135,000	-	3,135,000	0.19%	N/A

**LITTLE SILVER SCHOOL DISTRICT
 Ratios of Direct and Overlapping Bonded Debt
 For the Fiscal Year Ended June 30, 2018
 UNAUDITED**

Net direct debt of school district as of June 30, 2018	\$ 3,135,000
 Net Overlapping Debt of School District:	
Borough of Little Silver (100%)	4,867,636
County of Monmouth - Little Silver share (1.205%)	<u>58,655</u>
 Total direct and overlapping bonded debt as of June 30, 2018	 <u><u>\$ 8,061,291</u></u>

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

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

Legal Debt Margin for Fiscal Year 2018

Equalized valuation basis	
2018	\$ 1,768,026,329
2017	1,692,700,912
2016	1,685,349,476
	<u>\$ 5,146,076,717</u> [A]
Average equalized valuation of taxable property	\$ 1,715,358,906 [A/3]
Debt limit (3% of average equalization value)	51,460,767 [B]
Net bonded school debt	<u>3,135,000</u> [C]
Legal debt margin	<u>\$ 48,325,767</u> [B-C]

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 49,277,267	\$ 50,014,501	\$ 49,712,344	\$ 48,965,532	\$ 48,323,772	\$ 48,037,707	\$ 49,070,631	\$ 48,284,782	\$ 45,066,605	\$ 51,460,767
Total net debt applicable to limit	<u>9,107,212</u>	<u>8,498,370</u>	<u>7,836,528</u>	<u>7,166,686</u>	<u>6,423,844</u>	<u>6,400,002</u>	<u>6,250,100</u>	<u>5,303,975</u>	<u>4,390,425</u>	<u>3,135,000</u>
Legal debt margin	<u>\$ 40,170,055</u>	<u>\$ 41,516,131</u>	<u>\$ 41,875,816</u>	<u>\$ 41,798,846</u>	<u>\$ 41,899,928</u>	<u>\$ 41,637,705</u>	<u>\$ 42,820,531</u>	<u>\$ 42,980,807</u>	<u>\$ 40,676,180</u>	<u>\$ 48,325,767</u>
Total net debt applicable to the limit as a percentage of debt limit	22.67%	20.47%	18.71%	17.15%	15.33%	15.37%	14.60%	12.34%	10.79%	6.49%

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

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)^a</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2009	6,141	342,446,724	55,764	6.0%
2010	5,955	339,167,025	56,955	6.0%
2011	5,956	340,986,956	57,251	6.1%
2012	5,982	356,939,958	59,669	6.4%
2013	5,906	362,781,956	61,426	4.7%
2014	5,918	375,526,690	63,455	5.7%
2015	5,913	390,370,347	66,019	3.7%
2016	5,895	419,942,115	71,237	3.4%
2017	5,908	N/A	N/A	3.0%
2018	N/A	N/A	N/A	N/A

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

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

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

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

2018

2009

DATA NOT AVAILABLE

DATA NOT AVAILABLE

Source: Borough of Little Silver

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

<u>Function/Program</u>	<u>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>	<u>2018</u>
Instruction										
Regular	66.0	66.0	67.0	68.8	74.0	74.0	74.0	74.0	74.0	71.0
Special education	17.4	17.5	16.8	18.4	11.0	11.0	11.0	11.0	12.0	19.0
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	15.3	13.4	13.3	18.0	20.3	20.3	20.3	20.3	20.3	20.3
Student & instruction related services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General administration	5.6	6.0	6.0	6.0	7.0	7.0	8.0	8.0	8.0	7.0
School administrative services	3.0	-	-	-	-	-	-	-	-	-
Other administrative services	-	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Central services	1.0	0.8	0.8	0.4	1.0	1.0	1.0	1.0	1.0	1.0
Administrative information technology	10.0	11.8	11.8	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Plant operations & maintenance	0.7	0.7	0.6	0.6	0.3	0.3	0.3	0.3	0.3	0.3
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	<u>121.0</u>	<u>121.0</u>	<u>121.1</u>	<u>128.5</u>	<u>129.9</u>	<u>129.9</u>	<u>130.9</u>	<u>130.9</u>	<u>131.9</u>	<u>134.9</u>

Source: District Personnel Records

LITTLE SILVER SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2009	807	10,064,659	12,472	2.79%	76	11:2:1	8:9:1	805.3	773.90	-0.67%	96.1%
2010	801	10,499,390	13,108	5.10%	76	10:9:1	8:1:1	804.3	771.30	-0.12%	95.9%
2011	804	10,225,573	12,718	-2.98%	76	10:6:1	8:9:1	792	781.20	-1.53%	98.6%
2012	817	10,578,708	12,948	1.81%	75	10:6:1	8:8:1	809	779.40	2.15%	96.3%
2013	846	10,949,148	12,942	-0.05%	75.11	12:1	9:1	839	804.90	3.71%	95.9%
2014	872	11,376,191	13,046	0.80%	78.16			865.87	831.73	3.20%	96.1%
2015	854	11,905,753	13,941	6.86%	84.96	12:1	9:1	849.09	813.86	-1.94%	95.9%
2016	845	13,530,229	16,012	14.86%	85.96	12:1	9:1	846.52	814.06	0.02%	96.2%
2017	849	14,021,577	16,515	18.47%	74	12:1	9:1	847	825	0.06%	97.4%
2018	854	14,887,386	17,433	25.05%	90	11:0:1	9:1	884	849	4.43%	96.0%

Note: Enrollment based on annual October district count.

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

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

District Building	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elementary										
Point Road Elementary										
Square Feet	50,998	50,998	50,998	50,998	50,998	53,548	53,548	53,548	53,548	53,548
Capacity (students)	466	466	466	466	466	506	506	506	506	506
Enrollment	440	459	447	460	457	477	464	471	471	0
Middle School										
Markham Place Middle School										
Square Feet	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189
Capacity (students)	387	387	387	387	387	387	387	387	387	387
Enrollment	371	338	359	347	376	383	388	374	374	0
Other										
Administration Building										
Square Feet	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400

**LITTLE SILVER SCHOOL DISTRICT
 Schedule of Required Maintenance for School Facilities
 For the Fiscal Year Ended June 30, 2018
 UNAUDITED**

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

<u>School Facilities</u>	<u>Markham Place</u>	<u>Point Road Elementary</u>	<u>Other Facilities</u>	<u>Total</u>
2009	112,824	70,983	1,465	185,272
2010	117,417	91,522	1,766	210,705
2011	86,639	91,685	1,519	179,843
2012	86,857	81,040	500	168,397
2013	99,977	66,765	312	167,054
2014	96,713	74,009	1,419	172,141
2015	90,459	81,762	1,740	173,961
2016	82,158	74,258	1,579	157,996
2017	95,731	86,526	1,840	184,097
2018	110,697	100,054	2,129	212,880

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

Source: District records

**LITTLE SILVER SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED**

	<u>Coverage limits</u>	<u>Deductible</u>
Multi-Peril - General Securities Property - Blanket Building and contents (Replacement Cost Values)	36,896,703	1,000
Extra Expense Section - All Risks Coverage	1,000,000	
Electronic Data Processing Equipment	375,000	250
Flood & Earthquake (each)	5,015,000 5,000,000	25,000 25,000
Musical Instruments Floater	500,000	500
Monies and Security	25,000	500
Comprehensive General Liability	2,000,000	varies
Employers Non-Owned & Hired Automobile Liability	2,000,000 3,000,000	500 500
Employee Benefits Liability Aggregate	1,000,000 3,000,000	1,000
Workers Compensation - NJSBAIG Covered Payrolls	2,000,000 7,853,577	
	Included in blanket property limit	-
Boiler Insurance - General Securities Extra Expense Section	100,000	1,000 1,000
Fidelity Bond - General Securities Treasurer Board Secretary	200,000 83,000	1,000
School Board Legal Liability - NJSBAIG	1,000,000	5,000
Student Accident - Berkley Life and Health Ins. Co. Compulsory Program Catastrophic Casualty	1,000,000 500,000	

Source: District Records

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Little Silver School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Little Silver School District basic financial statements, and have issued our report thereon dated January 31, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

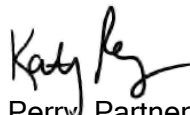
As part of obtaining reasonable assurance about whether the Little Silver School District financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a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

Purpose of this Report

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

Respectfully Submitted

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



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

January 31, 2019

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

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

Report on Compliance for Each Major Federal and State Program

We have audited Little Silver School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Little Silver School District's major federal programs for the year ended June 30, 2018. Little Silver School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, Little Silver School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

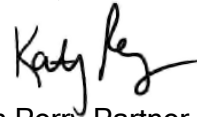
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

Purpose of this Report

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

Respectfully submitted,

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

A handwritten signature in black ink, appearing to read 'Kathryn Perry', written in a cursive style.

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

January 31, 2019

LITTLE SILVER SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Program or Award Amount	Balance at June 30, 2017	Cash Received	Budgetary Expenditures	Balance at June 30, 2018		
							(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education									
Passed-through State Department									
of Education:									
Special Revenue Fund:									
Title IV	84.281	7/1/17-6/30/18	5,592	\$ -	\$ 4,027	\$ (5,543)	\$ (1,516)	\$ -	\$ -
Title II Part A	84.281	7/1/16-6/30/17	20,709	(6,024)	6,024	-	-	-	-
Title II Part A	84.281	7/1/17-6/30/18	17,766	-	8,674	(17,247)	(8,573)	-	-
Title I	84.010	7/1/16-6/30/17	23,743	(12,466)	12,466	-	-	-	-
Title I	84.010	7/1/17-6/30/18	54,779	-	43,617	(53,828)	(10,211)	-	-
Special Education Cluster:									
I.D.E.A. Basic	84.027	7/1/16-6/30/17	185,126	(144)	144	-	-	-	-
I.D.E.A. Basic	84.027	7/1/17-6/30/18	184,838	-	157,776	(184,838)	(27,062)	-	-
I.D.E.A. Preschool	84.173	7/1/16-6/30/17	-	-	-	-	-	-	-
I.D.E.A. Preschool	84.173	7/1/17-6/30/18	6,093	-	3,594	(6,092)	(2,498)	-	-
Subtotal of Special Education Cluster				(144)	161,514	(190,930)	(29,560)	-	-
Total U.S. Department of Education				(18,634)	236,322	(267,548)	(49,860)	-	-
Total Expenditures of Federal Awards				\$ (18,634)	\$ 236,322	\$ (267,548)	\$ (49,860)	\$ -	\$ -

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

LITTLE SILVER SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year ended June 30, 2018

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017	Cash Received	Budgetary Expenditures	Deferred Revenue at June 30, 2018	(Accounts Receivable) at June 30, 2018	Due to Grantor at June 30, 2018	MEMO		
										Budgetary Receivable	Cumulative Total Expenditures	
General Fund:												
Extraordinary Aid	17-100-034-5120-473	7/1/16-6/30/17	\$ 81,952	\$ (81,952)	\$ 81,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Extraordinary Aid	18-100-034-5120-473	7/1/17-6/30/18	124,169	-	-	(124,169)	-	(124,169)	-	-	124,169	
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	270,349	(24,427)	24,427	-	-	-	-	-	-	
Special Education Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	306,548	-	279,362	(306,548)	-	-	-	(27,186)	306,548	
Nonpublic Transportation Aid	17-495-034-5120-045	7/1/16-6/30/17	2,777	(2,777)	2,777	-	-	-	-	-	-	
Nonpublic Transportation Aid	18-495-034-5120-045	7/1/17-6/30/18	580	-	-	(580)	-	(580)	-	-	580	
Categorical Security Aid	17-495-034-5120-084	7/1/16-6/30/17	13,628	(1,231)	1,321	-	-	-	-	-	-	
Categorical Security Aid	18-495-034-5120-084	7/1/17-6/30/18	13,628	-	12,419	(13,628)	-	-	-	(1,209)	13,628	
Categorical Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	12,408	(1,121)	1,121	-	-	-	-	-	-	
Categorical Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	12,408	-	11,308	(12,408)	-	-	-	(1,100)	12,408	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	8,430	(762)	762	-	-	-	-	-	-	
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	8,430	-	7,682	(8,430)	-	-	-	(748)	8,430	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	8,430	(762)	762	-	-	-	-	-	-	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	8,430	-	7,682	(8,430)	-	-	-	(748)	8,430	
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	8,410	(760)	760	-	-	-	-	-	-	
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	8,410	-	7,665	(8,410)	-	-	-	(745)	8,410	
On-behalf TPAF Pension Contribution	18-100-034-5095-002	7/1/17-6/30/18	610,784	-	610,784	(610,784)	-	-	-	-	610,784	
On-behalf TPAF Post-Retirement Medical	18-100-034-5095-001	7/1/17-6/30/18	945,663	-	945,663	(945,663)	-	-	-	-	945,663	
On-behalf TPAF Long-Term Disability Insurance	18-100-034-5095-004	7/1/17-6/30/18	1,803	-	1,803	(1,803)	-	-	-	-	1,803	
Reimbursed TPAF Social Security Tax Contribution	17-100-034-5094-003	7/1/16-6/30/17	473,363	(23,022)	23,022	-	-	-	-	-	-	
Reimbursed TPAF Social Security Tax Contribution	18-100-034-5094-003	7/1/17-6/30/18	482,824	-	458,645	(482,824)	-	(24,179)	-	-	482,824	
Total General Fund				(136,814)	2,479,917	(2,523,677)	-	(148,928)	-	(31,736)	2,523,677	
Capital Projects Fund:												
State ROD Grant	G5-5481	7/1/16-6/30/17	77,913	(77,199)	77,914	(715)	-	-	-	-	77,913	
Total General Fund				(77,199)	77,914	(715)	-	-	-	-	77,913	
Total State Expenditures Subject to Single Audit Determination				(214,013)	2,557,831	(2,524,392)	-	(148,928)	-	(31,736)	2,601,590	
State Expenditures Not Subject to Major Program Determination				-	1,558,250	(1,558,250)	-	-	-	-	(610,784)	
Total Expenditures of State Awards Subject to Major Program Determination				\$ (214,013)	\$ 999,581	\$ (966,142)	\$ -	\$ (148,928)	\$ -	\$ (31,736)	\$ 1,990,806	

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

Little Silver School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2018

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(948,336) for the general fund, \$556 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page.

Little Silver School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2018

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	1,575,341	1,575,341
Special Revenue Fund	268,104	-	268,104
Debt Service Fund	-	-	-
Capital Projects Fund	-	715	715
Food Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	<u>\$ 268,104</u>	<u>1,576,056</u>	<u>\$ 1,844,160</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2018.

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

6. Indirect Costs

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Little Silver School District
 Summary of Findings and Questioned Costs
 June 30, 2018

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

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

Noncompliance material to general-purpose
 financial statements noted? ____yes X no

Federal Awards Section: N/A

Internal Control over major programs:

- 1) Material weakness(es) identified? ____yes __no
- 2) Significant deficiencies identified
 that are not considered to be
 material weaknesses? ____yes __none reported

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

Any audit findings disclosed that are
 required to be reported in accordance with
 2 CFR section .516(a) of the Uniform Guidance? ____yes __no

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? __yes ____no

Little Silver School District
 Summary of Findings and Questioned Costs
 June 30, 2018

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

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

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

Identification of major programs:

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

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2018.

Prior Year Audit Findings - N/A

Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2018.

Little Silver School District
Summary Schedule of Prior Audit Findings
June 30, 2018

There were no prior year findings for the period ended June 30, 2017.