

SCHOOL DISTRICT
OF
SEA GIRT BOROUGH
OF MONMOUTH COUNTY

Sea Girt School District
Sea Girt, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2018

(Report Dated January 31, 2019)

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

of the

Sea Girt School District
of Monmouth County

Sea Girt, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

Sea Girt School District
Finance Department

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INTRODUCTORY SECTION



BOARD OF EDUCATION OF THE BOROUGH OF SEA GIRT



451 Bell Place Sea Girt, NJ 08750
www.seagirt.k12.nj.us

Phone (732) 449-3422
Fax (732) 449-1204

Mr. Richard Papera
Superintendent

Mr. Michael Bardsley, CPA
School Business Administrator/Board Secretary

December 4, 2018

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

Dear Board Members:

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

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



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Mr. Michael Bardsley, CPA
School Business Administrator/Board Secretary

1. REPORTING ENTITY AND ITS SERVICES: Sea Girt Borough School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Sea Girt Board of Education, the Pre-K-8 elementary school and the 9-12 sending-receiving relationship with the Manasquan Board of Education and the Monmouth County Vocational School District constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 8, and has a sending-receiving relationship with the Manasquan Board of Education for grades 9-12. Classes offered are regular, vocational, and special education for disabled youngsters. The preschool program began in the 2007-08 school year. The School District also began a K-5 private parent paid tuition program in 2007-08. The District (Pre-K-12) completed the 2017-18 fiscal year with an enrollment of 184 students representing a -0.5% change from the previous year. The Pre-K-8 enrollment stood at 143 a decrease of 3 students from the previous year. The following details the changes in the Pre-K-12 student enrollment over the last ten years:

Enrollment, Pre-K-12

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-18	184	-0.5
2016-17	185	-7.0
2015-16	198	-2.5
2014-15	203	-7.4
2013-14	218	-1.4
2012-13	221	-5.5
2011-12	234	-1.3
2010-11	237	-0.8
2009-10	239	-2.0
2008-09	244	0.8

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



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

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

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

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

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

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



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capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8. DEBT ADMINISTRATION: As of June 30, 2018, the District has no outstanding debt.

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act. The Board's cash position is adequate, with a balance of \$3,180,657 in General Fund cash and temporary investments at June 30, 2018.

The unreserved, undesignated fund balance of the General Fund is 7% of the general fund expenditures from the previous fiscal year, or approximately 25 working days of expenditures. With the enactment of A-1, the allowable maximum permitted surplus beginning in 2006-07 was the greater of 2% of general fund expenditures or \$250,000. There is no fund balance for the special revenue fund. Any shortfall in state and/or federal funds would have to be made up with general fund monies from fund balance.

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



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

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

Respectfully submitted,

Richard Papera
Superintendent

Michael Bardsley, CPA.
School Business Administrator

Sea Girt School District
Sea Girt, New Jersey

Organization Chart
(Unit Control)

Board of Education

Attorney / Auditor / Custodian of School Moneys Committees

Superintendent / Principal

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

Custodian

Food Service

Transportation

Teaching Staff

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

Pupils

Sea Girt School District
Sea Girt, New Jersey

Roster of Officials
June 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Colleen Prior, President	2019
Tara Lynch, Vice President	2019
Hilary DiFeo, Board Member	2020
Todd Leonhardt, Board Member	2020
Patricia Mele, Board Member	2018

Other Officials

Richard Papera, Superintendent

Michael Bardsley, School Business Administrator/Board Secretary

Loretta Hill, Treasurer

Anthony Sciarrillo, Esq., Solicitor

Sea Girt School District
Consultants and Advisors

Audit Firm

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

Attorneys

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

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

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

Official Depositories

Wells Fargo Bank
Sea Girt, New Jersey

Ocean First Bank
Toms River, New Jersey

New Jersey Asset & Rebate Management Program
Harrisburg, Pennsylvania

State of NJ Cash Management Fund
Columbus, Ohio

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sea Girt School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 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 audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sea Girt School District, in the County of Monmouth, State of New Jersey as of June 30, 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 Sea Girt School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

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

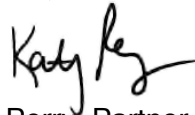
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

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

Respectfully Submitted,

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



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

January 31, 2019
Toms River, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

The discussion and analysis of Sea Girt School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 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 \$6,996,667, which represents a 11.58 percent increase from June 30, 2017.

General revenues accounted for \$4,811,279 in revenue or 91.92 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$423,116 or 8.08 percent of total revenues of \$5,234,395.

Total assets increased \$734,896 as current assets increased by \$742,110 and capital assets decreased by \$7,214.

The School Board had \$4,508,322 in expenses; only \$423,116 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$4,811,279 were adequate to provide for these programs.

Among major funds, the General Fund had \$5,003,564 in revenues and \$4,357,907 in expenditures and transfers. The General Fund's balance increased \$645,657 over June 30, 2017. The General Fund's balance is \$3,229,112.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the School Board to provide programs and activities viewing the School Board as a whole and reports the culmination of all financial transactions. The report answers the question "How Did We Do Financially During Fiscal Year June 30, 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 EBS Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins 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 and Special Revenue Fund.

Governmental Funds

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

Enterprise Fund

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

The School Board as a Whole

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

Table 1 provides a summary comparison of the School Board's net position for June 30, 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	\$ 3,239,074	\$ 706,984	\$ 3,946,058	\$ 2,587,455	\$ 616,493	\$ 3,203,948
Capital assets, net	3,032,998	926,956	3,959,954	3,001,013	966,155	3,967,168
Total assets	6,272,072	1,633,940	7,906,012	5,588,468	1,582,648	7,171,116
Deferred outflow of resources	251,664	-	251,664	419,596	-	419,596
Liabilities:						
Current liabilities	13,757	-	13,757	4,000	-	4,000
Net pension liability	-	-	-	-	-	-
Long-term liabilities outstanding	749,086	-	749,086	1,212,626	-	1,212,626
Total liabilities	762,843	-	762,843	1,216,626	-	1,216,626
Deferred inflow of resources	398,166	-	398,166	103,492	-	103,492
Net position:						
Net investment in capital assets	3,032,998	926,956	3,959,954	3,001,013	966,155	3,967,168
Restricted	2,941,786	-	2,941,786	2,343,610	-	2,343,610
Unrestricted	(612,057)	706,984	94,927	(656,677)	616,493	(40,184)
Total Net Position	\$ 5,362,727	\$ 1,633,940	\$ 6,996,667	\$ 4,687,946	\$ 1,582,648	\$ 6,270,594

The School Board's combined net position was \$6,996,667 on June 30, 2018. This is a change of 11.58% from the previous year.

Table 2 provides a comparison analysis of the 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	\$ -	\$ 177,024	\$ 177,024	\$ -	\$ 171,870	\$ 171,870
Operating and capital grants and contributions	246,092	-	246,092	251,294	-	251,294
General revenues:						
Property taxes	4,513,322	-	4,513,322	4,424,826	-	4,424,826
Federal and state aid	213,947	-	213,947	172,299	-	172,299
Investment earnings	-	159	159	897	159	1,056
Miscellaneous	83,851	-	83,851	118,750	-	118,750
Total revenues	5,057,212	177,183	5,234,395	4,968,066	172,029	5,140,095
Expenses						
Instructional services	1,625,410	-	1,625,410	1,599,077	-	1,599,077
Support services	2,757,021	125,891	2,882,912	2,860,392	126,719	2,987,111
Total expenses	4,382,431	125,891	4,508,322	4,459,469	126,719	4,586,188
Change in net position	674,781	51,292	726,073	508,597	45,310	553,907
Net position - beginning	4,687,946	1,582,648	6,270,594	4,179,349	1,537,338	5,716,687
Net position (deficit) - ending	\$ 5,362,727	\$ 1,633,940	\$ 6,996,667	\$ 4,687,946	\$ 1,582,648	\$ 6,270,594

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

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

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

Expenses for Fiscal Year June 30, 2018

Business-Type Activities

Revenues for the District's business-type activities (EBS) were comprised of charges for royalties.

Total Enterprise Fund revenues exceeded expenses by \$51,292.

Charges for services represent \$177,024 of revenue. This represents the amount paid for royalty fees.

Governmental Activities

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

Table 3

Governmental Activities

	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	\$ 1,625,410	\$ 1,625,410	\$ 1,599,077	\$ 1,599,077
Support Services:				
Pupils and Instructional Staff	1,517,405	1,271,313	1,559,353	1,308,059
General Administration, School Administration, Business Operation and Maintenance of Facilities	1,083,319	1,083,319	1,225,120	1,225,120
Pupil Transportation	156,297	156,297	75,919	75,919
Total Expenses	<u>\$ 4,382,431</u>	<u>\$ 4,136,339</u>	<u>\$ 4,459,469</u>	<u>\$ 4,208,175</u>

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

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

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

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

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

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

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2018, it reported a combined fund balance of \$3,229,112, which is an increase of \$645,657. 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>2017-18 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2016-17</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 4,597,173	90.90%	\$ 52,700	1.15%
State Sources	406,391	8.04	46,257	11.38
Federal Sources	<u>53,648</u>	<u>1.06</u>	<u>(9,811)</u>	<u>(18.29)</u>
Total	<u>\$ 5,057,212</u>	<u>100.00%</u>	<u>\$ 89,146</u>	<u>0.02%</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>2017-18 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2016-17</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 1,625,410	36.84%	\$ 26,333	1.62%
Undistributed				
Expenditures	2,764,427	62.66	39,336	1.42
Capital Outlay	<u>21,718</u>	<u>0.48</u>	<u>8,426</u>	<u>38.80</u>
Total	<u>\$ 4,411,555</u>	<u>99.98%</u>	<u>\$ 74,095</u>	<u>0.02%</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 \$879,529 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$82,372 more than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions, TPAF LTDI, and TPAF Pension Contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are Capital Reserve \$1,675,975, Maintenance Reserve \$200,000 and Tuition Reserve \$150,000. These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District

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

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

The excesses will be carried forward into the beginning fund balance from the 2017-2018 fiscal year and may 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 \$3,959,954 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	\$ 916,364	\$ 916,364	\$ -	\$ -	\$ 916,364	\$ 916,364
Building and Improvements	2,093,470	2,049,993	-	-	2,093,470	2,049,993
Machinery and Equipment	23,164	34,656	926,956	966,155	950,120	1,000,811
Total	\$ 3,032,998	\$ 3,001,013	\$ 926,956	\$ 966,155	\$ 3,959,954	\$ 3,967,168

During the current fiscal year, \$160,632 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental activities at June 30, 2018 and June 30, 2017.

	June 30, 2018	June 30, 2017
Pension Liability-PERS	668,028	1,163,001
Compensated Absences payable	84,853	49,625
Total long-term liabilities	\$ 752,881	\$ 1,212,626

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 9.10% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 90.90% of total revenue is from local sources.

The \$(612,057) 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 Sea Girt for increased aid.

The School Board anticipates a steady 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 School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Sea Girt School District, Bell Place, Sea Girt, NJ, 08750.

BASIC FINANCIAL STATEMENTS

SEA GIRT SCHOOL DISTRICT
Statement of Net Positions
June 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,470,009	\$ 706,984	\$ 2,176,993
Capital reserve cash	1,675,975	-	1,675,975
Receivables - state	58,417	-	58,417
Receivables - federal	34,673	-	34,673
Construction in progress	-	-	-
Capital assets, non-depreciable	916,364	-	916,364
Capital assets, depreciable, net	2,116,634	926,956	3,043,590
Total assets	<u>6,272,072</u>	<u>1,633,940</u>	<u>7,906,012</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	251,664	-	251,664
	<u>251,664</u>	<u>-</u>	<u>251,664</u>
LIABILITIES			
Accounts payable	9,962	-	9,962
Accrued payroll	-	-	-
Other current liabilities	-	-	-
Interfund payable	-	-	-
Payable to state government	-	-	-
Interfund payable	-	-	-
Noncurrent liabilities:			
Due within one year	3,795	-	3,795
Due beyond one year	749,086	-	749,086
Total liabilities	<u>762,843</u>	<u>-</u>	<u>762,843</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	398,166	-	398,166
	<u>398,166</u>	<u>-</u>	<u>398,166</u>
NET POSITION			
Net Investment in capital assets	3,032,998	926,956	3,959,954
Restricted for:			
Capital projects	1,675,975	-	1,675,975
Other purposes	1,265,811	-	1,265,811
Unrestricted	(612,057)	706,984	94,927
Total net positions	<u>\$ 5,362,727</u>	<u>\$ 1,633,940</u>	<u>\$ 6,996,667</u>

See accompanying notes to financial statements.

SEA GIRT 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 Positions			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 1,255,802	\$ -	\$ -	\$ -	\$ (1,255,802)	\$ -	\$ (1,255,802)
Special education instruction	242,475	-	-	-	(242,475)	-	(242,475)
Other special instruction	127,133	-	-	-	(127,133)	-	(127,133)
Support services and undistributed costs:							
Instruction	748,673	-	-	-	(748,673)	-	(748,673)
Attendance and social work	34,169	-	-	-	(34,169)	-	(34,169)
Health services	65,735	-	-	-	(65,735)	-	(65,735)
Other support services	351,956	-	-	-	(351,956)	-	(351,956)
Improvement of instr. services	56,719	-	-	-	(56,719)	-	(56,719)
Educational media services	38,790	-	-	-	(38,790)	-	(38,790)
Instruction staff training	13,745	-	-	-	(13,745)	-	(13,745)
General administrative services	120,340	-	-	-	(120,340)	-	(120,340)
School administrative services	79,535	-	-	-	(79,535)	-	(79,535)
Central services	58,524	-	-	-	(58,524)	-	(58,524)
Admin. information technology	2,997	-	-	-	(2,997)	-	(2,997)
Allowed maintenance for school facilities	14,446	-	-	-	(14,446)	-	(14,446)
Other operation & maintenance of plant	386,198	-	-	-	(386,198)	-	(386,198)
Student transportation services	156,297	-	-	-	(156,297)	-	(156,297)
Unallocated employee benefits	382,805	-	-	-	(382,805)	-	(382,805)
Non-budgeted expenditures	246,092	-	246,092	-	-	-	-
Special schools	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Total governmental activities	<u>4,382,431</u>	<u>-</u>	<u>246,092</u>	<u>-</u>	<u>(4,136,339)</u>	<u>-</u>	<u>(4,136,339)</u>
Business-type activities:							
Enterprise fund	125,891	177,024	-	-	-	51,133	51,133
Total business-type activities	<u>125,891</u>	<u>177,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,133</u>	<u>51,133</u>
Total primary government	<u>\$ 4,508,322</u>	<u>\$ 177,024</u>	<u>\$ 246,092</u>	<u>\$ -</u>	<u>\$ (4,136,339)</u>	<u>\$ 51,133</u>	<u>\$ (4,085,206)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 4,513,322	\$ -	\$ 4,513,322
Federal and state aid					213,947	-	213,947
Miscellaneous income					81,200	-	81,200
Investment earnings					2,651	159	2,810
Total general revenues					<u>\$ 4,811,120</u>	<u>\$ 159</u>	<u>4,811,279</u>
Change in net positions					674,781	51,292	726,073
Net position—beginning					4,687,946	1,582,648	6,270,594
Net position—ending					<u>\$ 5,362,727</u>	<u>\$ 1,633,940</u>	<u>\$ 6,996,667</u>

SEA GIRT 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	\$ 1,504,682	\$ (34,673)	\$ -	\$ -	\$ 1,470,009
Capital reserve	1,675,975	-	-	-	1,675,975
Receivables from federal	-	34,673	-	-	34,673
Receivables from State	58,417	-	-	-	58,417
Total assets	<u>3,239,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,239,074</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	9,962	-	-	-	9,962
Interfund payable	-	-	-	-	-
Total liabilities	<u>9,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,962</u>
Fund Balances:					
Restricted for:					
Legally restricted -- designated for subsequent year's expenditures	-	-	-	-	-
Excess surplus - current year	416,047	-	-	-	416,047
Excess surplus - prior year- designated for Subsequent year's expenditures	499,764	-	-	-	499,764
Capital reserve account	1,675,975	-	-	-	1,675,975
Maintenance reserve account	200,000	-	-	-	200,000
Tuition reserve account	150,000	-	-	-	150,000
Debt services	-	-	-	-	-
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Designated by the BOE for subsequent year's expenditures	-	-	-	-	-
Unassigned:					
General fund	287,326	-	-	-	287,326
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Permanent fund	-	-	-	-	-
Total fund balances	<u>3,229,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,229,112</u>
Total liabilities and fund balances	<u>\$ 3,239,074</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,229,112</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$5,524,864 and the accumulated depreciation is \$2,491,866.	3,032,998
Deferred outflows related to the PERS pension plan	251,664
Deferred inflows related to the PERS pension plan	(398,166)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(752,881)</u>
Net position of governmental activities	<u>\$ 5,362,727</u>

SEA GIRT SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	GAAP Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 4,513,322	\$ -	\$ -	\$ -	\$ 4,513,322
Tuition charges	73,900	-	-	-	73,900
Interest on investments	-	-	-	-	-
Interest earned on capital reserve funds	2,651	-	-	-	2,651
Miscellaneous	7,300	-	-	-	7,300
Total - local sources	4,597,173	-	-	-	4,597,173
State sources	406,391	-	-	-	406,391
Federal sources	-	53,648	-	-	53,648
Total revenues	\$ 5,003,564	\$ 53,648	\$ -	\$ -	\$ 5,057,212
EXPENDITURES					
Current:					
Regular instruction	\$ 1,245,802	\$ 10,000	\$ -	\$ -	\$ 1,255,802
Special education instruction	242,475	-	-	-	242,475
Other special instruction	63,088	-	-	-	63,088
School sponsored/other instructional	64,045	-	-	-	64,045
Undistributed - current:					
Instruction	748,673	-	-	-	748,673
Attendance and social work services	34,169	-	-	-	34,169
Health services	65,735	-	-	-	65,735
Other support services	308,308	43,648	-	-	351,956
Improvement of instr. services	56,719	-	-	-	56,719
Educational media services	38,790	-	-	-	38,790
Instruction staff training	13,745	-	-	-	13,745
General administrative services	120,340	-	-	-	120,340
School administrative services	79,535	-	-	-	79,535
Central services	58,524	-	-	-	58,524
Admin. info. technology	2,997	-	-	-	2,997
Allowed maintenance for school facilities	153,360	-	-	-	153,360
Other operation & maintenance of plant	257,551	-	-	-	257,551
Student transportation services	156,297	-	-	-	156,297
Unallocated employee benefits	379,944	-	-	-	379,944
Non-budgeted expenditures	246,092	-	-	-	246,092
Capital outlay	21,718	-	-	-	21,718
Total expenditures	4,357,907	53,648	-	-	4,411,555
Excess (deficiency) of revenues over expenditures	645,657	-	-	-	645,657
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	645,657	-	-	-	645,657
Fund balance—July 1	2,583,455	-	-	-	2,583,455
Fund balance—June 30	\$ 3,229,112	\$ -	\$ -	\$ -	\$ 3,229,112

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

Total net change in fund balances - governmental funds (from B-2) \$ 645,657

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

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

	Depreciation expense	(128,647)	
	Capital outlays	<u>160,632</u>	31,985

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 32,367

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured earned during the year. In the governmental funds, however, expenditures for these items are reported by the amounts in the amount of financial resources used, essentially, the amounts actually paid. This year, sick leave was decreased. (35,228)

Change in net position of governmental activities \$ 674,781

SEA GIRT SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2018

		Business-type Activities - Enterprise Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$	706,984
Investments		-
Interfund receivable		-
Receivable from state		-
Receivable from other governments		-
Other receivables		-
Total current assets		706,984
Noncurrent assets:		
Restricted cash and cash equivalents		-
Furniture, machinery and equipment		1,187,645
Construction in progress		-
Less accumulated depreciation		(260,689)
Total noncurrent assets		926,956
Total assets		1,633,940
LIABILITIES		
Current liabilities:		
Accounts payable		-
Compensated absences		-
Total current liabilities		-
Noncurrent Liabilities:		
Compensated absences		-
Total noncurrent liabilities		-
Total liabilities		-
NET POSITION		
Net investment in capital assets		926,956
Restricted for:		
Capital projects		-
Unrestricted		706,984
Total net position		1,633,940
Total liabilities and net position	\$	1,633,940

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

	Business-type Activities - Enterprise Fund
Operating revenues:	
Royalties	\$ 177,024
Total operating revenues	177,024
Operating expenses:	
Cost of sales - reimbursable programs	-
Cost of sales - non-reimbursable programs	-
Professional fees	7,380
Salaries	22,567
Other purchased professional services	21,959
Cleaning, repair and maintenance services	-
Travel	-
General supplies	34,786
Depreciation	39,199
Total operating expenses	125,891
Operating income	51,133
Non-operating revenues (expenses):	
Interest expense	-
Interest and investment revenue	159
Total non-operating revenues (expenses)	159
Change in net position	51,292
Total net position—beginning	1,582,648
Total net position—ending	\$ 1,633,940

SEA GIRT SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

		<u>Business-type Activities - Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$	177,024
Payments to employees		(22,567)
Payments to suppliers		(64,125)
Net cash provided by operating activities		<u>90,332</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources		-
Interest income		159
Interest expense		-
Net cash provided by non-capital financing activities		<u>159</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from revenue anticipation loan		-
Payments of revenue anticipation loan		-
Purchases of capital assets		-
Net cash provided by (used for) capital and related financing activities		<u>-</u>
Net increase in cash and cash equivalents		90,491
Balances—beginning of year		616,493
Balances—end of year	\$	<u><u>706,984</u></u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating income	\$	51,133
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		39,199
Federal commodities		-
Decrease in interfund receivable, net		-
Decrease in accounts receivable, net		-
Increase in inventories		-
Decrease in interfund payable		-
Increase in accounts payable		-
Total adjustments		<u>39,199</u>
Net cash provided by operating activities	\$	<u><u>90,332</u></u>

SEA GIRT SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2018

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 43,459	\$ 35,687
Interfund receivable	-	-
Total assets	<u>43,459</u>	<u>35,687</u>
LIABILITIES		
Accounts payable	-	-
Payroll deductions and withholdings	-	22,046
Payable to student groups	-	13,641
Other current liabilities	-	-
Total liabilities	<u>-</u>	<u>35,687</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>43,459</u>	<u>-</u>
Total net position	<u>43,459</u>	<u>-</u>
Total liabilities and net position	<u>\$ 43,459</u>	<u>\$ 35,687</u>

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

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ -
Other	-
Total contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	368
Dividends	-
Less investment expense	-
Net investment earnings	368
Total additions	368
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	-
Change in net position	368
Net position—beginning of the year	43,091
Net position—end of the year	\$ 43,459

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

A. Reporting Entity:

The Sea Girt School District is a Type II district located in the county of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK - 8. The Sea Girt School District had an approximate enrollment of 141 students at June 30, 2018.

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

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

B. Basis of Presentation, Basis of Accounting:

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

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

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

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

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

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

The District reports the following governmental funds:

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

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

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

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

The District reports the following proprietary funds:

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

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

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

The District reports the following fund types:

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

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

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

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

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

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

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

C. Budgets/Budgetary Control:

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

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

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2018, there was a reconciling difference of \$(168,551) between the budgetary basis and GAAP basis in the General Fund and of \$- in the Special Revenue Fund.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

D. Encumbrance Accounting:

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

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

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

E. Assets, Liabilities, and Equity:

Interfund Transactions:

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

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

Inventories:

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

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.

E. Assets, Liabilities, and Equity (Continued)

Capital Assets:

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

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

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

Compensated Absences:

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Equity (Continued)

Compensated Absences (Continued):

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

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

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, no liability existed for compensated absences in the Enterprise Fund.

Unearned/Deferred Revenue:

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

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Equity (Continued)

Fund Balance Reserves:

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

Revenues - Exchange and Nonexchange Transactions:

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

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

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

Operating Revenues and Expenses:

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Equity (Continued)

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

2. Capital Reserve Account

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

2. Capital Reserve Account (Continued)

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

Beginning Balance July 01, 2017	\$ 1,247,356
Add:	
Interest earnings	1,619
Approved at June 2018 meeting	427,000
Less:	
Withdrawals	<u> -</u>
Ending Balance, June 30, 2018	<u>\$ 1,675,975</u>

The June 30, 2018 LRFP balance of local support costs of uncompleted Capital Projects is \$2,999,790.

3. Maintenance Reserve Account

A maintenance Reserve Account was established by the Sea Girt School District by inclusion of \$200,000 for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

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

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

Beginning Balance, July 01, 2017	\$ 200,000
Add:	
Approved at June 30, 2016 meeting	-
Less:	
Withdrawals	<u> -</u>
Ending Balance, June 30, 2018	<u>\$ 200,000</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

4. Deposits and Investments

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

Deposits

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

Bank balances at June 30, 2018 are insured up to \$ 250,000 in aggregate by the FDIC for each bank. At June 30, 2018, the value of the Board's deposits were \$4,215,116.

Custodial Credit Risk Related to Deposits

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

At June 30, 2018, the Board's bank balances of \$4,215,116 were exposed to Custodial Credit Risk as follows:

	<u>2018</u>
Insured	\$ 572,805
Uninsured and Uncollateralized	<u>3,642,311</u>
	<u>\$ 4,215,116</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

4. Deposits and Investments (Continued)

Investments

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

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

As of June 30, 2018, the District had \$164,449 on deposit with the New Jersey Asset and Rebate Management Program.

Interest Rate Risk

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

Credit Risk

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

5. Receivables

Receivables at June 30, 2018, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State aid	\$ 58,417	\$ 58,417
Federal aid	34,673	34,673
Other	-	-
Interfunds	-	-
	<u>93,090</u>	<u>93,090</u>
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total receivables, net	<u>\$ 93,090</u>	<u>\$ 93,090</u>

6. Interfund Receivables and Payables

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

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

7. Capital Assets

The District did not have its Fixed Assets appraised by an independent appraiser as of June 30, 2018. The valuation was not properly updated and did not include all the District's Capital Assets. As such, materially accurate asset valuation totals, accumulated depreciation expense and depreciation expense amounts were not ascertainable.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

7. Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 916,364	\$ -	-	\$ 916,364
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>916,364</u>	<u>-</u>	<u>-</u>	<u>916,364</u>
Capital assets being depreciated				
Building and building improvements	3,564,457	4,140	-	3,568,597
Land improvements	576,270	146,866	-	723,136
Machinery and equipment	<u>307,141</u>	<u>9,626</u>	<u>-</u>	<u>316,767</u>
Totals at historical cost	<u>4,447,868</u>	<u>160,632</u>	<u>-</u>	<u>4,608,500</u>
Less accumulated depreciation for:				
Building and building improvements	(1,791,657)	(71,372)	-	(1,863,029)
Land improvements	(299,077)	(36,157)	-	(335,234)
Machinery and equipment	<u>(272,485)</u>	<u>(21,118)</u>	<u>-</u>	<u>(293,603)</u>
Total accumulated depreciation	<u>(2,363,219)</u>	<u>(128,647)</u>	<u>-</u>	<u>(2,491,866)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>2,084,649</u>	<u>31,985</u>	<u>-</u>	<u>2,116,634</u>
Government activity capital assets, net	<u>\$ 3,001,013</u>	<u>31,985</u>	<u>-</u>	<u>\$ 3,032,998</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Technology center	\$ 1,081,267	-	-	\$ 1,081,267
Machinery and equipment	106,378	-	-	106,378
Construction in progress	-	-	-	-
Less Accumulated Depreciation	<u>(221,490)</u>	<u>(39,199)</u>	<u>-</u>	<u>(260,689)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 966,155</u>	<u>\$ (39,199)</u>	<u>-</u>	<u>\$ 926,956</u>

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

Depreciation expense was charged to functions as follows:

Operation and maintenance	\$ <u>128,647</u>
Total	\$ <u>128,647</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

8. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2018, are as follows:

	<u>Balance</u> <u>July 01, 2017</u>	<u>Increases/ Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>				
Compensated				
Absences Payable	\$ 49,625	\$ 35,228	\$ 84,853	\$ 3,795
Pension Liability - PERS	<u>1,163,001</u>	<u>(494,973)</u>	<u>668,028</u>	<u>-</u>
	<u>\$ 1,212,626</u>	<u>\$ (459,745)</u>	<u>\$ 752,881</u>	<u>\$ 3,795</u>

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

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

There are no serial bonds outstanding at June 30, 2018.

As of June 30, 2018, the Board had no bonds authorized.

9. Operating Leases

As of June 30, 2018, the District had no operating leases.

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.

Sea Girt 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 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

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.

Sea Girt 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 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 \$668,028 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 .0028697318%, which was a decrease of .0010570535% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$(32,367) 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	\$ 15,730	\$ -
Changes of assumptions	134,585	134,091
Net difference between projected and actual earnings on pension plan investments	4,549	-
Changes in proportion and differences between District contributions and proportionate share of contributions	66,222	264,075
District contributions subsequent to the measurement date	30,578	-
Total	<u>\$ 251,664</u>	<u>\$ 398,166</u>

Sea Girt 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)

\$30,578 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	\$ (134,064)
2019	(202,306)
2020	(122,587)
2021	163,041
2022	118,836
Thereafter	-
Total	<u>\$ (177,080)</u>

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:

Sea Girt 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>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.

Sea Girt 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:

Sea Girt 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.

Sea Girt 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	828,734	668,028	534,140

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	.0028697318%	.0039267853%

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.

Sea Girt 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.

Sea Girt 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)

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 \$10,018,289. The School District's proportionate share was \$0.

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 .0148587264%, which was an increase of .0001487278% 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 \$218,057 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.

Sea Girt 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 %

Sea Girt 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	11,945,574	10,054,931	8,497,412

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.

Sea Girt 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)

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 \$4,242. 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.

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Post-Retirement Benefits (cont'd)

General Information about the OPEB Plan (cont'd)

Plan description and benefits provided (cont'd)

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>

Total 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>).

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Post-Retirement Benefits (cont'd)

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.

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>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Post-Retirement Benefits (cont'd)

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 (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
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	\$10,054,478	\$8,469,981	\$7,213,143

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 the health care 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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Post-Retirement Benefits (cont'd)

Sensitivity of the total OPEB liability to changes in the health care cost trend rates (cont'd)

	1% <u>Decrease</u>	<u>Trend Rate</u>	1% <u>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	\$6,965,712	\$8,469,981	\$10,467,595

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 \$464,149 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 Sea Girt 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:

	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>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

12. Risk Management

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017 / 2018	\$ -	\$ 368	\$ -	\$ 43,459
2016 / 2017	-	140	-	43,091
2015 / 2016	-	140	-	42,951

13. Contingent Liabilities

Grant Programs

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

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

14. Fund Balance Appropriated

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

- Nonspendable Fund Balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

14. Fund Balance Appropriated (Continued)

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

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

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

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

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

Classification Totals

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Fund Balances:					
Restricted	2,941,786	-	-	-	2,941,786
Assigned	-	-	-	-	-
Unassigned	<u>287,326</u>	-	-	-	<u>287,326</u>
	<u>3,229,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,229,112</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2018

15. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$416,047.

16. 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 New Jersey. The school district has no open year prior to June 30, 2015.

17. Subsequent Events

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

18. Tax Abatement

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local tax levy	\$ 4,513,322	\$ -	\$ 4,513,322	4,513,322	\$ -
Tuition - residents	-	-	-	18,300	18,300
Tuition - non-residents	47,296	1	47,297	55,600	8,303
Interest	-	-	-	-	-
Interest earned on capital reserve funds	-	-	-	2,651	2,651
Transportation fees	-	-	-	-	-
Miscellaneous	2,000	-	2,000	7,300	5,300
Total - local sources	<u>4,562,618</u>	<u>1</u>	<u>4,562,619</u>	<u>4,597,173</u>	<u>34,554</u>
State Sources:					
Transportation aid	3,990	-	3,990	3,990	-
Special education aid	95,863	3,343	99,206	99,206	-
Bilingual education	-	-	-	-	-
Stabilization aid	-	-	-	-	-
Academic achievement	-	-	-	-	-
Reward program	-	-	-	-	-
Extraordinary aid	-	-	-	47,818	47,818
Foundation aide	-	-	-	-	-
Categorical Security	2,968	-	2,968	2,968	-
Adjustment Aid	1,254	-	1,254	1,254	-
Other Unrestricted State Aid	-	-	-	-	-
Other state aide	-	-	-	-	-
PARCC readiness aid	1,790	-	1,790	1,790	-
Per pupil growth aid	1,790	-	1,790	1,790	-
Professional learning community	1,820	-	1,820	1,820	-
TPAF LTDI (on-behalf - Non-budgeted)	-	-	-	215	215
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	140,838	140,838
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	218,057	218,057
TPAF social security (reimbursed - Non-budgeted)	-	-	-	105,039	105,039
Total state sources	<u>109,475</u>	<u>3,343</u>	<u>112,818</u>	<u>624,785</u>	<u>511,967</u>
Federal Sources					
Education Jobs Fund Program	-	-	-	-	-
Total Federal Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>\$ 4,672,093</u>	<u>\$ 3,344</u>	<u>\$ 4,675,437</u>	<u>\$ 5,221,958</u>	<u>\$ 546,521</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	\$ 143,483	\$ 16,900	\$ 160,383	159,455	\$ 928
Grades 1-5 - Salaries of teachers	504,510	73,900	578,410	566,511	11,899
Grades 6-8 - Salaries of teachers	463,511	(3,600)	459,911	459,310	601
Regular Programs - Home Instruction:					
Salaries of teachers	1,000	(500)	500	-	500
Regular Programs - Undistributed Instruction					
Other purchased services (400-500 series)	8,350	-	8,350	6,588	1,762
General supplies	59,000	500	59,500	29,653	29,847
Textbooks	30,000	(2,550)	27,450	14,259	13,191
Other objects - misc. exp.	7,500	2,550	10,050	10,026	24
Total Regular Programs - Instruction	<u>1,217,354</u>	<u>87,200</u>	<u>1,304,554</u>	<u>1,245,802</u>	<u>58,752</u>
Special Education - Instruction					
Resource Room/Resource Center:					
Salaries of teachers	213,473	16,998	230,471	230,131	340
Other salaries for instruction	33,696	(20,500)	13,196	12,344	852
Total Resource Room/Resource Center	<u>247,169</u>	<u>(3,502)</u>	<u>243,667</u>	<u>242,475</u>	<u>1,192</u>
Total Special Education - Instruction	<u>247,169</u>	<u>(3,502)</u>	<u>243,667</u>	<u>242,475</u>	<u>1,192</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	28,983	34,305	63,288	62,638	650
General supplies	5,700	(700)	5,000	450	4,550
Total Basic Skills/Remedial - Instruction	<u>34,683</u>	<u>33,605</u>	<u>68,288</u>	<u>63,088</u>	<u>5,200</u>
School Sponsored CoCurricular Act.-Instruction					
Salaries	41,522	(4,000)	37,522	25,150	12,372
Supplies and Materials	2,000	-	2,000	-	2,000
Total School Sponsored Cocurricular Act-Instruction	<u>43,522</u>	<u>(4,000)</u>	<u>39,522</u>	<u>25,150</u>	<u>14,372</u>
School Sponsored Athletics-Instruction					
Salaries	39,252	(1,000)	38,252	28,213	10,039
Purchased Services (300-500) Series	8,500	(3,500)	5,000	4,580	420
Supplies and Materials	2,500	2,000	4,500	3,236	1,264
Other Objects	3,000	-	3,000	2,866	134
Total School Sponsored Athletics-Instruction	<u>53,252</u>	<u>(2,500)</u>	<u>50,752</u>	<u>38,895</u>	<u>11,857</u>
Total Instruction	<u>1,595,980</u>	<u>110,803</u>	<u>1,706,783</u>	<u>1,615,410</u>	<u>91,373</u>

SEA GIRT 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
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	\$ 376,873	\$ -	\$ 376,873	\$ 376,873	\$ -
Tuition to other LEAs within the state - special	167,360	10,000	177,360	164,260	13,100
Tuition to County Voc. School Dist-regular	89,040	-	89,040	74,094	14,946
Tuition to private schools for the disabled - Within state	117,580	30,000	147,580	133,446	14,134
Tuition - Other	90,000	(80,000)	10,000	-	10,000
Total Undistributed Expenditures - Instruction:	840,853	(40,000)	800,853	748,673	52,180
Undist. Expend. - Attendance and social work services					
Salaries	24,908	9,270	34,178	34,169	9
Total Undist. Expend.- Attendance and social work services	24,908	9,270	34,178	34,169	9
Undist. Expend. - Health Services					
Salaries	52,446	6,175	58,621	57,762	859
Purchased professional and technical services	3,465	3,515	6,980	6,980	-
Supplies and materials	1,000	-	1,000	993	7
Total Undistributed Expenditures - Health Services	56,911	9,690	66,601	65,735	866
Undist. Expend. - Other Support Services - Students-Related Srvc					
Salaries of other professional staff	-	-	-	-	-
Purchased professional - educational services	136,000	(20,000)	116,000	55,953	60,047
Total Undist. Expend.-Other Support Svcs-Students-Related Srvc	136,000	(20,000)	116,000	55,953	60,047
Undist. Expend.- Other Support Services -Students-Extraordinary Srvc					
Salaries	68,339	(19,000)	49,339	46,989	2,350
Other objects	1,500	-	1,500	959	541
Supplies and materials	1,500	-	1,500	92	1,408
Total Undist. Expend.-Othr Sprt Svcs Students-Extraordinary Svcs	71,339	(19,000)	52,339	48,040	4,299
Undist. Expend.- Other Support Services Students-Regular					
Salaries of other professional staff	151,234	195	151,429	148,256	3,173
Salaries of secretarial and clerical assistants	4,510	16,105	20,615	15,150	5,465
Purchased professional - educational services	5,800	(3,800)	2,000	-	2,000
Supplies and materials	3,000	-	3,000	2,435	565
Total Undist. Expend. - Other Support Services - Students-Regular	164,544	12,500	177,044	165,841	11,203
Undist. Expend. - Other Support Services - Students-Special					
Salaries of other professional staff	50,000	(10,000)	40,000	38,474	1,526
Total Undist. Expend. - Other Support Services - Students-Special	50,000	(10,000)	40,000	38,474	1,526
Undist. Expend. - Improvement of Instr. Serv / other supp serv - inst staff					
Sal Sec. & Clerical Asst	23,165	3,900	27,065	27,008	57
Other salaries	20,726	9,000	29,726	29,711	15
Total Undist. Expend.-Imprvmt of Instr.-Srv/other supp srv-inst staff	43,891	12,900	56,791	56,719	72
Undist. Expend. - Educational Media Services/School Library					
Salaries	32,333	(7,200)	25,133	19,181	5,952
Salaries of Technology Coordinators	28,697	(7,000)	21,697	19,284	2,413
Purchased professional and technical services	1,800	-	1,800	50	1,750
Supplies and materials	7,000	-	7,000	275	6,725
Total Undist. Expend. - Educational Media Services/School Library	69,830	(14,200)	55,630	38,790	16,840
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	20,000	(1,500)	18,500	13,745	4,755
Other purchased services (400-500 series)	1,000	-	1,000	-	1,000
Supplies and materials	1,000	(500)	500	-	500
Other objects	4,000	(4,000)	-	-	-
Total Undist. Expend. - Instruction Staff Training Services	26,000	(6,000)	20,000	13,745	6,255
Undist. Expend. - Support Service - General Administration					
Salaries	60,058	-	60,058	60,053	5
Legal services	20,500	10,400	30,900	29,490	1,410
Audit fees	11,200	-	11,200	11,200	-
Communications/Telephone - Bus	5,265	-	5,265	3,825	1,440
BOE other purchased prof. svc.	1,000	-	1,000	462	538
Other purchased services (400-500 series)	7,252	1,370	8,622	8,416	206
General supplies	2,500	1,550	4,050	2,311	1,739
Miscellaneous expenditures - Board of Ed	1,300	-	1,300	1,213	87
Membership Dues and Fees	5,425	(1,920)	3,505	3,370	135
Total Undist. Expend. - Support Service - General Administration	114,500	11,400	125,900	120,340	5,560
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	68,750	4,550	73,300	70,643	2,657
Salaries of secretarial and clerical assistants	1,353	-	1,353	-	1,353
Other purchased services (400-500 series)	3,000	4,530	7,530	7,516	14
Supplies and materials	2,000	(650)	1,350	1,256	94
Other objects	1,000	(880)	120	120	-
Total Undist. Expend. - Support Service - School Administration	76,103	7,550	83,653	79,535	4,118

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Central Services					
Salaries	\$ 1,415	\$ 38,635	\$ 40,050	\$ 38,134	\$ 1,916
Purchased professional services	61,000	(32,000)	29,000	19,347	9,653
Supplies and materials	1,500	(925)	575	-	575
Misc Expenditures	250	925	1,175	1,043	132
Total Undist. Expend. - Central Services	<u>64,165</u>	<u>6,635</u>	<u>70,800</u>	<u>58,524</u>	<u>12,276</u>
Undist. Expend. - Admin. Info. Technology					
Salaries	3,189	-	3,189	2,997	192
Total Undist. Expend - Admin. Info. Technology	<u>3,189</u>	<u>-</u>	<u>3,189</u>	<u>2,997</u>	<u>192</u>
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	206,127	(4,139)	201,988	151,409	50,579
General supplies	7,000	-	7,000	1,951	5,049
Total Undist. Expend. - Allowed Maintenance for School Facilities	<u>213,127</u>	<u>(4,139)</u>	<u>208,988</u>	<u>153,360</u>	<u>55,628</u>
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - Custodians	99,295	(7,200)	92,095	88,703	3,392
Salaries - Café/Playground Aides	32,662	19,000	51,662	50,438	1,224
Cleaning, repair and maintenance services - up keep	11,500	4,200	15,700	15,531	169
Other purchased property services	8,000	1,000	9,000	8,854	146
Insurance	38,810	(500)	38,310	31,378	6,932
Travel	-	500	500	-	500
Miscellaneous purchased services	800	(500)	300	-	300
General supplies	20,000	-	20,000	12,979	7,021
Energy (Heat and Electricity)	62,000	300	62,300	44,609	17,691
Energy (Natural Gas)	18,000	(2,000)	16,000	5,059	10,941
Total Undist. Expend. - Other Operation & Maintenance Of Plant	<u>291,067</u>	<u>14,800</u>	<u>305,867</u>	<u>257,551</u>	<u>48,316</u>
Undist. Expend. - Student Transportation Services					
Salaries for pupil trans. (other than between home and school)	24,922	2,300	27,222	23,423	3,799
Contract services (other than between home & school) - Vendors	16,000	4,000	20,000	19,745	255
Contract services-(special education students)-ESC's & CTSA's	76,346	(35,141)	41,205	25,995	15,210
Contract services-(regular students)ESC's & CTSA's	56,205	31,141	87,346	87,134	212
Total Undist. Expend. - Student Transportation Services	<u>173,473</u>	<u>2,300</u>	<u>175,773</u>	<u>156,297</u>	<u>19,476</u>
Unallocated Employee Benefits					
Social security contributions	72,285	6,760	79,045	63,104	15,941
TPAF Contributions - ERIP	46,063	(7,620)	38,443	-	38,443
Other retirement contributions - regular	4,023	600	4,623	4,504	119
P.E.R.S. Contribution	43,490	(14,949)	28,541	25,977	2,564
Unemployment Compensation	46,421	(3,000)	43,421	-	43,421
Workmen's compensation	50,982	(4,315)	46,667	23,607	23,060
Health benefits	660,893	(77,964)	582,929	234,603	348,326
Tuition reimbursement	36,895	6,000	42,895	21,926	20,969
Other employee benefits	6,699	(260)	6,439	6,223	216
Total Unallocated Employee Benefits	<u>967,751</u>	<u>(94,748)</u>	<u>873,003</u>	<u>379,944</u>	<u>493,059</u>
On-behalf TPAF LTDI (non-budgeted)	-	-	-	215	(215)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	140,838	(140,838)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	218,057	(218,057)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	105,039	(105,039)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,149</u>	<u>(464,149)</u>
Total Personal Services - Employee Benefits	<u>967,751</u>	<u>(94,748)</u>	<u>873,003</u>	<u>844,093</u>	<u>28,910</u>
Total Undistributed Expenditures	<u>3,387,651</u>	<u>(121,042)</u>	<u>3,266,609</u>	<u>2,938,836</u>	<u>327,773</u>
Transfer to Cover Deficit (enterprise fund)	-	-	-	-	-
Total General Current Expense	<u>4,983,631</u>	<u>(10,239)</u>	<u>4,973,392</u>	<u>4,554,246</u>	<u>419,146</u>

SEA GIRT 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
Capital Outlay					
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Regular Programs - Instruction:					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Special Education - Instruction:					
Multiple disabilities	-	-	-	-	-
Basic skills/Remedial - Instruction	-	-	-	-	-
Bilingual education - Instruction	-	-	-	-	-
School - Sponsored and other instructional program	-	-	-	-	-
Undistributed:					
Undistributed expenditures - Instructional equip.	-	10,000	10,000	13,766	(3,766)
Total Equipment	-	10,000	10,000	13,766	(3,766)
Facilities Acquisition and Construction Services					
Debt Service Assessment	7,952	-	7,952	7,952	-
Total Facilities Acquisition and Construction Services	7,952	-	7,952	7,952	-
Capital reserve - Transfer to	-	-	-	-	-
Total Capital Outlay	7,952	10,000	17,952	21,718	(3,766)
Total Expenditures	4,991,583	(239)	4,991,344	4,575,964	415,380
Excess (Deficiency) of Revenues Over (Under) Expenditures	(319,490)	3,583	(315,907)	645,994	961,901
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(319,490)	3,583	(315,907)	645,994	961,901
Fund Balance, July 1	1,693,231	-	1,693,231	2,593,610	900,379
Fund Balance, June 30	<u>\$ 1,373,741</u>	<u>\$ 3,583</u>	<u>\$ 1,377,324</u>	<u>\$ 3,239,604</u>	<u>\$ 1,862,280</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				1,675,975	
Maintenance reserve				200,000	
Tuition reserve				150,000	
Excess surplus - Designated for subsequent year's expenditures				499,764	
Excess surplus - Current year				416,047	
Committed Fund Balance:					
Year-end encumbrances				-	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				-	
Unassigned Fund Balance				<u>297,818</u>	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				(10,492)	
Fund balance per governmental funds (GAAP)				<u>\$ 287,326</u>	

SEA GIRT 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	\$ -	\$ -	\$ -	\$ -	-
State sources	-	-	-	-	-
Federal sources	39,836	13,812	53,648	53,648	-
Total Revenues	39,836	13,812	53,648	53,648	-
EXPENDITURES					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	10,000	10,000	10,000	-
Tuition	-	-	-	-	-
Total instruction	-	10,000	10,000	10,000	-
Support services:					
Salaries of program director	-	-	-	-	-
Personal services	-	-	-	-	-
Purchased professional - educational services	33,362	7,143	40,505	40,505	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	6,474	(3,331)	3,143	3,143	-
Travel	-	-	-	-	-
Employee Benefits	-	-	-	-	-
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	-	-	-	-	-
Total support services	39,836	3,812	43,648	43,648	-
EXPENDITURES (CONT'D):					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total expenditures	39,836	13,812	53,648	53,648	-
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	39,836	13,812	53,648	53,648	-
Excess (deficiency) of revenues					
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				-	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

**SEA GIRT SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2018**

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 5,221,958	[C-2]	\$ 53,648
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(218,057)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(10,492)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		10,155		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 5,003,564	[B-2]	\$ 53,648
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 4,575,964	[C-2]	\$ 53,648
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(218,057)		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 4,357,907	[B-2]	\$ 53,648

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

Last 10 Fiscal Years*

	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.0034715477%	0.0039267853%	0.0028697318%
District's proportionate share of the net pension liability	\$ 814,178	\$ 1,163,001	\$ 668,028
District's covered-employee payroll	233,589	184,703	187,187
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	348.55%	15.88%	28.02%
Plan fiduciary net position as a percentage of the total pension liability	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.

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

Last 10 Fiscal Years*

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contributions	\$ 29,846	\$ 35,427	\$ 26,866
Contributions in relation to the contractually required contribution	<u>29,846</u>	<u>35,427</u>	<u>25,977</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 889</u>
District's covered-employee payroll	\$ -	\$ 233,589	\$ 184,703
Contributions as a percentage of covered-employee payroll	12.78%	19.18%	14.55%

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

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

Last 10 Fiscal Years*

	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.0143399466%	0.0147099986%	0.0148587264%
District's proportionate share of the net pension liability	\$ 9,063,459	\$ 11,571,821	\$ 10,018,289
District's covered-employee payroll	1,875,503	1,409,893	1,390,618
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	483.25%	12.18%	13.88%
Plan fiduciary net position as a percentage of the total pension liability	27.81%	22.33%	25.41%

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

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

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

SEA GIRT SCHOOL DISTRICT
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	\$ 322,579
Interest cost	268,090
Changes in assumptions	(1,109,633)
Member contributions	7,224
Gross benefit payments	(196,183)
Net change in total OPEB liability	(707,923)
Total OPEB liability - beginning	9,177,904
Total OPEB liability - ending	\$ 8,469,981
District's covered employee payroll	\$ 2,342,002
Total OPEB liability as a percentage of covered employee payroll	362%

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

Sea Girt School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 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

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

	IDEA Preschool 17/18	IDEA Basic 17/18	Title IV 17/18	Title II 17/18	TOTAL
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	3,181	37,324	10,000	3,143	53,648
Total revenues	3,181	37,324	10,000	3,143	53,648
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	-	10,000	-	10,000
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	-	-	10,000	-	10,000
Support services:					
Other support services - students - special:					
Other professional staff salaries					
	-	-	-	-	-
Personal Services					
	-	-	-	-	-
Purchased professional services	3,181	37,324	-	-	40,505
Other purchased professional services					
	-	-	-	-	-
Purchased technical services	-	-	-	3,143	3,143
Employee benefits	-	-	-	-	-
Travel	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	3,181	37,324	-	3,143	43,648
Total support services	3,181	37,324	-	3,143	43,648
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	-	-	-	-	-
Total expenditures	\$ 3,181	\$ 37,324	\$ 10,000	\$ 3,143	\$ 53,648

F. Capital Projects Fund
Not Applicable

G. Proprietary Funds

Sea Girt School District
Enterprise Fund
Statement of Net Position
June 30, 2018

2018

Assets:

Current assets:

Cash and cash equivalents	\$	706,984
Accounts receivable:		-
State		-
Federal		-
Interfunds		-
		-

Total current assets		706,984
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Fixed assets:

Equipment		96,361
Technology Center		1,091,284
Accumulated depreciation		(260,689)

Total fixed assets		926,956
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Total assets	\$	1,633,940
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Liabilities and Net Position:

Liabilities:

Accounts payable		-
Revenue anticipation loan		-

Total liabilities		-
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Net position:

Net investment in capital assets		926,956
Restricted for other purposes		-
Unrestricted net position		706,984

Total net position		1,633,940
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Total liabilities and net position	\$	1,633,940
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**Sea Girt School District
Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position
for the Fiscal Years ended June 30, 2018**

	<u>2018</u>
Operating revenues:	
Local sources:	
Royalties	\$ 177,024
Total operating revenues	<u>177,024</u>
Operating expenses:	
Administrative salaries and benefits	22,567
Professional fees	7,380
Other purchased services	21,959
Supplies and materials	34,786
Depreciation	39,199
Travel	-
Dues and subscriptions	-
Repairs	-
Cost of sales - reimbursable programs	-
Cost of sales - non-reimbursable programs	-
Total operating expenses	<u>125,891</u>
Operating income	<u>51,133</u>
Nonoperating revenues (expenses):	
Local sources:	
Interest income	159
Interest expense	-
Total nonoperating revenues	<u>159</u>
Change in net position	51,292
Total net position beginning	<u>1,582,648</u>
Total net position ending	<u><u>\$ 1,633,940</u></u>

SEA GIRT SCHOOL DISTRICT
Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 177,024
Payments to employees	(22,567)
Payments to suppliers	(64,125)
Net cash provided by operating activities	90,332
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State sources	-
Interest income	159
Interest expense	-
Net cash provided by non-capital financing activities	159
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from revenue anticipation loan	-
Payments on revenue anticipation loan	-
Purchases of capital assets	-
Net cash provided by (used for) capital and related financing activities	-
Net increase in cash and cash equivalents	90,491
Balances—beginning of year	616,493
Balances—end of year	\$ 706,984
Reconciliation of operating loss to net cash used in operating activities:	
Operating income	\$ 51,133
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	39,199
Federal commodities	-
Decrease in interfund receivable, net	-
Decrease in accounts receivable, net	-
Increase in inventories	-
Decrease in interfund payable	-
Increase in accounts payable	-
Total adjustments	39,199
Net cash provided by operating activities	\$ 90,332

H. Fiduciary Funds

SEA GIRT SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll Agency</u>
ASSETS			
Cash and cash equivalents	\$ 43,459	\$ 13,641	\$ 22,046
Investments	-	-	-
Intergovernmental accounts receivable	-	-	-
Interfund receivable	-	-	-
Total assets	<u>43,459</u>	<u>13,641</u>	<u>22,046</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	22,046
Payable to student groups	-	13,641	-
Interfund payable	-	-	-
Other current liabilities	-	-	-
Total liabilities	<u>-</u>	<u>13,641</u>	<u>22,046</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>43,459</u>	<u>-</u>	<u>-</u>
Total net position	<u>43,459</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 43,459</u>	<u>\$ 13,641</u>	<u>\$ 22,046</u>

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

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ -
Other-transfer in	-
Total contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	368
Dividends	-
Less investment expense	-
Net investment earnings	368
Total additions	368
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	-
Change in net position	368
Net position—beginning of the year	43,091
Net position—end of the year	\$ 43,459

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

	<u>Balance</u> <u>July 1, 2017</u>		<u>Receipts</u>		<u>Disbursements</u>		<u>Balance</u> <u>June 30, 2018</u>
General funds	\$ 10,377	\$	8,047	\$	(8,444)	\$	9,980
Class funds	1,834		31,404		(29,577)		3,661
Total all schools	<u>\$ 12,211</u>	<u>\$</u>	<u>39,451</u>	<u>\$</u>	<u>(38,021)</u>	<u>\$</u>	<u>13,641</u>

**SEA GIRT SCHOOL DISTRICT
Payroll 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>
Payroll deductions and withholdings	\$ 22,933	\$ 2,529,480	\$ (2,530,367)	\$ 22,046
Totals	<u>\$ 22,933</u>	<u>\$ 2,529,480</u>	<u>\$ (2,530,367)</u>	<u>\$ 22,046</u>

I. Long-Term Debt
Not Applicable

STATISTICAL SECTION

Sea Girt School District
Statistical Section

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	100-104
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue	105-108
Debt Capacity These schedules present information to help the reader assess the affordability of the district' s current levels of outstanding debt and the district's ability to issue	109-112
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities	113-114
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	115-119

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net capital assets	\$ 3,436,653	\$ 3,540,631	\$ 3,577,656	\$ 3,536,657	\$ 3,422,237	\$ 3,304,876	\$ 3,187,515	\$ 3,116,252	\$ 3,001,013	\$ 3,032,998
Restricted	270,313	326,738	514,354	609,483	703,620	974,286	1,331,660	1,711,585	2,343,610	2,941,786
Unrestricted	305,235	352,727	266,459	218,594	203,807	198,400	(664,419)	(648,488)	(656,677)	(612,057)
Total governmental activities net assets/position	\$ 4,012,201	\$ 4,220,096	\$ 4,358,469	\$ 4,364,734	\$ 4,329,664	\$ 4,477,562	\$ 3,854,756	\$ 4,179,349	\$ 4,687,946	\$ 5,362,727
Business-type activities										
Net capital assets	\$ 929,255	\$ 1,065,639	\$ 1,049,925	\$ 1,023,860	\$ 998,028	\$ 972,196	\$ 946,364	\$ 993,334	\$ 966,155	\$ 926,956
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	175,795	149,352	250,461	347,752	352,044	440,326	535,839	544,004	616,493	706,984
Total business-type activities net assets/position	\$ 1,105,050	\$ 1,214,991	\$ 1,300,386	\$ 1,371,612	\$ 1,350,072	\$ 1,412,522	\$ 1,482,203	\$ 1,537,338	\$ 1,582,648	\$ 1,633,940
District-wide										
Net capital assets	\$ 4,365,908	\$ 4,606,270	\$ 4,627,581	\$ 4,560,517	\$ 4,420,265	\$ 4,277,072	\$ 4,133,879	\$ 4,109,586	\$ 3,967,168	\$ 3,959,954
Restricted	270,313	326,738	514,354	609,483	703,620	974,286	1,331,660	1,711,585	2,343,610	2,941,786
Unrestricted	481,030	502,079	516,920	566,346	555,851	638,726	(128,580)	(104,484)	(40,184)	94,927
Total district net assets/position	\$ 5,117,251	\$ 5,435,087	\$ 5,658,855	\$ 5,736,346	\$ 5,679,736	\$ 5,890,084	\$ 5,336,959	\$ 5,716,687	\$ 6,270,594	\$ 6,996,667

SEA GIRT SCHOOL DISTRICT
Changes in Net Assets/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	\$ 1,179,181	\$ 1,245,862	\$ 1,189,107	\$ 1,268,103	\$ 1,225,160	\$ 1,224,045	\$ 1,242,744	\$ 1,363,674	\$ 1,278,279	\$ 1,255,802
Special education	244,326	250,424	302,575	393,262	306,228	210,930	239,888	251,642	244,471	242,475
Other special education	72,998	81,184	78,568	102,281	122,798	77,474	141,887	136,720	76,327	127,133
Support Services:										
Instruction	1,064,404	984,230	804,778	691,863	886,691	760,979	733,725	830,911	772,404	748,673
Attendance and social work	24,614	25,521	26,011	12,872	15,771	16,087	20,301	600	30,883	34,169
Health services	61,977	69,609	70,854	65,843	56,396	55,960	24,405	62,908	51,477	65,735
Improvement of instr. services	46,527	48,189	48,989	74,344	62,311	63,556	72,563	97,488	83,915	56,719
Educational media services	47,097	52,726	62,768	47,951	26,272	47,622	61,526	61,902	30,667	38,790
Instruction staff training	2,369	2,368	4,730	7,013	4,088	6,888	18,987	11,774	4,038	13,745
School Administrative services	72,917	75,887	77,057	78,339	73,385	70,471	75,282	75,321	81,175	79,535
General Administration	120,072	133,957	132,716	133,846	128,399	135,421	132,600	106,870	139,387	120,340
Central Services	78,434	82,949	81,526	68,584	78,454	69,662	86,758	67,360	79,675	58,524
Plant operations and maintenance	418,970	473,632	444,318	410,104	402,545	454,900	513,593	429,801	474,178	400,644
Administrative information technology	2,926	3,028	3,074	2,615	3,186	350	3,217	3,414	3,500	2,997
Pupil transportation	82,133	75,314	121,464	114,042	138,189	101,806	90,718	90,316	75,919	156,297
Other support services	276,234	253,007	301,520	298,351	312,466	383,622	295,243	269,061	334,675	351,956
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	19,350	14,280	8,879	3,280	-	-	-	-	-	-
Unallocated employee benefits	490,731	467,394	460,508	470,213	474,693	513,049	364,146	399,590	447,205	382,805
Total governmental activities expenses	<u>4,305,260</u>	<u>4,339,561</u>	<u>4,219,442</u>	<u>4,242,906</u>	<u>4,317,032</u>	<u>4,192,822</u>	<u>4,117,583</u>	<u>4,259,352</u>	<u>4,208,175</u>	<u>4,136,339</u>
Business-type activities:										
Enterprise fund	(188,128)	(109,211)	(84,511)	(70,916)	21,802	(62,450)	(69,522)	(54,976)	(45,151)	(51,133)
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>(188,128)</u>	<u>(109,211)</u>	<u>(84,511)</u>	<u>(70,916)</u>	<u>21,802</u>	<u>(62,450)</u>	<u>(69,522)</u>	<u>(54,976)</u>	<u>(45,151)</u>	<u>(51,133)</u>
Total district expenses	<u>\$ 4,117,132</u>	<u>\$ 4,230,350</u>	<u>\$ 4,134,931</u>	<u>\$ 4,171,990</u>	<u>\$ 4,338,834</u>	<u>\$ 4,130,372</u>	<u>\$ 4,048,061</u>	<u>\$ 4,204,376</u>	<u>\$ 4,163,024</u>	<u>\$ 4,085,206</u>
Net (Expense)/Revenue										
Governmental activities	(4,305,260)	(4,339,561)	(4,219,442)	(4,242,906)	(4,317,032)	(4,192,822)	(4,117,583)	(4,259,352)	(4,208,175)	(4,136,339)
Business-type activities	188,128	109,211	84,551	70,916	(21,802)	62,450	69,522	54,976	45,151	51,133
Total district-wide net expense	<u>\$ (4,117,132)</u>	<u>\$ (4,230,350)</u>	<u>\$ (4,134,891)</u>	<u>\$ (4,171,990)</u>	<u>\$ (4,338,834)</u>	<u>\$ (4,130,372)</u>	<u>\$ (4,048,061)</u>	<u>\$ (4,204,376)</u>	<u>\$ (4,163,024)</u>	<u>\$ (4,085,206)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,872,939	\$ 3,940,715	\$ 4,019,640	\$ 3,939,365	\$ 4,012,243	\$ 4,092,488	\$ 4,214,209	\$ 4,338,065	\$ 4,424,826	\$ 4,513,322
Taxes levied for debt service	149,350	149,280	45,383	-	-	-	-	-	-	-
Unrestricted grants and contributions	291,260	277,649	66,030	81,716	103,951	101,864	26,093	104,878	172,299	213,947
State aid - restricted	59,021	78,886	70,919	78,837	53,999	52,263	52,629	66,520	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	3,551	591	740	-	40	49	54	224	897	2,651
Miscellaneous income	63,455	100,335	155,103	149,253	111,729	94,056	64,625	74,258	118,750	81,200
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>4,439,576</u>	<u>4,547,456</u>	<u>4,357,815</u>	<u>4,249,171</u>	<u>4,281,962</u>	<u>4,340,720</u>	<u>4,357,610</u>	<u>4,583,945</u>	<u>4,716,772</u>	<u>4,811,120</u>
Business-type activities:										
Investment earnings	8,840	730	844	310	262	-	159	159	159	159
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>8,840</u>	<u>730</u>	<u>844</u>	<u>310</u>	<u>262</u>	<u>-</u>	<u>159</u>	<u>159</u>	<u>159</u>	<u>159</u>
Total district-wide	<u>\$ 4,448,416</u>	<u>\$ 4,548,186</u>	<u>\$ 4,358,659</u>	<u>\$ 4,249,481</u>	<u>\$ 4,282,224</u>	<u>\$ 4,340,720</u>	<u>\$ 4,357,769</u>	<u>\$ 4,584,104</u>	<u>\$ 4,716,931</u>	<u>\$ 4,811,279</u>
Change in Net Assets/Position										
Governmental activities	134,316	207,895	138,373	6,265	(35,070)	147,898	240,027	324,593	508,597	674,781
Business-type activities	196,968	109,941	85,395	71,226	(21,540)	62,450	69,681	55,135	45,310	51,292
Total district	<u>\$ 331,284</u>	<u>\$ 317,836</u>	<u>\$ 223,768</u>	<u>\$ 77,491</u>	<u>\$ (56,610)</u>	<u>\$ 210,348</u>	<u>\$ 309,708</u>	<u>\$ 379,728</u>	<u>\$ 553,907</u>	<u>\$ 726,073</u>

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 183,809	\$ 313,242	\$ 514,354	\$ 609,483	\$ 703,620	\$ 974,286	\$ 1,331,660	\$ 1,711,585	\$ 2,343,610	\$ 2,941,786
Unreserved	355,204	387,905	296,905	245,565	242,559	242,422	241,214	241,264	239,845	287,326
Total general fund	<u>\$ 539,013</u>	<u>\$ 701,147</u>	<u>\$ 811,259</u>	<u>\$ 855,048</u>	<u>\$ 946,179</u>	<u>\$ 1,216,708</u>	<u>\$ 1,572,874</u>	<u>\$ 1,952,849</u>	<u>\$ 2,583,455</u>	<u>\$ 3,229,112</u>
All Other Governmental Funds										
Reserved	\$ 5,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	80,519	13,496	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 86,504</u>	<u>13,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	4,022,289	4,089,995	4,065,023	3,939,365	4,012,243	4,092,488	4,214,209	4,338,065	4,424,826	4,513,322
Tuition charges	79,700	130,954	137,100	144,117	107,743	93,714	59,871	57,130	77,529	73,900
Interest earnings	3,551	591	740	-	40	49	54	224	897	2,651
Miscellaneous	3,101	1,381	18,003	5,136	3,986	342	4,754	17,128	41,221	7,300
State sources	508,673	497,333	286,917	363,281	445,603	389,108	336,467	354,438	360,134	406,391
Federal sources	59,021	78,886	70,919	78,837	53,999	52,263	52,629	66,520	63,459	53,648
Total revenue	<u>4,676,335</u>	<u>4,799,140</u>	<u>4,578,702</u>	<u>4,530,736</u>	<u>4,623,614</u>	<u>4,627,964</u>	<u>4,667,984</u>	<u>4,833,505</u>	<u>4,968,066</u>	<u>5,057,212</u>
Expenditures										
Instruction										
Regular Instruction	1,179,181	1,245,862	1,189,107	1,268,103	1,225,160	1,224,045	1,242,744	1,363,674	1,278,279	1,255,802
Special education instruction	244,326	250,424	302,575	393,262	306,228	210,930	239,888	251,642	244,471	242,475
Other special instruction	72,998	81,184	78,568	102,281	122,798	77,474	141,887	136,720	76,327	127,133
Support Services:										
Tuition	1,064,404	984,230	804,778	691,863	886,691	760,979	733,725	830,911	772,404	748,673
Student & inst. related services	182,584	198,413	213,352	208,023	164,838	190,113	197,782	234,672	200,980	209,158
General administration	120,072	133,957	132,716	133,846	128,399	135,421	132,600	106,870	139,387	120,340
School administrative services	72,917	75,887	77,057	78,339	73,385	70,471	75,282	75,321	81,175	79,535
Central services	78,434	82,949	81,526	68,584	78,454	69,662	86,758	67,350	79,675	58,524
Admin. information technology	2,926	3,028	3,074	2,615	3,186	350	3,217	3,414	3,500	2,997
Plant operations and maintenance	310,126	334,255	310,399	274,311	280,173	329,587	379,905	321,601	345,647	410,911
Pupil transportation	82,133	75,314	121,464	114,042	138,189	101,806	90,718	90,316	75,919	156,297
Other Support Services	276,234	253,007	301,520	298,351	312,466	383,622	295,243	269,061	334,675	351,956
Employee benefits	685,684	701,869	686,127	755,253	804,564	795,023	675,742	665,031	691,729	626,036
Special Schools	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	130,000	135,000	140,000	82,000	-	-	-	-	-	-
Interest and other charges	19,350	14,280	8,879	3,280	-	-	-	-	-	-
Capital outlay	184,327	108,355	30,944	12,794	7,952	7,952	16,327	36,937	13,292	21,718
Total expenditures	<u>4,705,696</u>	<u>4,678,014</u>	<u>4,482,086</u>	<u>4,486,947</u>	<u>4,532,483</u>	<u>4,357,435</u>	<u>4,311,818</u>	<u>4,453,530</u>	<u>4,337,460</u>	<u>4,411,555</u>
Excess (Deficiency) of revenues over (under) expenditures	(29,361)	121,126	96,616	43,789	91,131	270,529	356,166	379,975	630,606	645,657
Other Financing sources (uses)										
Transfers in	-	501	103,496	-	-	-	-	-	-	-
Transfers out	-	(32,501)	(103,496)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(32,000)	-	-	-	-	-	-	-	-
Net change in fund balances	<u>(29,361)</u>	<u>89,126</u>	<u>96,616</u>	<u>43,789</u>	<u>91,131</u>	<u>270,529</u>	<u>356,166</u>	<u>379,975</u>	<u>630,606</u>	<u>645,657</u>
Debt service as a percentage of noncapital expenditures	0.067	0.052	0.038	0.021	0.002	0.002	0.004	0.008	0.003	0.004923

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

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

Fiscal Year Ending June 30,	Sale of Capital Assets	Donations	Rentals	Prior Year Refunds	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2009	-	-	-	-	-	3,101	3,101
2010	-	-	-	-	-	3,480	3,480
2011	-	-	-	-	-	4,754	4,754
2012	-	-	-	-	-	5,136	5,136
2013	-	-	-	-	-	3,986	3,986
2014	-	-	-	-	-	342	342
2015	-	-	-	-	-	4,754	4,754
2016	-	-	-	-	-	17,128	17,128
2017	-	-	-	-	-	41,221	41,221
2018	-	-	-	-	-	7,300	7,300

Source: District records

SEA GIRT SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2009	58,836,700	1,862,687,500	-	-	36,816,900	-	-	1,958,341,100	303,160,800	484,288	1,655,664,588	1,997,517,624	0.209
2010	45,020,700	1,893,380,500	-	-	36,816,900	-	-	1,975,218,100	301,160,800	336,055	1,674,393,355	2,031,936,842	0.206
2011	53,359,200	1,887,579,900	-	-	36,816,900	-	-	1,977,756,000	303,160,800	286,843	1,674,882,043	1,980,042,848	0.199
2012	56,532,400	1,891,060,100	-	-	36,816,900	-	-	1,984,409,400	303,100,800	287,426	1,681,596,026	1,965,358,422	0.202
2013	51,417,900	1,901,528,500	-	-	36,816,900	-	-	1,989,763,300	305,555,800	-	1,684,207,500	2,015,046,881	0.206
2014	48,119,000	1,926,382,300	-	-	37,697,600	-	-	2,012,198,900	305,756,600	-	1,706,442,300	2,099,101,711	0.211
2015	33,999,900	2,143,598,300	-	-	40,740,900	-	-	2,218,339,100	370,904,200	250,000	1,847,684,900	2,177,227,802	0.195
2016	39,816,300	2,209,488,700	0	0	40,259,800	0	0	2,289,564,800	372,903,100	-	1,916,661,700	2,295,763,361	0.193
2017	-	-	0	0	-	0	0	-	-	-	-	-	-
2018	-	-	0	-	-	-	-	-	-	-	-	-	-

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Sea Girt School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal	Monmouth County	
2009	0.206	0.003	0.209	0.253	0.263	0.725
2010	0.206	0.206	0.206	0.264	0.278	0.748
2011	0.199	0.199	0.199	0.268	0.276	0.743
2012	0.202	0.202	0.202	0.262	0.288	0.752
2013	0.206	0.206	0.206	0.261	0.308	0.775
2014	0.211	0.211	0.211	0.255	0.323	0.789
2015	0.195	0.195	0.195	0.228	0.301	0.724
2016	0.193	0.193	0.193	0.220	0.296	0.709
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-

Source: Municipal Tax Collector

R = Reevaluation

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

	2018			2009		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ -		0.00%	\$ -		0.00%
Taxpayer 2	-		0.00%	-		0.00%
Taxpayer 3	-		0.00%	-		0.00%
Taxpayer 4	-		0.00%	-		0.00%
Taxpayer 5	-		0.00%	-		0.00%
Taxpayer 6	-		0.00%	-		0.00%
Taxpayer 7	-		0.00%	-		0.00%
Taxpayer 8	-		0.00%	-		0.00%
Taxpayer 9	-		0.00%	-		0.00%
Taxpayer 10	-		0.00%	-		0.00%
Total	\$ -		0.00%	\$ -		0.00%

Source: Municipal Tax Assessor

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

<u>Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2009	14,187,901	13,928,134	98.17%	-
2010	14,775,597	14,649,725	99.15%	
2011	14,711,719	14,515,908	98.67%	-
2012	14,809,838	14,753,094	99.62%	-
2013	15,505,949	15,235,783	98.26%	-
2014	15,859,336	15,432,143	97.31%	-
2015	16,153,929	16,007,333	99.09%	-
2016				
2017				
2018				

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

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

Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2009	357,000	-	-	-	-	357,000	0.29%	122,851,608
2010	222,000	-	-	-	-	222,000	0.17%	127,476,468
2011	222,000	-	-	-	-	222,000	0.21%	105,701,778
2012	82,000	-	-	-	-	82,000	0.08%	104,874,000
2013	-	-	-	-	-	-	-	113,082,989
2014	-	-	-	-	-	-	-	113,329,804
2015	-	-	-	-	-	-	-	114,715,875
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-

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

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2009	357,000	-	357,000	0.0182%	122,851,608
2010	222,000	-	222,000	0.0112%	127,476,468
2011	222,000	-	-	-	105,701,778
2012	82,000	-	-	-	104,874,000
2013	-	-	-	-	113,082,989
2014	-	-	-	-	113,329,804
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-

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

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

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

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

SEA GIRT SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2018
UNAUDITED

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized valuation basis	
	2018	-
	2017	2,177,227,802
	2016	2,099,101,711
	[A]	<u>4,276,329,513</u>
Average equalized valuation of taxable property	[A/3]	\$ 1,425,443,171
Debt limit (4 % of average equalization value)	[B]	57,017,727
Total Net Debt Applicable to Limit	[C]	-
Legal debt margin	[B-C]	<u>\$ 57,017,727</u>

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 77,778,516	\$ 78,419,359	\$ 78,848,027	\$ 78,848,027	\$ 52,736,813	\$ 81,060,094	\$ 83,885,019	\$ 87,627,905	\$ 57,017,727	\$ 57,017,727
Total net debt applicable to limit	<u>357,000</u>	<u>222,000</u>	<u>140,000</u>	<u>82,000</u>	-	-	-	-	-	-
Legal debt margin	<u>\$ 77,421,516</u>	<u>\$ 78,197,359</u>	<u>\$ 78,708,027</u>	<u>\$ 78,766,027</u>	<u>\$ 52,736,813</u>	<u>\$ 81,060,094</u>	<u>\$ 83,885,019</u>	<u>\$ 87,627,905</u>	<u>\$ 57,017,727</u>	<u>\$ 57,017,727</u>
Total net debt applicable to the limit as a percentage of debt I	0.46%	0.28%	0.18%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2008	2,048	115,650,560	56,470	2.5%
2009	2,068	122,851,608	59,406	4.2%
2010	2,099	127,476,468	60,732	4.3%
2011	1,833	105,701,778	57,666	4.3%
2012	1,816	104,874,000	57,750	4.5%
2013	1,801	113,082,989	62,789	6.4%
2014	1,799	113,329,804	62,996	4.0%
2015	1,803	114,715,875	63,625	0.0%
2016	1,805	120,481,945	66,749	0.0%
2017	1,785	123,896,850	69,410	3.0%
2018	-	-	-	0.0%

Source:

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

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

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

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

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

<u>Employer</u>	<u>2018</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Sea Girt Borough	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
Sea Girt Board of Education	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
Rod's Tavern	Information not available	Information not available	Information not available	Information not available	Information not available	Information not available
Harrigan's						
Fratello's						
Wells Fargo						
Sitar Realty						
Ocean Pointe Associates						
Greg's Auto Care						
Dr. John Little						
	-		0.00%	-		0.00%

Source:

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Regular	18.5	17.4	19.75	17.12	17.16	17.00	17.00	17.00	0.00	0.00
Special education	3.2	5.0	3.6	5.2	6.3	3.6	4.0	3.5	0.0	0.0
Other special education	0.8									
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	5.8	4.0	4.8	4.7	4.7	4.0	5.0	5.0	0.0	0.0
General administration	1.5	1.5	1.5	2.0	2.0	2.0	2.0	2.0	0.0	0.0
School administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Other administrative services					2.0	2.0	2.0	2.0	0.0	0.0
Central services	1.5	1.5	1.5	2.0	1.0	1.0	1.0	1.0	0.0	0.0
Administrative Information Technology	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	0.0	0.0
Plant operations and maintenance	3.1	3.1						2.1	0.0	0.0
Pupil transportation										
Other support services										
Special Schools										
Food Service										
Child Care										
Total	36.4	34.5	33.2	33.0	36.2	32.6	34.0	35.6	0.0	0.0

Source: District Personnel Records

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

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary				
2009	244	4,099,787	16,802	2.50%	22.52	10.8:1	182.4	174.3	8.64%	95.60%
2010	239	4,097,515	17,144	2.04%	22.42	10.7:1	179.9	166.5	-1.37%	92.50%
2011	237	4,231,344	17,854	4.14%	22.90	10.4:1	187.9	178.4	4.45%	94.94%
2012	234	4,329,364	18,502	0.00%	22.43	10.4:1	179.9	171.6	-4.26%	95.39%
2013	209	4,478,484	21,428	0.00%	23.47	7.3:1	171.2	161.0	-4.84%	94.04%
2014	212	4,305,172	20,307	0.00%	20.60	8.4:1	170.7	163.7	-0.29%	95.90%
2015	205	4,336,716	21,155	0.00%	21.00	7.7:1	160.8	153.9	-5.80%	95.71%
2016	198	-	-	0.00%	20.10	7.6:1	153.7	146.9	-4.42%	95.58%
2017	0	4,022,707	-	0.00%	-	0:00	0.0	0.0	0.00%	0.00%
2018	0	4,111,815	#DIV/0!	0.00%	-	0	0.0	0.0	0.00%	0.00%

Sources: District records

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District Building											
<u>Elementary</u>											
Sea Girt Elementary											
Square Feet	32,651	35,151	35,151	35,151	35,151	35,151	35,151	35,151	35,151	35,151	-
Capacity (students)	189	248	248	248	240	240	240	240	240	240	-
Enrollment	170	181	181	191	179	171	173	161	154	147	-
<u>Other</u>											
N/A											

Source: District Facilities Office

SEA GIRT SCHOOL DISTRICT
Insurance Schedule
June 30, 2018
UNAUDITED

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

SINGLE AUDIT SECTION

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

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

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

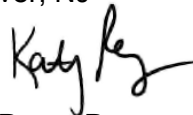
As part of obtaining reasonable assurance about whether the Sea Girt School District financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Purpose of this Report

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

Respectfully Submitted

Jump, Perry and Company, LLP
Toms River, NJ



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

Toms River, NJ
January 31, 2019

SEA GIRT SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
for the Fiscal Year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2018		
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
I.D.E.A. Part B, Basic Regular	84.027	IDEA 2016	37,324	7/1/17	6/30/18	-	-	15,794	(37,324)	-	-	(21,530)	-	-
Title IV	84.424A	NCLB 2016	10,000	7/1/17	6/30/18	-	-	-	(10,000)	-	-	(10,000)	-	-
Title II, Part A	84.367	NCLB 2016	3,143	7/1/17	6/30/18	-	-	-	(3,143)	-	-	(3,143)	-	-
IDEA Preschool	84.173	IDEA469016	3,181	7/1/17	6/30/18	-	-	3,181	(3,181)	-	-	-	-	-
						-	-	18,975	(53,648)	-	-	(34,673)	-	-
Total Special Revenue Fund						-	-	18,975	(53,648)	-	-	(34,673)	-	-

See accompanying notes to schedules of expenditures.

SEA GIRT SCHOOL DISTRICT
Schedule of Expenditures of State Awards, Schedule B
for the Fiscal Year ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2018			MEMO	
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Transportation Aid	17-495-034-5120-014	3,990	7/1/17	6/30/18	\$ -	\$ -	\$ -	\$ 3,990	\$ (3,990)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,990
Special Education Aid	16-495-034-5120-089	95,863	7/1/16	6/30/17	(10,155)	-	-	10,155	-	-	-	-	-	-	-
Special Education Aid	17-495-034-5120-089	99,206	7/1/17	6/30/18	-	-	-	88,714	(99,206)	-	-	-	-	(10,492)	99,206
Extraordinary Aid	15-495-034-5120-044	47,818	7/1/17	6/30/18	-	-	-	-	(47,818)	-	(47,818)	-	-	-	-
Security Aid	17-495-034-5120-084	2,968	7/1/17	6/30/18	-	-	-	2,968	(2,968)	-	-	-	-	-	2,968
Adjustment Aid	17-495-034-5120-085	1,254	7/1/17	6/30/18	-	-	-	1,254	(1,254)	-	-	-	-	-	1,254
PARCC Readiness Aid	17-495-034-5120-098	1,790	7/1/17	6/30/18	-	-	-	1,790	(1,790)	-	-	-	-	-	1,790
Per Pupil Growth Aid	17-495-034-5120-097	1,790	7/1/17	6/30/18	-	-	-	1,790	(1,790)	-	-	-	-	-	1,790
Professional Learning Community	17-495-034-5120-101	1,820	7/1/17	6/30/18	-	-	-	1,820	(1,820)	-	-	-	-	-	1,820
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	111,740	7/1/16	6/30/17	(10,737)	-	-	10,737	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	105,039	7/1/17	6/30/18	-	-	-	94,440	(105,039)	-	(10,599)	-	-	-	105,039
On-Behalf TPAF Pension Contribution	17-100-034-5095-002	218,057	7/1/17	6/30/18	-	-	-	218,057	(218,057)	-	-	-	-	-	218,057
On-Behalf TPAF Post-Retirement Medical	17-100-034-5095-001	140,838	7/1/17	6/30/18	-	-	-	140,838	(140,838)	-	-	-	-	-	140,838
On-Behalf TPAF Long-Term Disability Insu	17-100-034-5095-004	215	7/1/17	6/30/18	-	-	-	215	(215)	-	-	-	-	-	215
Total State Financial Assistance					\$ (20,892)	\$ -	\$ -	\$ 576,768	\$ (624,785)	\$ -	\$ (58,417)	\$ -	\$ -	\$ (10,492)	\$ 576,967
State Financial Assistance Not Subject to Single Audit Determination					\$ -	\$ -	\$ -	\$ (359,110)	\$ 359,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures of State Awards Subject to Single Audit Determination					\$ (20,892)	\$ -	\$ -	\$ 217,658	\$ (265,675)	\$ -	\$ (58,417)	\$ -	\$ -	\$ (10,492)	\$ 576,967

See accompanying notes to schedules of expenditures.

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

Sea Girt School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2018

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(218,394) for the general fund and \$- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	406,391	406,391
Special Revenue Fund	53,648	-	53,648
Debt Service Fund	-	-	-
Enterprise Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	\$ <u>53,648</u>	<u>406,391</u>	\$ <u>460,039</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.

Sea Girt School District
Summary of Findings and Questioned Costs

June 30, 2018

Section II - Financial Statement Findings

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

Section III - State Award Findings and Questioned Costs

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

Sea Girt School District
Summary Schedule of Prior Audit Findings
June 30, 2018

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