SCHOOL DISTRICT

OF

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

OF OCEAN COUNTY

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

SURF CITY, NEW JERSEY

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

Long Beach Island Consolidated School District
of Ocean County

Surf City, New Jersey

For the Fiscal Year Ended June 30, 2014

Prepared by

Long Beach Island Consolidated School District
Finance Department

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INTRODUCTORY SECTION

Long Beach Island Consolidated School District

Barnegat Light Harvey Cedars Surf City Ship Bottom Long Beach Township

Riding the Waves of Excellence

LONG BEACH ISLAND BOARD OF EDUCATION
Steven Moran
School Business Administrator/Board Secretary
201 20th Street
Ship Bottom, NJ 08008
Phone: (609) 494-8851 Fax: (609) 494-2921
Email: smoran@lbi.k12.nj.us

November 23, 2014

Honorable President and
Members of the Board of Education
Long Beach Island Consolidated School District
County of Ocean, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Long Beach Island Consolidated School District (District) for the fiscal year ended June 30, 2014, 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 Management Discussion and Analysis, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the New Jersey Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1)REPORTING ENTITY AND ITS SERVICES: The Long Beach Island Consolidated 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 Long Beach Island Consolidated Board of Education and all its schools constitute the District's reporting entity. The District consists of five constituent municipalities - Borough of Barnegat Light, Borough of Harvey Cedars, Long Beach Township, Borough of Ship Bottom and the Borough of Surf City.

The District provides a full range of educational services appropriate to grade levels Pre K through 6. These include regular, as well as special education for handicapped youngsters. The District completed the 2013-2014 fiscal year with an enrollment of 238 students, which is 11 students less than previous year's enrollment. The following details the changes in the student enrollment of the District over the last fifteen years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2013-14	238	-0.04%
2012-13	249	+0.05%
2011-12	237	0.00%
2010-11	238	+0.05%
2009-10	227	-0.09%
2008-09	250	-0.01%
2007-08	254	0.01%
2006-07	252	-7.01%
2005-06	271	-7.19%
2004-05	292	-2.41%
2003-04	299	-8.00%
2002-03	325	-8.22%
2001-02	354	-5.85%
2000-01	376	-4.33%
1999-00	393	1.03%

2) ECONOMIC CONDITION AND OUTLOOK: The Long Beach Island Consolidated District consists of both large and small summer and year round residences. The Island’s economy is based on building, tourism, service providers and fishing.

3)MAJOR INITIATIVES: The Long Beach Island School District continues to act upon the goals and objectives embedded in our Long Range Facilities Plan for health and safety as well as acting upon the goals and objectives listed in our Five Year Curriculum Plan and Three Year Technology Plan and our 3 Year Strategic Plan. The District had hired a consultant to review the possibility of closing one of the two District schools and combining all grades into one school. The feasibility study detailed the closing of the Long Beach Island School located in Ship Bottom, selling the location and using the proceeds to upgrade the Ethel Jacobson School located in Surf City. In January 2011 the Board approved the feasibility study.

The Long Beach Island Grade School was severely damaged by Superstorm Sandy rendering it uninhabitable until repaired. The school was covered by building and contents insurance as well as flood insurance. FEMA monies were also used to fund the repairs to the building. The building was re-opened in March of 2014. The damage to both Long Beach Island Grade School and the Ethel Jacobsen School did not impair the buildings’ market value. The historical value recorded in these financial statements did not require a reduction due to the impairment as it is not above the market value.

4)INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable,

but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.
As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

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

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

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

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

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

9)OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Scutellaro and Company, L.L.P., was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and fund financial statements and schedules is

included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

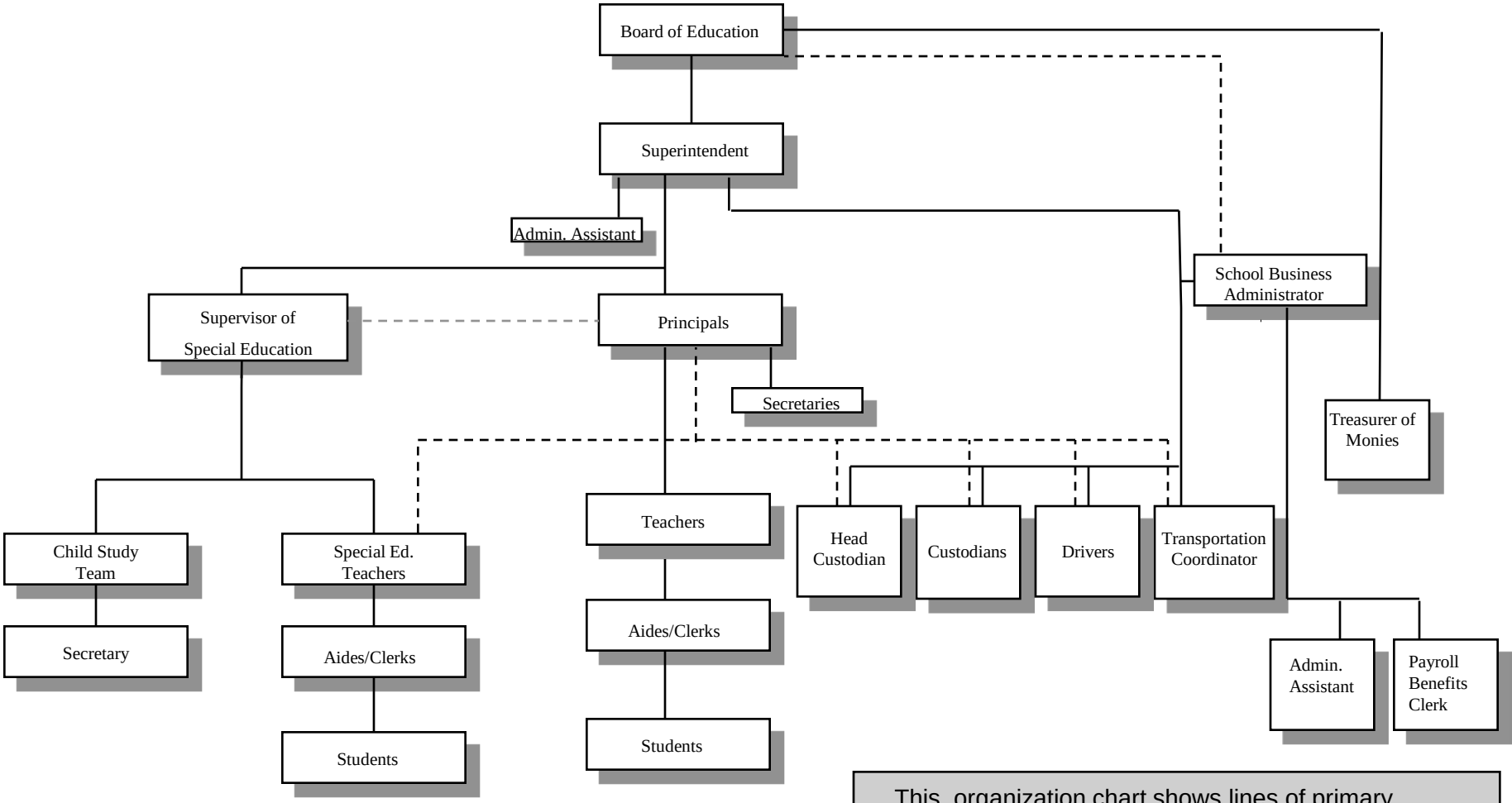
We would like to express our appreciation to the members of the Long Beach Island Consolidated School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,

Karen T. McKeon
Superintendent

Steven Moran
School Business Administrator/Board Secretary

LONG BEACH ISLAND SCHOOL DISTRICT



This organization chart shows lines of primary responsibility. It is designed to clarify relationships in case questions arise. The dotted lines indicate secondary responsibility, communication, and cooperation which characterize our schools and in some ways are more importat than the lines of primary responsibility shown on the chart.

Revised 2/7/12

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

SURF CITY, NEW JERSEY

Roster of Officials

June 30, 2014

Members of the Board of Education	Term Expires
Marilyn Wasilewski, President	2016
Kristy Raber, Vice-President	2015
Bonnie Picaro	2016
Allyn Kain	2014
Jennifer Bott	2014
Georgene Hartmann	2014
Colette Southwick	2015
Steven Evert	2015
Terry Deakyne	2016

Other Officials

Karen McKeon, Superintendent

Steven Moran, Board Secretary &
School Business Administrator

Mary A. Conroy, Treasurer

LONG BEACH ISLAND BOARD OF EDUCATION

Consultants and Advisors

Consulting Engineer

Dicaro Rubino Architects
30 Galesi Drive
Wayne, NJ 07470

Audit Firm

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

Attorney

Lindabury, McCormick, Eastbrook & Cooper, P.C.
Anthony P. Sciarrillo
53 Cardinal Drive
Westfield, NJ 07091

Official Depository

Ocean First
975 Hooper Avenue
Toms River, NJ 08753

FINANCIAL SECTION

JUMP, PERRY AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS
12 LEXINGTON AVENUE · TOMS RIVER, NJ · 08753 · PHONE (732) 240-7377 · FAX (732) 505-8307 · WEBSITE: jumpcpa.com

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Long Beach Island Consolidated School District
County of Ocean
Surf City, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Board of Education of the Long Beach Island Consolidated School District in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Long Beach Island Consolidated School District in the County of Ocean, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 12-15 and 42-48 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 Long Beach Island Consolidated School District's basic financial statements. The introductory section, combining major 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 U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is presented for purposes of additional analysis and are 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 November 23, 2014 on our consideration of the Board of Education of the Long Beach Island Consolidated School District in the County of Ocean, 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 Board of Education of the Long Beach Island Consolidated School District in the County of Ocean, State of New Jersey internal control over financial reporting and compliance.

Respectfully submitted,

JUMP, PERRY & COMPANY, L.L.P.
Toms River, NJ

Kathryn Perry

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

November 23, 2014

REQUIRED SUPPLEMENTARY INFORMATION – PART I

LONG BEACH ISLAND SCHOOL DISTRICT

Management's Discussion and Analysis

For the Year ended June 30, 2014

This section of the School district's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section. Certain comparative information between the current fiscal year (2013-14) and the prior fiscal year (2012-13) is required to be presented in the MD&A.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private sector business. As such, they are presented using Generally Accepted Accounting Principles (GAAP).

The statement of net position (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary or fiduciary.

Governmental funds – are used to account for essentially the same functions reported as governmental activates in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at he end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar statements. By so doing, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual government funds: the general fund, special revenue fund and capital projects fund. All are considered to be major funds. The basic governmental fund financial statements can be found as Exhibits B-1 through B3 in this report.

Proprietary funds – The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing the goods or services be financed through user charges. Included in the enterprise fund is the Food Service operation. The basic proprietary fund statement can be found as Exhibits B-4 –B6.

Fiduciary funds - are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The District uses trust and agency funds to account for resources held for payroll transactions. The basic fiduciary fund statement can be found as Exhibit B-7 – B-8.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund statements in this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2013-2014 fiscal year include the following:

- State Aid increased by additional School Choice aid for the second year of the district's participation in the program.

- Total spending for all programs was $6,214,874 including depreciation. General revenues (primarily local tax levy and state aid) were adequate to provide for the balance of these programs, exclusive of the charge for depreciation.

District–wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position:

	Governmental Activities	Business-type Activities	Total
Current and other assets	2,765,291	1,144	2,766,435
Capital assets, net	1,550,473	-	1,550,473
Total assets	4,315,764	1,144	4,316,908
Long-term liabilities outstanding	20,374	-	20,374
Other libilities	166,885	-	166,885
Total liabilities	187,259	-	187,259
Net position:			
Investment in capital assets, net	1,550,473	-	1,550,473
Restricted	2,548,875	-	2,548,875
Unrestricted	29,157	1,144	30,301
Total net position	4,128,505	1,144	4,129,649

Restricted assets represent resources that are subject to external restrictions on how they may be used. Within this category, is $1,285,627 for the capital reserve fund plus $300,000 in the maintenance reserve fund and $50,000 in the emergency reserve account. This fund is legally restricted to provide for future maintenance at the District's two elementary schools. Also included in the restricted amount are excess surplus in the amount of $619,181 and excess surplus-designated for subsequent year's expenditures of $321,326 for the 2014-2015 budget.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net assets from the prior year:

Property taxes	5,641,280	-	5,641,280
Charges for services	50,436		50,436
Federal and state aid not restricted	758,399	-	758,399
Federal and state aid restricted	-		-
Miscellaneous income	51,830	7	51,837
Total revenues	6,501,945	7	6,501,952
Expenses:			
Instructional services	2,406,418	-	2,406,418
Support services/undistributed costs	3,808,456	-	3,808,456
Food service	-	3,721	3,721
Total expenses	6,214,874	3,721	6,218,595
Change in net position	287,071	(3,714)	283,357
Net position, beginning	3,841,434	4,858	3,846,292
Net position, ending	4,128,505	1,144	4,129,649

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget is comprised solely of the June 30, 2013 encumbrances, which 'roll-over' into the subsequent year's budget (2013-2014) and are added to the original budget appropriations.

Throughout the year, as necessary, budget transfers are effectuated between budget accounts to re-align the 2013-2014 budget.

Capital Assets

At June 30, 2014 the District had capital assets of $1,550,473. This is comprised of: Buildings and equipment. These capital assets are shown net of accumulated depreciation.

Contacting the District's Financial Management

The District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions regarding this report can be addressed to the School Business Administrator.

BASIC FINANCIAL STATEMENTS

Exhibit A-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 743,345	$ 1,144	$ 744,489
Receivables - Federal	35,841	-	35,841
Receivables - state	19,782	-	19,782
Receivables - other	1,966,323		1,966,323
Capital assets, net:	1,550,473	-	1,550,473
Total assets	4,315,764	1,144	4,316,908
LIABILITIES			
Unearned revenue	20,374	-	20,374
Non-current liabilities:			
Due within one year	27,500	-	27,500
Due beyond one year	139,385	-	139,385
Total liabilities	187,259	-	187,259
NET POSITION			
Invested in capital assets, net of related debt	1,550,473	-	1,550,473
Restricted for:			
Capital projects	1,255,274	-	1,255,274
Other purposes	1,293,601	-	1,293,601
Unrestricted	29,157	1,144	30,301
Total net position	$ 4,128,505	$ 1,144	$ 4,129,649

See accompanying notes to financial statements.

Exhibit A-2

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental activities:							
Current:							
Regular instruction	$ 2,226,534	$ -	$ -	$ -	$ (2,226,534)	$ -	$ (2,226,534)
Special schools instruction	96,709	-	-	-	(96,709)	-	(96,709)
Other special instruction	83,175				(83,175)		(83,175)
Support services and undistributed costs:							
Instruction	52,979	-	-	-	(52,979)		(52,979)
Health services	101,038	-	-	-	(101,038)	-	(101,038)
Other support services	665,861	-	-	-	(665,861)	-	(665,861)
Educational media services	3,563	-	-	-	(3,563)	-	(3,563)
Instruction staff training	1,450	-	-	-	(1,450)	-	(1,450)
General administrative services	204,159	-	-	-	(204,159)	-	(204,159)
School administrative services	81,661	-	-	-	(81,661)	-	(81,661)
Central administrative services	118,953	-	-	-	(118,953)	-	(118,953)
Allowed maintenance for school facilities	162,695	-	-	-	(162,695)	-	(162,695)
Other operation and maintenance of plant	939,456	-	16,116	-	(923,340)	-	(923,340)
Student transportation services	328,325	-	-	-	(328,325)	-	(328,325)
Business and other support services	-	-	-	-	-	-	-
Unallocated employee benefits	1,136,436	-	-	-	(1,136,436)	-	(1,136,436)
Non-budgeted expenditures	464,724	-	464,724	-	-	-	-
Transfer to food service	27,996	-	-	-	(27,996)	-	(27,996)
Total governmental activities	6,695,714	-	480,840	-	(6,214,874)	-	(6,214,874)
Business-type activities:							
Food service	31,717	-	27,996	-	-	(3,721)	(3,721)
Total business-type activities	31,717	-	27,996	-	-	(3,721)	(3,721)
Total primary government	$ 6,727,431	$ -	$ 508,836	$ -	$ (6,214,874)	$ (3,721)	$ (6,218,595)

General revenues:			
Taxes:			
Property taxes levied for general purpose	$ 5,641,280	$ -	$ 5,641,280
Federal and state aid	758,399	-	758,399
Tuition charges	50,436	-	50,436
Miscellaneous income	48,479	-	48,479
Investment earnings	3,351	7	3,358
Total general revenues, special items, extraordinary items and transfers	6,501,945	7	6,501,952
Change in net position	287,071	(3,714)	283,357
Net position—beginning	3,841,434	4,858	3,846,292
Net position—ending	$ 4,128,505	$ 1,144	$ 4,129,649

See accompanying notes to financial statements.

Exhibit B-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Assets:					
Cash and cash equivalents	$ (497,628)	$ (14,301)	$ (30,353)	$ -	$ (542,282)
Capital reserve	1,285,627	-	-	-	1,285,627
Interfund receivable	3,502	-	-	-	3,502
Due from state	19,782	-	-	-	19,782
Due from others	1,963,987	2,336	-	-	1,966,323
Due from federal	-	35,841	-	-	35,841
Total assets	2,775,270	23,876	(30,353)	-	2,768,793
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	-
Contracts payable	-	-	-	-	-
Interfund payabe	-	3,502	-	-	3,502
Deferred revenue	-	20,374	-	-	20,374
Total liabilities	-	23,876	-	-	23,876
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal	-	-	-	-	-
Capital reserve account	1,285,627	-	-	-	1,285,627
Maintenance reserve account	300,000	-	-	-	300,000
Emergency reserve account	50,000	-	-	-	50,000
Excess surplus - current year	619,181	-	-	-	619,181
Excess surplus - designated for subsequent year's expenditures	321,326	-	-	-	321,326
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	(767,353)	-	(767,353)
Other purposes	-	-	-	-	-
Committed to:					
Other purposes	-	-	737,000	-	737,000
Assigned to:					
Designated by the BOE for subsequent year's exp	3,094	-	-	-	3,094
Other purposes	-	-	-	-	-
Unassigned to:					
General fund	196,042	-	-	-	196,042
Special revenue fund	-		-	-	-
Total fund balances	2,775,270	-	(30,353)	-	2,744,917
Total liabilities and fund balances	$ 2,775,270	$ 23,876	$ (30,353)	$ -	

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 $7,273,917 and the accumulated depreciation is $5,723,444(see Note 6).	1,550,473
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8).	(166,885)
Net position of governmental activities	$ 4,128,505

See accompanying notes to financial statements.

Exhibit B-2

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	$ 5,641,280	$ -	$ -	$ -	$ 5,641,280
Tuition charges	50,436	-	-	-	50,436
Transportation fees	-	-	-	-	-
Interest on investments	1,756	-	-	-	1,756
Interest earned on capital reserve funds	1,595	-	-	-	1,595
Miscellaneous	48,479	-	-	-	48,479
Total - local sources	5,743,546	-	-	-	5,743,546
State sources	1,125,965	-	-	-	1,125,965
Federal sources	-	97,158	-	-	97,158
Total revenues	6,869,511	97,158	-	-	6,966,669
EXPENDITURES					
Current:					
Regular instruction	2,188,721	37,813	-	-	2,226,534
Special education instruction	96,709	-	-	-	96,709
Other special instruction	83,175	-	-	-	83,175
Support services and undistributed costs:					
Instruction	52,979	-	-	-	52,979
Health services	101,038	-	-	-	101,038
Other support services	606,516	59,345	-	-	665,861
Educational media services	3,563	-	-	-	3,563
Instruction staff training	1,450	-	-	-	1,450
General administrative services	204,159	-	-	-	204,159
School administrative services	81,661	-	-	-	81,661
Central administrative services	118,953	-	-	-	118,953
Allowed maintenance for school facilities	162,695	-	-	-	162,695
Other operation and maintenance of plant	627,362	-	-	-	627,362
Student transportation services	328,325	-	-	-	328,325
Business and other support services	-	-	-	-	-
Unallocated employee benefits	1,183,389	-	-	-	1,183,389
Non-budgeted expenditures	464,724	-	-	-	464,724
Capital outlay	8,860	-	30,353	-	39,213
Total expenditures	6,314,279	97,158	30,353	-	6,441,790
Excess (Deficiency) of revenues over expenditures	555,232	-	(30,353)	-	524,879
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-
Transfer - from capital projects for capital reserve	-	-	-	-	-
Transfer - capital reserve	-	-	-	-	-
FEMA expenditures	(16,116)	-	-	-	(16,116)
FEMA aid	16,116	-	-	-	16,116
Transfers to food service	(27,996)	-	-	-	(27,996)
Total other financing sources and uses	(27,996)	-	-	-	(27,996)
Net change in fund balances	527,236	-	(30,353)	-	496,883
Fund balance—July 1	2,248,034	-	-	-	2,248,034
Fund balance—June 30	$ 2,775,270	$ -	$ (30,353)	$ -	$ 2,744,917

See accompanying notes to financial statements.

Exhibit B-3

LONG BEACH ISLAND CONSOLIDATED 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, 2014

Total net change in fund balances - governmental funds (from B-2)		**$ 496,883**
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	(302,626)	
Capital outlays	45,861	(256,765)
In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. This year, sick leave was decreased to $46,953.		46,953
Change in net position of governmental activities		**$ 287,071**

See accompanying notes to financial statements.

Exhibit B-4

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Fund Food Service
ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,144
Investments	-
Interfund receivable	-
Receivable from state	-
Receivable from other governments	-
Other receivables	-
Inventories	-
Total current assets	1,144
Noncurrent assets:	
Restricted cash and cash equivalents	-
Furniture, machinery and equipment	10,816
Less accumulated depreciation	(10,816)
Total noncurrent assets	-
Total assets	1,144
LIABILITIES	
Current liabilities:	
Accounts payable	-
Interfund payable	-
Compensated absences	-
Total current liabilities	-
Noncurrent Liabilities:	
Compensated absences	-
Total noncurrent liabilities	-
Total liabilities	-
NET POSITION	
Invested in capital assets net of related debt	-
Restricted for:	
Capital projects	-
Unrestricted	1,144
Total net position	1,144
Total liabilities and net position	$ 1,144

See accompanying notes to financial statements.

Exhibit B-5

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-type Activities - Enterprise Fund
	Food Service
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	$ -
Daily sales - non-reimbursable programs	-
Total operating revenues	-
Operating expenses:	
Cost of sales	27,996
Salaries	-
Employee benefits	-
Payroll taxes	-
Cleaning, repair and maintenance services	3,721
Dues and subscriptions	-
General supplies	-
Depreciation	-
Total operating expenses	31,717
Operating income (loss)	(31,717)
Non-operating revenues (expenses):	
State sources:	
State school lunch program	-
State school breakfast program	-
Federal sources:	
National school lunch program	-
National school breakfast program	-
Special milk program	-
Food distribution program	-
Interest and investment revenue	7
Operating transfers	27,996
Miscellaneous expense	-
Total non-operating revenues (expenses)	28,003
Change in net position	(3,714)
Total net position—beginning	4,858
Total net position—ending	$ 1,144

See accompanying notes to financial statements.

Exhibit B-6

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ -
Payments to employees	-
Payments for employee benefits	-
Payments to suppliers	(31,717)
Net cash used in operating activities	(31,717)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State sources	-
Federal sources	-
Operating subsidies and transfers from other funds	27,996
Net cash provided by non-capital financing activities	27,996
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	7
Advances from general fund	-
Net cash provided by investing activities	7
Net increase (decrease) in cash and cash equivalents	(3,714)
Balances—beginning of year	4,858
Balances—end of year	$ 1,144
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (31,717)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	-
Federal commodities	-
Increase in interfund receivable, net	-
Decrease in accounts receivable, net	-
Increase in inventories	-
(Increase) decrease in other current assets	-
Decrease in interfund payable	-
Increase in accounts payable	-
Increase (decrease) in accrued salaries benefits	-
Total adjustments	-
Net cash used in operating activities	$ (31,717)

See accompanying notes to financial statements.

Exhibit B-7

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2014

	Unemployment Compensation Trust	Agency Fund
ASSETS		
Cash and cash equivalents	$ 19	$ 56,339
Investments	-	
Intergovernmental accounts receivable	-	-
Interfund receivable	-	-
Total assets	19	56,339
LIABILITIES		
Accounts payable	-	-
Payroll deductions and withholdings	-	56,339
Payable to student groups	-	-
Interfund payable	-	-
Other current liabilities	-	-
Total liabilities	-	56,339
NET POSITION		
Held in trust for unemployment claims and other purposes	19	-
Total net position	19	-
Total liabilities and net position	$ 19	$ 56,339

See accompanying notes to financial statements.

Exhibit B-8

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	$ 16,789
Other	-
Total contributions	16,789
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	30
Dividends	-
Net investment earnings	30
Total additions	16,819
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	63,447
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	63,447
Change in net position	(46,628)
Net position—beginning of the year	46,647
Net position—end of the year	$ 19

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

a. Reporting Entity

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

Long Beach Island Board of Education is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three year terms. The purpose of the District is to educate students in grades K-6. The District has an approximate enrollment of 230 students at June 30, 2014.

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 combined financial statements include all funds and account groups of the District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

b. Basis of Presentation

The School District’s basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The School District adopted the newly implemented Governmental Accounting Standard requiring the reporting of deferred outflows, deferred inflows, and net position. The term Net Assets will no longer be used and will be replaced with Net Position. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position. Items previously classified as assets and liabilities but not meeting that definition have then been reviewed for categorization as deferred outflows or deferred inflows. Items not classified as either an asset, deferred outflow, liability or deferred inflow have been charged to the Statement of Revenues, Expenses, and Changes in Net Position in the current year. The School District did not have any deferred outflows or deferred inflows to be included on the Statement of Net Position at year end.

The district-wide financial statements (A-1 and A-2) include the statement of net assets and the statement of activities. These statements report financial information of the District as a whole excluding the 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 supported through taxes and user fees, from business-type activities, generally financed in whole or in part with fees charged to external customers.

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

GASB to be Implemented in the 2015 Fiscal Year: In June, 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27("GASB No. 68). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The requirements of this Statement are effective for financial statements for periods ending on or after June 30, 2015. the district has not completed the process of evaluating the impact that will result from adopting GASB No. 68.

The statement of net position presents the financial condition of the governmental and business-type activity of the School 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 School District.

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

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

The District reports the following governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey 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 the proceeds of specific revenue from state and Federal government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

The District reports the following proprietary fund:

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

The District's Enterprise Fund is comprised of the Food Service Fund. See Note 18.

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

Equipment	5-20 Years

Additionally, the District reports the following fund type:

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

c. Basis of Accounting

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

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

1. Summary of Significant Accounting Policies (continued)

c. Basis of Accounting (continued)

Governmental fund financial statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for 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 leases are reported as other financing sources.

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

d. Property Taxes

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

e. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6a:23-1.2. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2014 were insignificant.

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

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

1. Summary of Significant Accounting Policies (continued)

f. Encumbrances

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

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

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

g. Cash, Cash Equivalents and Investments

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

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

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

h. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. All interfund receivables and payables between the governmental and proprietary have been eliminated in the District-wide statements.

All interfund activity has been eliminated from the statement of activity.

i. Inventories and Prepaid Expenses

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

1. Summary of Significant Accounting Policies (continued)

j. Deferred Outflows/Inflows of Resources:

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not

k. Capital Assets

During the year ended June 30, 1994 the District established a formal system of accounting for its general fixed assets. General fixed assets acquired or constructed subsequent to June 30, 1993 are recorded at original cost. General fixed assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records. Donated fixed assets are valued at their estimated fair market value on the date received.

The property and equipment are stated at cost (as defined on previous page) and are depreciated over their useful lives of 5-50 years. Depreciation is computed using the straight-line method. Maintenance and repairs are charged to expense as incurred. Expenditures for major renewals or betterments that extend the useful lives of the assets are capitalized. Construction-in-progress accumulates the costs of a capital asset that has not been completed. When the asset is placed in service it is capitalized at its total cost and depreciated based on its useful life. The cost and related accumulated depreciation of property and equipment retired or disposed are removed from the accounts and the resulting gains or losses are reflected in general revenue.

l. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2014, the amount earned by these employees but not disbursed was $-0-.

m. Compensated Absences

District employees are granted vacation and sick leave under the District's employment contracts. Vacation day allotments per year cannot be accumulated into the next fiscal year. Sick leave benefits provide for ordinary sick pay and are reimbursable in accordance to the individual employment contract. The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental fund.

n. Unearned/Deferred Revenue

Unearned revenue/deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

n. Accrued Liabilities and Long-Term Obligations

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

o. Net Position

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

p. Fund Balance Resources

The fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned – includes all spendable amounts not contained in the other classifications.

q. Revenues – Exchange and Non-exchange Transactions

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

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

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.

r. Operating Revenues and Expenses

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

s. Management Estimates

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

2. Cash, Cash Equivalents and Investments

Operating cash, in the form of Negotiable Order of Withdrawal (“NOW”) accounts, is held in the District’s name by a commercial banking institution. At June 30, 2014, the carrying amount of the District’s deposits was $800,847 and the bank balance was $980,993. Of the bank balance, $250,000 was insured with Federal Deposit Insurance.

Pursuant to Governmental Accounting Standards, the District’s NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to be depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution’s trust department or agent but not in the government’s name.

At June 30, 2014, all of the District’s deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

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

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

3. Investments

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

As of June 30, 2014, the District had $- of investments on deposit.

4. Capital Reserve Account

A capital reserve account was established by the Long Beach Island Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A 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 Long Range Facilities Plan, (“LRFP”). Upon submission of the LRFP to the department, a district may deposit funds by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	$1,284,033
Interest earnings	1,594
Deposits (approved in June 2014 minutes)	-
Transfer from capital projects	-
Withdrawals	-
Ending balance, June 30, 2014	$1,285,627

The June 30, 2014 LRFP balance of local support costs of uncompleted capital projects is greater than the capital reserve balance. There were no withdrawals from the capital reserve for DOE approved facilities projects.

5. Maintenance Reserve Account

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

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

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2014.

The activity of the Maintenance Reserve for the June 30, 2013 to June 30, 2014 fiscal year is as follows:

Beginning balance, July 1, 2013	$300,000
Interest earnings	-
Deposits (approved in June 2014 minutes)	-
Transfer from capital projects	-
Withdrawals	-
Ending balance, June 30, 2014	$300,000

6. Capital Assets

Capital assets consisted of the following at June 30, 2014:

	Beginning Balance	Additions	Retirements	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Capital assets that are not being depreciated:				
Site and site improvements	$ 141,341	-	-	$141,341
Construction in progress	-	30,353	-	30,353
Total capital assets not being depreciated	141,341	30,353	-	171,694
Building and building improvements	5,245,227	15,508	-	5,260,735
Machinery and equipment	1,841,488	-	-	1,841,488
Totals at historical cost	7,086,715	15,508	-	7,102,223
Less accumulated depreciation for:				
Building and improvements	(3,242,068)	(115,681)	-	(3,357,749)
Machinery and equipment	(2,178,750)	(186,945)	-	(2,365,695)
Total accumulated depreciation	(5,420,818)	(302,626)	-	(5,723,444)
Total capital assets being depr. net of accumulated depreciation	1,665,897	(287,118)	-	1,378,779
Government activities capital assets, net	$1,807,238	(256,765)	-	$1,550,473
BUSINESS-TYPE ACTIVITIES:				
Equipment	$ 10,816	-	-	$10,816
Less: accumulated depreciation	(10,816)	-	-	(10,816)
Business-type activities Capital assets, net	$ -	-	-	$-

Depreciation expense was charged to governmental functions as follows:

Regular instruction	$ -
Special schools instruction	-
Other support – students	-
General administration	-
School administration	-
Business services	-
Operations and maintenance	302,626
Total depreciation expense	$ 302,626

7. Receivables

Receivables at June 30, 2014, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
Federal receivables	$ 35,841	35,841
State receivables	19,782	19,782
Interfund receivables	3,502	-
Other receivables	1,966,323	1,966,323
Gross receivables	2,025,448	2,021,946
Less:		
Allowance for uncollectibles	-	-
Total receivables, net	$2,025,448	2,021,946

8. Non-current Liabilities

During the fiscal year ended June 30, 2014 the following changes occurred in the non-current liabilities:

	6-30-13	Change	Balance 6-30-14	Due Within One Year
Compensated absences payable	$213,838	$46,953	$166,885	$27,500
	$213,838	$46,953	$166,885	$27,500

9. Pension Plans

Description of Systems:

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

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

9. Pension Plans (continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multi-employer plan.

Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed			Net Pension Obligation
6/30/14	$ 74,614	100	%	$	0
6/30/13	80,695	100			0
6/30/12	90,954	100			0

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed			Net Pension Obligation
6/30/14	$291,205	100	%	$	0
6/30/13	338,442	100			0
6/30/12	265,504	100			0

9. Pension Plans (continued)

During the fiscal year ended June 30, 2014, the State of New Jersey contributed $291,205 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $173,519 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

10. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits of those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed $1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, c.126, which provides paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

11. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental activities fund (see Note 8).

12. Deferred Compensation

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by the Division of Pensions, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with the amounts, and all income attributable to these amounts are solely the property and rights of the State, subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account of each participant. The State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The State believes it is unlikely that the plan assets will be used to satisfy future claims of general creditors.

13. Contingent Liabilities

Grant Programs

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

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

14. Risk Management

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

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

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

Fiscal Year	Interest	Employee Contributions	Amount Reimbursed	Ending Balance
2013-2014	$ 30	$ 16,789	$ 63,447	$ 19
2012-2013	60	12,898	4,510	46,647
2011-2012	6	-	16,540	38,199

15. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2014:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 3,502	$ -
Special Revenue Fund	-	3,502
Capital Projects Fund	-	-
Debt Service Fund	-	-
Enterprise Fund	-	-
Trust and Agency Fund	-	-
	$ 3,502	$ 3,502

16. Fund Balances

General Fund – Of the $2,775,270 general fund balance at June 30, 2014, $- of encumbrances is committed to other purposes, $3,094 is classified as assigned fund balance designated for subsequent year expenditures, $300,000 is restricted for maintenance reserve, $50,000 is restricted for the emergency reserve, $1,285,627 is restricted for capital reserve, $321,326 is restricted excess surplus designated for subsequent year's expenditures, $619,181 is restricted current year excess surplus and $196,042 is unassigned.

17. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance—Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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, 2014 is $619,181. The excess fund balance at June 30, 2013 was $321,326.

18. Enterprise Fund

For the 2013-2014 school-year the District contracted with the Stafford Board of Education to operate the cafeteria. Stafford is in charge of providing the employees, food, charging the students and the free and reduced meal program. The District is responsible for paying a management fee to Stafford Board of Education. Stafford operates out of the District's kitchen and cafeteria area. The appliances and other equipment are still the responsibility of the District.

The Enterprise Fund will still remain operational to fund the management fee and repairs and equipment purchases.

19. Uncertain Tax Positions

The District had no unrecognized tax benefits at June 30, 2014. The District files tax returns in the U.S. federal jurisdiction and various states. The District has no open year prior to June 30, 2011.

20. Long Beach Island School

The District had hired a consultant to review the possibility of closing one of the two District schools and combining all grades into one school. The feasibility study detailed the closing of the Long Beach Island School located in Ship Bottom, selling the location and using the proceeds to upgrade the Ethel Jacobson School located in Surf City. In January 2011 the Board approved the feasibility study.

The Superstorm Sandy in October 2012 damaged the Long Beach Island School making it uninhabitable for students and employees. The school was covered by insurance but no repairs were made during this school year as it was still being considered for sale. The students and employees were relocated to the Ethel Jacobson School with trailers being rented to house all of the children.

The Board has decided to make the repairs on the Long Beach Island School. The building was open for the 2013-14 school year.

21. Subsequent Events

Management has evaluated subsequent events through November 23, 2014 the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

Exhibit C-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 5,641,280	$ -	$ 5,641,280	$ 5,641,280	$ -
Tuition	10,000	-	10,000	50,436	40,436
Interest	-	-	-	1,756	1,756
Interest earned on current expense emergency reserve	20	(20)	-	-	-
Interest earned on maintenance reserve	150	(150)	-	-	-
Interest earned on capital reserve funds	450	(450)	-	1,595	1,595
Miscellaneous	1,000	620	1,620	48,479	46,859
Total - local sources	5,652,900	-	5,652,900	5,743,546	90,646
State sources:					
Transportation aid	68,851	-	68,851	68,851	-
Special education aid	119,540	-	119,540	119,540	-
Categorical security aid	23,138	-	23,138	23,138	-
Extraordinary aid	-	-	-	10,831	10,831
School choice aid	445,284	-	445,284	445,284	-
TPAF pension (on-behalf - Non-budgeted)	-	-	-	291,205	291,205
TPAF social security (reimbursed - Non-budgeted)	-	-	-	173,519	173,519
Total state sources	656,813	-	656,813	1,132,368	475,555
Total revenues	6,309,713	-	6,309,713	6,875,914	566,201
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Preschool/kindergarten - salaries of teachers	335,000	103,200	438,200	438,036	164
Grades 1-5 - Salaries of teachers	1,077,000	42,213	1,119,213	1,117,794	1,419
Grades 6-8 - Salaries of teachers	325,000	5,100	330,100	329,801	299
Regular Programs - Home Instruction:					
Salaries of teachers	2,000	361	2,361	-	2,361
Regular Programs - Undistributed Instruction:					
Purchased professional-educational services	-	28,000	28,000	26,450	1,550
Purchased technical services	50,000	240	50,240	44,998	5,242
Other purchased services (400-500 series)	40,000	1,620	41,620	30,274	11,346
General supplies	150,000	61,602	211,602	179,789	31,813
Textbooks	75,000	(57,700)	17,300	16,807	493
Other objects - misc. exp.	30,000	(24,940)	5,060	4,772	288
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,084,000	159,696	2,243,696	2,188,721	54,975
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries	86,000	(85,999)	1	-	1
General supplies	350	-	350	-	350
Total Multiple Disabilities	86,350	(85,999)	351	-	351
Resource Room/Resource Center:					
Salaries of teachers	137,250	(41,200)	96,050	95,900	150
General supplies	500	-	500	249	251
Total Resource Room/Resource Center	137,750	(41,200)	96,550	96,149	401
Home Instruction:					
Salaries to teachers	500	100	600	560	40
Total Home Instruction	500	100	600	560	40
TOTAL SPECIAL EDUCATION - INSTRUCTION	224,600	(127,099)	97,501	96,709	792

Exhibit C-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction:					
Salaries of teachers	$ 117,000	$ (18,768)	$ 98,232	$ 81,981	$ 16,251
General supplies	1,000	-	1,000	144	856
Total Basic Skills/Remedial - Instruction	118,000	(18,768)	99,232	82,125	17,107
School spons. Cocurricular activities - Instruction					
Salaries of teachers	2,500	1,485	3,985	1,050	2,935
Total School spons. Cocurricular activities - Instruction	2,500	1,485	3,985	1,050	2,935
Community Service Programs/Operations:					
Salaries	3,000	-	3,000	-	3,000
Other objects	3,000	-	3,000	-	3,000
Total Community Service Programs/Operations	6,000	-	6,000	-	6,000
Total Instruction	2,435,100	15,314	2,450,414	2,368,605	81,809
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - regular	80,000	(8,962)	71,038	52,979	18,059
Tuition to other LEAs within the state - special	-	-	-	-	-
Tuition to CSSD & Reg. Day Schools	-	-	-	-	-
Tuition to private schools for the handicapped - within state	80,000	(65,232)	14,768	-	14,768
Total Undistributed Expenditures - Instruction	160,000	(74,194)	85,806	52,979	32,827
Undist. Expend. - Attend & Social Work:					
Salaries	42,000	-	42,000	21,996	20,004
Total Undistributed Expenditures - Attend & Social Work	42,000	-	42,000	21,996	20,004
Undist. Expend. - Health Services					
Salaries	132,150	(29,000)	103,150	97,257	5,893
Purchased professional and technical services	-	630	630	378	252
Supplies and materials	3,000	487	3,487	3,403	84
Total Undistributed Expenditures - Health Services	135,150	(27,883)	107,267	101,038	6,229
Undist. Expend. - Other Support Services - Students - Related Service:					
Salaries of other professional staff	83,000	5,000	88,000	87,837	163
Purchased professional - educational services	25,000	6,845	31,845	14,440	17,405
Total Undist. Expend. - Other Support Services - Students - Related Se	108,000	11,845	119,845	102,277	17,568
Undist. Expend. - Other Support Services - Students - Extraordinary Services:					
Salaries	119,000	65,787	184,787	184,787	-
Total Undist. Expend. - Other Supp. - Extraordinary Services	119,000	65,787	184,787	184,787	-
Undist. Expend. - Guidance:					
Salaries of other professional staff	62,000	5,179	67,179	67,177	2
Supplies and materials	3,000	1,300	4,300	2,517	1,783
Total Undist. Expend. - Guidance	65,000	6,479	71,479	69,694	1,785
Undist. Expend. - Child Study Teams:					
Salaries of other professional staff	126,200	(17,783)	108,417	108,417	-
Salaries of secretarial and clerical assistants	13,000	667	13,667	13,667	-
Other purchased professional services	3,000	63,115	66,115	56,675	9,440
Other objects	10,000	2,253	12,253	11,119	1,134
Total Undist. Expend. - Child Study Teams	152,200	48,252	200,452	189,878	10,574
Undist. Expend. - Improvement of Instruction Services:					
Salaries of supervisor of instruction	44,800	(44,084)	716	-	716
Salaries of secretarial and clerical assist.	39,100	(11,216)	27,884	27,884	-
Supplies and materials	10,000	-	10,000	10,000	-
Total Undist. Expend. - Improvement of Instruction Services	93,900	(55,300)	38,600	37,884	716

Exhibit C-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Educational Media Services/School Library:					
Supplies and materials	$ 6,500	$ -	$ 6,500	$ 3,563	$ 2,937
Total Undist. Expend. - Educational Media Services/School Library	6,500	-	6,500	3,563	2,937
Undist. Expend. - Instruction Staff Training Services:					
Salaries of supervisors of instruction	15,000	(15,000)	-	-	
Purchased professional - educational services	-	6,900	6,900	-	6,900
Other purchased services (400-500 series)	15,000	225	15,225	1,450	13,775
Total Undist. Expend. - Instruction Staff Training Services	30,000	(7,875)	22,125	1,450	20,675
Undist. Expend. - Support Service - General Administration:					
Salaries	70,700	(6,082)	64,618	58,071	6,547
Legal services	40,000	78,507	118,507	101,318	17,189
Audit fees	13,000	-	13,000	12,500	500
Other purchased professional services - auditor's fee	500	15,600	16,100	2,480	13,620
Communications/telephone - bus	7,500	(5,350)	2,150	1,879	271
Other purchased services (400-500 series)	20,000	(1,000)	19,000	17,024	1,976
Supplies and materials	1,000	37	1,037	694	343
BOE in-house training / meeting supplies	2,600	597	3,197	3,197	-
BOE membership dues and fees	4,000	-	4,000	3,372	628
Miscellaneous expenditures - BOE	5,000	-	5,000	3,624	1,376
Total Undist. Expend. - Support Service - General Administration	164,300	82,309	246,609	204,159	42,450
Undist. Expend. - Support Service - School Administration:					
Salaries of principals/assistant principals	99,410	-	99,410	70,150	29,260
Salaries of secretarial and clerical assistants	9,825	-	9,825	6,316	3,509
Other purchased services (400-500 series)	350	-	350	-	350
Supplies and materials	3,500	885	4,385	4,166	219
Other objects	2,000	(885)	1,115	1,029	86
Total Undist. Expend. - Support Service - School Administration	115,085	-	115,085	81,661	33,424
Undist. Expend. - Central Services:					
Salaries	66,200	50,295	116,495	103,587	12,908
Purchased professional services	20,000	(3,295)	16,705	12,370	4,335
Supplies and materials	1,400	27	1,427	1,016	411
Other objects	200	500	700	480	220
Total Undist. Expend. - Central Services	87,800	47,527	135,327	117,453	17,874
Undist. Expend- Admin Infro Technology					
Other purchased services (400-500 series)	2,500	-	2,500	1,500	1,000
Total Undist. Expend- Admin Infro Technology	2,500	-	2,500	1,500	1,000
Interest Earned on Maintenance Reserve					
Interest Earned	150	(150)	-	-	-
Total Interest Earned on Maintenance Reserve	150	(150)	-	-	-
Undist. Expend. - Allowed Maintenance for School Facilities:					
Salaries	34,800	-	34,800	34,252	548
Cleaning, repair and maintenance services	162,658	(29,025)	133,633	127,069	6,564
General supplies	15,000	(930)	14,070	1,374	12,696
Total Undist. Expend. - Allowed Maintenance for School Facilities	212,458	(29,955)	182,503	162,695	19,808
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - custodians	262,100	(35,000)	227,100	213,889	13,211
Purchased professional and technical services	5,500	(3,150)	2,350	-	2,350
Cleaning, repair & maint. svc.	-	77,069	77,069	76,008	1,061
Cleaning, repair and maintenance services - comp.	50,000	(50,000)	-	-	-
Other purchased property services	5,500	(1,095)	4,405	3,215	1,190
Insurance	45,000	12,648	57,648	57,268	380
General supplies	40,000	16,501	56,501	56,396	105
Energy (energy and electricity) - gas	50,000	(5,249)	44,751	44,751	-
Energy (energy and electricity) - electric	145,000	31,076	176,076	175,835	241
Total Undist. Expend. - Other Operation & Maintenance Of Plant	603,100	42,800	645,900	627,362	18,538
Undist. Expend-Oper & Maint of Plan Serv Total	815,558	12,845	828,403	790,057	38,346

Exhibit C-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Services:					
Salaries for pupil transportation (between home and school) - regula:	$ 122,500	$ 21,105	$ 143,605	$ 143,605	$ -
Salaries for pupil transportation (between home and school) - specia.	85,000	(15,105)	69,895	53,285	16,610
Cleaning, repair and maintenance services	18,000	15,879	33,879	33,879	-
Contract services (between home & school) - joint agree	20,000	-	20,000	5,304	14,696
Contract services - (special ed students) - ESCs & CTSAs	90,000	(9,700)	80,300	55,012	25,288
Miscellaneous purchased services - transportation	8,000	5,682	13,682	13,682	-
Supplies and materials	40,000	(9,421)	30,579	23,558	7,021
Total Undist. Expend. - Student Transportation Services	383,500	8,440	391,940	328,325	63,615
Interest Earned on Current Expense Emergency Reserve			-		
Interest earned	20	(20)		-	-
Total Interest Earned on Current Expense Emergency Reserve	20	(20)	-	-	-
UNALLOCATED EMPLOYEE BENEFITS:					
Social security contributions	95,000	(6,000)	89,000	81,265	7,735
P.E.R.S. contribution	90,243	-	90,243	74,614	15,629
Workmen's compensation	60,000	-	60,000	47,686	12,314
Health benefits	1,001,000	(5,137)	995,863	893,869	101,994
Other employee benefits	110,897	(24,942)	85,955	85,955	-
TOTAL UNALLOCATED EMPLOYEE BENEFITS	1,357,140	(36,079)	1,321,061	1,183,389	137,672
ON-BEHALF CONTRIBUTIONS:					
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	291,205	(291,205)
Reimbursed TPAF social security contributions (non-budgeted)	-		-	173,519	(173,519)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	464,724	(464,724)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,357,140	(36,079)	1,321,061	1,648,113	(327,052)
Undist. Expend. - Food Services					
Transfers to Cover Deficit (Enterprise)	27,500	500	28,000	27,996	4
Undist. Expend. - Food Services	27,500	500	28,000	27,996	4
TOTAL UNDISTRIBUTED EXPENDITURES	3,865,303	82,483	3,947,786	3,964,810	(17,024)
TOTAL GENERAL CURRENT EXPENSE	6,300,403	97,797	6,398,200	6,333,415	64,785
CAPITAL OUTLAY					
Interest Deposit to Capital Reserves					
Interest deposit	450	(450)	-	-	-
Total Interest Deposit on Capital Reserves	450	(450)	-	-	-
Equipment					
Regular Programs - Instruction:					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Regular - Instruction:					
Undistributed expenditures - instructional equip.	-	-	-	-	-
Undistributed expenditures - support services - special	-	-	-	-	-
Undistributed expenditures - general administration	-	-	-	-	-
Undistributed expenditures - school administration	-	-	-	-	-
Undistributed expenditures - central services	-	-	-	-	-
Undistributed expenditures - operation and maintenance of plant serv.	-	-	-	-	-
Undistributed expenditures - student transportation	-	-	-	-	-
Undistributed expenditures - non inst. equipment	-	-	-	-	-
Undistributed expenditures - business/other support services	-	-	-	-	-
Total Equipment	-	-	-	-	-

Exhibit C-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed exp. - Non-instructional services:					
School buses - regular	$ -	$ -	$ -	$ -	$ -
Special schools (all programs)	-	-	-	-	-
Total Undistributed exp. - Non-instructional services	-	-	-	-	-
Facilities Acquisition and Construction Services					
Other Purchased Prof. & Tech. Serv.	-	-	-		-
Other objects	-	-	-		-
Capital Reserve	-	-			-
Current capital	-	-	-	-	-
Lease purchase agreements - principal	-	-	-	-	-
Assessment for debt services on SDA funding	8,860	-	8,860	8,860	-
Total Facilities Acquisition and Construction Services	8,860	-	8,860	8,860	-
TOTAL CAPITAL OUTLAY	9,310	(450)	8,860	8,860	-
TOTAL EXPENDITURES	6,309,713	97,347	6,407,060	6,342,275	64,785
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(97,347)	(97,347)	533,639	501,416
Other Financing Sources and Uses:					
Operating Transfer In:					
Transfer from capital projects	-	-	-	-	-
FEMA receipts	-	-	-	16,116	(16,116)
Operating Transfer Out:					
FEMA expenses	-	-	-	(16,116)	16,116
Transfer to capital projects	-	-	-	-	-
Total Other Financing Sources:	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	-	(97,347)	(97,347)	533,639	(630,986)
Fund Balance, July 1	2,306,420	-	2,306,420	2,306,420	-
Fund Balance, June 30	$ 2,306,420	$ (97,347)	$ 2,209,073	2,840,059	$ (630,986)

Recapitulation:	
Restricted Fund Balance:	
Maintenance reserve	300,000
Emergency reserve	50,000
Capital reserve	1,285,627
Excess surplus - current year	619,181
Excess surplus -- designated for subsequent year's expenditures	321,326
Committed Fund Balance:	
Other purposes	-
Year-end encumbrances	-
Assigned Fund Balance:	-
Designated for subsequent year's expenditures	3,094
Unrestricted/undesignated fund balance	260,831
Reconciliation to governmental funds statements (GAAP)	
Fund balance per governmental funds (Budgetary)	$ 2,840,059
Last state aid payment not recongized on GAAP basis	(64,789)
Fund balance per governmental funds (GAAP) - B-1	**2,775,270**
Restricted fund balances	2,579,228
Unrestricted fund balances	196,042
Fund balance per governmental funds (GAAP) - B-1	**$ 2,775,270**

Exhibit C-2

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-
Federal sources	95,523	22,009	117,532	117,532	-
Total Revenues	95,523	22,009	117,532	117,532	-
EXPENDITURES					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries for instruction	-	-	-	-	-
Purchased professional - educational services	61,491	(31,491)	30,000	30,000	-
Tuition	-	-	-	-	-
General supplies	10,068	3,525	13,593	13,593	-
Miscellaneous	-	-	-	-	-
Total instruction	71,559	(27,966)	43,593	43,593	-
Support services:					
Other professional staff salaries	10,802	4,948	15,750	15,750	-
Salaries of program director	-	-	-	-	-
Personal services - employee benefits	-	1,205	1,205	1,205	-
Purchased professional - educational services	5,660	36,142	41,802	41,802	-
Other purchased professional services	2,040	960	3,000	3,000	-
Purchased technical services	-	-	-	-	-
Tuition	-	-	-	-	-
Travel	-	-	-	-	-
Indirect costs	-	-	-	-	-
Other purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	5,462	6,720	12,182	12,182	-
Total support services	23,964	49,975	73,939	73,939	-
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total expenditures	95,523	22,009	117,532	117,532	-
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Total outflows	95,523	22,009	117,532	117,532	-
Excess (deficiency) of revenues Over (under) expenditures	$ -	$ -	$ -	$ -	$ -
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				-	
Fund balance per governmental funds (GAAP)				-	

Exhibit C-3

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2014

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]**	$ 6,875,914	**[C-2]**	$ 117,532
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(20,374)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(64,789)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		58,386		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	**[B-2]**	$ 6,869,511	**[B-2]**	$ 97,158
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	**[C-1]**	$ 6,342,275	**[C-2]**	$ 117,532
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		(20,374)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	**[B-2]**	$ 6,342,275	**[B-2]**	$ 97,158

OTHER SUPPLEMENTARY INFORMATION

Exhibit E-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Local 13/14	Title I Part A 13/14	IDEA-Part B-Basic Reg. Prog. 13/14	Healthy Community 13/14
Revenues:				
Local sources	$ -	$ -	$ -	$ -
State sources	-	-	-	-
Federal sources	-	26,402	68,802	-
Total revenues	-	26,402	68,802	-
Expenditures:				
Instruction:				
Salaries of teachers	-	-	-	-
Other salaries/instruction	-	-	-	-
Purchased professional services	-	-	30,000	-
General supplies	-	9,447	-	-
Tuition	-	-	-	-
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	-	9,447	30,000	-
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	15,750	-	-
Secretarial/clerical salaries	-	-	-	-
Purchased professional services	-	-	38,802	-
Other purchased professional services	-	-	-	-
Purchased technical services	-	-	-	-
Employee benefits		1,205	-	-
Travel	-	-	-	-
Tuition		-	-	-
Miscellaneous purchased services	-	-	-	-
General supplies	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total other support services - students - special	-	16,955	38,802	-
Total support services	-	16,955	38,802	-
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
Total equipment	-	-	-	-
Total expenditures	$ -	$ 26,402	$ 68,802	$ -

(Continued on next page)

Exhibit E-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

For the Fiscal Year Ended June 30, 2014

(Continued from prior page)

	IDEA Preschool 13/14	Title II Part A 13/14	Total 2014
Revenues:			
Local sources	$ -	$ -	$ -
State sources	-	-	-
Federal sources	4,146	18,182	117,532
Total revenues	4,146	18,182	117,532
Expenditures:			
Instruction:			
Salaries of teachers	-	-	-
Other salaries/instruction	-	-	-
Purchased professional services	-	-	30,000
General supplies	4,146	-	13,593
Tuition	-	-	-
Textbooks	-	-	-
Miscellaneous expenses	-	-	-
Total instruction	4,146	-	43,593
Support services:			
Other support services - students - special:			
Other professional staff salaries	-	-	15,750
Secretarial/clerical salaries	-	-	-
Purchased professional services	-	3,000	41,802
Other purchased professional services	-	3,000	- 3,000
Purchased technical services	-	-	-
Employee benefits	-	-	1,205
Travel	-	-	-
Tuition	-	-	-
Miscellaneous purchased services	-	-	-
General supplies	-	12,182	12,182
Miscellaneous expenses	-	-	-
Total other support services - students - special	-	18,182	73,939
Total support services	-	18,182	73,939
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
Total equipment	-	-	-
Total expenditures	$ 4,146	$ 18,182	$ 117,532

Exhibit F-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2014

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2014
			Prior Years	Current Year	
Ethel Jacobson Roof Replacement	6/17/2014	866,886	-	17,997	848,889
Ethel Jacobson Exterior Door	6/17/2014	172,697	-	4,790	167,907
Ethel Jacobson Remove and Replace Security System	6/17/2014	119,350	-	2,999	116,351
Ethel Jacobson New Security System	6/17/2014	172,550	-	4,567	167,983
Totals		$ 1,331,483	$ -	$ 30,353	$ 1,301,130

Exhibit F-2

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2014

Revenues and Other Financing Sources		
State Sources - SCC Grant	$	-
Bond proceeds and transfers		-
Capital lease proceeds		-
Transfer from capital reserve		-
Transfer from capital outlay		-
Interest		-
Total revenues		-
Expenditures and Other Financing Uses		
Purchased professional and technical services		30,353
Land and improvements		-
Construction services		-
Transfers out		-
Total expenditures		30,353
Excess (deficiency) of revenues over (under) expenditures		(30,353)
Fund balance - beginning		-
Fund balance - ending	$	(30,353)

Exhibit F-2a

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Ethel Jacobson Roof Replacement
For the Fiscal Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ -	$ -	$ -	$ 346,754
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	220,132
Transfer from capital outlay	-	-	-	300,000
Total revenues	-	- -	-	866,886
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	17,997	17,997	-
Land and improvements	-	-	-	-
Construction services	-	-	-	866,886
Equipment purchases	-	-	-	-
Total expenditures	-	17,997	17,997	866,886
Excess (deficiency) or revenues over (under) expenditures	$ -	$ (17,997)	$ (17,997)	$ -

Exhibit F-2b

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Ethel Jacobson Exterior Door
For the Fiscal Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ -	$ -	$ -	$ 69,079
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	103,618
Transfer from capital outlay	-	-	-	-
Total revenues	-	- -	-	172,697
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	4,790	4,790	-
Land and improvements	-	-	-	-
Construction services	-	-	-	172,697
Equipment purchases	-	-	-	-
Total expenditures	-	4,790	4,790	172,697
Excess (deficiency) or revenues over (under) expenditures	$ -	$ (4,790)	$ (4,790)	$ -

Exhibit F-2c

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Ethel Jacobson Remove and Replace Security System
For the Fiscal Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ -	$ -	$ -	$ 47,740
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	71,610
Transfer from capital outlay	-	-	-	-
Total revenues	-	- -	-	119,350
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	2,999	2,999	-
Land and improvements	-	-	-	-
Construction services	-	-	-	119,350
Equipment purchases	-	-	-	-
Total expenditures	-	2,999	2,999	119,350
Excess (deficiency) or revenues over (under) expenditures	$ -	$ (2,999)	$ (2,999)	$ -

Exhibit F-2d

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Ethel Jacobson New Security System
For the Fiscal Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	$ -	$ -	$ -	$ 69,020
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	103,530
Transfer from capital outlay	-	-	-	-
Total revenues	-	- -	-	172,550
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	4,567	4,567	-
Land and improvements	-	-	-	-
Construction services	-	-	-	172,550
Equipment purchases	-	-	-	-
Total expenditures	-	4,567	4,567	172,550
Excess (deficiency) or revenues over (under) expenditures	$ -	$ (4,567)	$ (4,567)	$ -

Exhibit G-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Net Position
June 30, 2014

	2014
Assets:	
Current assets:	
Cash and cash equivalents	$ 1,144
Accounts receivable:	
State	-
Federal	-
Interfunds	-
Inventories	-
Total current assets	1,144
Fixed assets:	
Equipment	10,816
Accumulated depreciation	(10,816)
Total fixed assets	-
Total assets	$ 1,144
Liabilities and Fund Equity:	
Liabilities:	
Accounts payable	$ -
Interfund payable	-
Total liabilities	-
Net Position:	
Invested in capital assets, net of related debt	-
Restricted for other purposes	-
Unrestricted net position	1,144
Total fund equity	1,144
Total liabilities and fund equity	$ 1,144

Exhibit G-2

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position
for the Fiscal Year ended June 30, 2014

	2014
Operating revenues:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch and breakfast program	$ -
Total-daily sales-reimbursable programs	-
Daily sales non-reimbursable programs	-
Total operating revenues	-
Operating expenses:	
Salaries	-
Employee benefits	-
Payroll taxes	-
Supplies and materials	-
Bank fees	-
Annual Audit	-
Repairs	3,721
Cost of sales	27,996
Total operating expenses	31,717
Operating loss	(31,717)
Nonoperating revenues:	
State sources:	
State school lunch program	-
State school breakfast program	-
Federal sources:	
National school lunch program	-
National school breakfast program	-
U.S.D.A. commodities	-
Local sources:	
Interest income	7
Operating transfers	27,996
Total nonoperating revenues	28,003
Change in net position	(3,714)
Total net position beginning	4,858
Total net position ending	$ 1,144

Exhibit G-3

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Cash Flows
for the Fiscal Year ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ -
Payments to employees	-
Payments for employee benefits	-
Payments to suppliers	(31,717)
Net cash used in operating activities	(31,717)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State sources	-
Federal sources	-
Operating subsidies and transfers from other funds	27,996
Net cash provided by non-capital financing activities	27,996
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	7
Advances from general fund	-
Net cash provided by investing activities	7
Net increase (decrease) in cash and cash equivaler	(3,714)
Balances—beginning of year	4,858
Balances—end of year	$ 1,144
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (31,717)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	-
Federal commodities	-
Federal commodities	-
Increase in interfund receivable, net	-
Decrease in accounts receivable, net	-
Decrease in inventories	-
(Increase) decrease in other current assets	-
Decrease in interfund payable	-
Decrease in accounts payable	-
Total adjustments	-
Net cash used in operating activities	$ (31,717)

Exhibit H-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Statement of Agency Fund Assets and Liabilities
Fiduciary Funds
June 30, 2014

	Unemployment Compensation Trust	Agency Fund
ASSETS		
Cash and cash equivalents	$ 19	$ 56,339
Investments	-	-
Intergovernmental accounts receivable	-	-
Interfund receivable	-	-
Total assets	$ 19	$ 56,339
LIABILITIES		
Accounts payable	$ -	$ -
Claims payable	-	-
Payroll deductions and withholdings	-	56,339
Payable to student groups	-	-
Interfund payable	-	-
Other current liabilities	-	-
Total liabilities	-	56,339
NET POSITION		
Held in trust for unemployment claims and other purposes	19	-
Total net position	19	-
Total liabilities and net position	$ 19	$ 56,339

Exhibit H-2

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	$ 16,789
Other	-
Total Contributions	16,789
Investment earnings:	
Net increase in fair value of investments	-
Interest	30
Dividends	-
Less investment expense	-
Net investment earnings	30
Total additions	16,819
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	63,447
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
NJ Catastrophic Illness	-
Total deductions	63,447
Change in net position	(46,628)
Net position—beginning of the year	46,647
Net position—end of the year	$ 19

Exhibit H-4

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2014

	Balance July 1, 2013	Cash Receipts	Cash Disbursements	Balance June 30, 2014
Net Salary and wages	$ 6,723	2,154,695	2,154,691	$ 6,727
Payroll deductions and withholdings	151,182	3,785,638	3,887,208	49,612
Totals	$ 157,905	5,940,333	6,041,899	$ 56,339

STATISTICAL SECTION

Contents **Pages**

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. 71-76

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax. 77-96

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 additional debt in the future. 97-104

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 take place. 105-106

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. 107-111

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

Exhibit J-1

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

Net Assets/Position by Component

Last Ten Fiscal Years

UNAUDITED

(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	$ 2,916,114	$ 2,615,332	$ 2,550,291	$ 2,467,803	$ 2,369,049	$ 2,170,028	$ 2,289,822	$ 2,076,930	$ 1,807,238	$ 1,550,473
Restricted	1,169,092	1,391,859	1,426,775	956,433	1,316,419	1,279,162	1,052,916	1,487,879	2,053,326	2,548,875
Unrestricted	(25,603)	(35,370)	32,203	315,914	(60,306)	483,007	92,772	52,773	(19,130)	29,157
Total governmental activities net assets/position	$ 4,059,603	$ 3,971,821	$ 4,009,269	$ 3,740,150	$ 3,625,162	$ 3,932,197	$ 3,435,510	$ 3,617,582	$ 3,841,434	$ 4,128,505
Business-type activities										
Invested in capital assets, net of related debt	$ 1,048	$ 525	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,625	4,775	6,653	16,871	18,928	53,600	29,081	20,314	4,858	1,144
Total business-type activities net assets/position	$ 5,673	$ 5,300	$ 6,653	$ 16,871	$ 18,928	$ 53,600	$ 29,081	$ 20,314	$ 4,858	$ 1,144
District-wide										
Invested in capital assets, net of related debt	$ 2,917,162	$ 2,615,857	$ 2,550,291	$ 2,467,803	$ 2,369,049	$ 2,170,028	$ 2,289,822	$ 2,076,930	$ 1,807,238	$ 1,550,473
Restricted	1,169,092	1,391,859	1,426,775	956,433	1,316,419	1,279,162	1,052,916	1,487,879	2,053,326	2,548,875
Unrestricted	(20,978)	(30,595)	38,856	332,785	(41,378)	536,607	121,853	73,087	(14,272)	30,301
Total district-wide net assets/position	$ 4,065,276	$ 3,977,121	$ 4,015,922	$ 3,757,021	$ 3,644,090	$ 3,985,797	$ 3,464,591	$ 3,637,896	$ 3,846,292	$ 4,129,649

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Changes in Net Assets/Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
Instruction:										
Regular	$ 1,937,194	$ 1,998,375	$ 1,995,303	$ 2,083,045	$ 2,200,928	$ 2,139,593	$ 2,080,187	$ 1,987,966	$ 2,145,361	$ 2,226,534
Special education	291,505	315,760	280,317	334,240	138,342	212,344	211,936	204,556	141,166	96,709
Other special education	66,567	78,345	87,466	111,584	124,018	119,173	119,173	123,611	108,371	83,175
Support Services:										
Tuition	144,439	169,406	91,904	64,185	106,111	43,160	43,160	72,164	103,928	52,979
Student & instruction related services	216,362	229,425	242,043	203,493	231,961	140,366	139,554	152,764	148,179	106,051
School Administrative services	114,569	104,511	113,017	104,617	115,850	91,509	91,508	103,610	108,662	81,661
General administration	162,646	165,442	145,225	165,741	151,480	134,429	139,070	179,597	150,167	204,159
Central Services	111,022	115,158	121,855	107,923	116,052	96,771	97,055	77,181	76,643	118,953
Plant operations and maintenance	1,047,881	1,150,274	807,482	1,191,297	1,097,514	921,784	1,036,585	925,042	1,194,230	1,102,151
Administrative information technology	-	-	-	-	-	-	-	-	-	-
Pupil transportation	295,707	291,846	348,101	277,851	271,816	243,843	282,393	285,832	370,660	328,325
Other support services	437,594	386,795	391,673	424,039	464,323	452,778	460,924	622,310	568,485	665,861
Unallocated employee benefits	778,238	1,011,889	1,130,992	1,114,666	1,136,914	1,179,249	1,133,201	1,127,354	1,282,104	1,136,436
Non-budgeted expenditures	374,282	459,852	468,657		-	-	366,337	526,126	518,000	464,724
Total governmental activities expenses	5,978,006	6,477,078	6,224,035	6,182,681	6,155,309	5,774,999	6,201,083	6,388,113	6,915,956	6,667,718
Business-type activities:										
Food service	193,209	187,391	198,493	197,893	202,210	210,791	24,853	8,767	33,166	31,717
Total business-type activities expense	193,209	187,391	198,493	197,893	202,210	210,791	24,853	8,767	33,166	31,717
Total district expenses	$ 6,171,215	$ 6,664,469	$ 6,422,528	$ 6,380,574	$ 6,357,519	$ 5,985,790	$ 6,225,936	$ 6,396,880	$ 6,949,122	$ 6,699,435
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	$ -	$ -	$ -	$ -	$ -	$ -	$ 366,337	$ -	$ -	$ -
Operating grants and contributions	374,282	459,852	468,657	633,565	389,435	-	366,337	526,126	518,000	480,840
Total governmental activities program rev.	374,282	459,852	468,657	633,565	389,435	-	366,337	526,126	518,000	480,840
Business-type activities:										
Charges for services:										
Food service	53,324	47,155	44,452	45,140	49,663	52,432	-	-	-	-
Operating grants and contributions	136,991	139,863	155,394	162,971	154,604	193,031	-	-	17,686	27,996
Total business-type activities program rev.	190,315	187,018	199,846	208,111	204,267	245,463	-	-	17,686	27,996
Total district program revenues	$ 564,597	$ 646,870	$ 668,503	$ 841,676	$ 593,702	$ 245,463	$ 366,337	$ 526,126	$ 535,686	$ 508,836
Net (Expense)/Revenue										
Governmental activities	$ (5,603,724)	$ (6,017,226)	$ (5,755,378)	$ (5,549,116)	$ (5,765,874)	$ (5,774,999)	$ 5,834,746	$ (5,861,987)	$ (6,397,956)	$ (6,186,878)
Business-type activities	(2,894)	(373)	1,353	10,218	2,057	34,672	24,853	(8,767)	(15,480)	(3,721)
Total district-wide net expense	$ (5,606,618)	$ (6,017,599)	$ (5,754,025)	$ (5,538,898)	$ (5,763,817)	$ (5,740,327)	$ 5,859,599	$ (5,870,754)	$ (6,413,436)	$ (6,190,599)

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Changes in Net Assets/Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purp., ne	$ 5,330,262	$ 5,286,708	$ 5,172,983	$ 5,324,012	$ 5,483,732	$ 5,250,925	$ 5,250,925	$ 5,422,226	$ 5,530,670	$ 5,641,280
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	656,596	494,169	476,011	499,189	488,696	185,850	413,523	441,032	586,919	758,399
Payments in lieu of taxes	164,639	152,980	140,294	134,098	120,644	194,373	137,600	105,241	448,324	-
Tuition received	5,589	4,315	-	1,000	18,399	42,950	42,950	21,606	35,537	50,436
Investment earnings	43,415	87,312	118,683	80,939	40,272	-	11,397	1,288	4,381	3,351
Miscellaneous income	697	16,884	16,106	11,772	8,619	26,048	33,842	52,666	33,687	48,479
Transfers	(108,061)	(112,924)	(131,251)	(137,448)	(120,041)	381,888	-	-	(17,686)	(27,996)
Total governmental activities	6,093,137	5,929,444	5,792,826	5,913,562	6,040,321	6,082,034	5,890,237	6,044,059	6,621,832	6,473,949
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	7
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	7
Total district-wide	$ 6,093,137	$ 5,929,444	$ 5,792,826	$ 5,913,562	$ 6,040,321	$ 6,082,034	$ 5,890,237	$ 6,044,059	$ 6,621,832	$ 6,473,956
Change in Net Assets/Position										
Governmental activities	$ 489,413	$ (87,782)	$ 37,448	$ 5,913,562	$ 274,447	$ 307,035	$ 55,491	$ 182,072	$ 223,876	$ 287,071
Business-type activities	(2,894)	(373)	1,353	10,218	2,057	34,672	(24,853)	(8,767)	(15,480)	(3,714)
Total district	$ 486,519	$ (88,155)	$ 38,801	$ 5,923,780	$ 276,504	$ 341,707	$ 30,638	$ 173,305	$ 208,396	$ 283,357

Exhibit J-3

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	$ 1,169,814	$ 1,392,581	$ 1,427,497	$ 1,257,155	$ 1,266,419	$ 906,057	$ 878,007	$ 1,422,269	$ 2,053,326	$ 2,579,228
Unreserved	101,889	99,105	230,972	229,683	225,423	172,693	244,056	187,445	194,708	196,042
Total general fund	$ 1,271,703	$ 1,491,686	$ 1,658,469	$ 1,486,838	$ 1,491,842	$ 1,078,750	$ 1,122,063	$ 1,609,714	$ 2,248,034	$ 2,775,270
All Other Governmental Funds										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue fund	(722)	(722)	(722)	(722)	(722)	-	-	-	-	-
Capital projects fund	-	-	-	-	-	373,105	174,909	-	-	(30,353)
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ (722)	$ (722)	$ (722)	$ (722)	$ (722)	$ 373,105	$ 174,909	$ -	$ -	$ (30,353)

Exhibit J-4

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Tax levy	5,330,262	5,286,708	5,172,983	5,324,012	5,483,732	5,250,925	5,250,925	5,422,226	5,530,670	5,641,280
Tuition charges	-	4,315	-	1,000	18,399	42,950	42,950	21,606	35,537	50,436
Interest earnings	-	87,311	118,683	80,939	40,272	-	11,063	1,288	4,357	3,351
Miscellaneous	27,054	16,883	16,106	11,772	12,405	34,879	33,842	52,666	33,687	48,479
State sources	904,641	972,454	959,426	1,147,187	878,853	188,976	786,734	950,403	1,104,953	1,125,965
Federal sources	146,206	134,547	125,536	119,665	119,922	191,247	130,726	121,996	145,515	97,158
Total revenue	6,408,163	6,502,218	6,392,734	6,684,575	6,553,583	5,708,977	6,256,240	6,570,185	6,854,719	6,966,669
Expenditures										
Instruction										
Regular instruction	1,832,612	1,998,375	1,995,303	2,083,045	2,200,928	2,139,593	2,080,187	1,987,966	2,145,361	2,226,534
Special education instruction	291,505	315,760	280,317	334,240	138,342	212,344	211,936	204,556	141,166	96,709
Other special instruction	66,567	78,345	87,466	111,584	124,018	119,173	119,173	123,611	108,371	83,175
Support Services:										
Student & inst. related services	736,843	398,831	333,947	267,678	338,072	183,526	182,714	224,928	252,107	159,030
General administration	162,646	165,442	145,225	165,741	151,480	134,429	139,070	179,597	150,167	204,159
School administrative services	114,569	104,511	113,017	104,617	115,850	91,509	91,508	103,610	108,662	81,661
Central services	111,022	115,158	121,855	107,923	116,052	96,771	97,055	77,181	76,643	118,953
Admin. information technology	-	-	-	-						
Plant operations and maintenance	809,892	825,471	671,662	907,982	743,859	722,811	725,600	636,304	583,622	790,057
Pupil transportation	295,707	291,846	348,101	277,851	271,816	243,843	282,393	290,570	370,660	328,325
Other Support Services	374,282	828,279	848,430	1,057,058	853,758	452,778	827,261	1,148,436	1,086,485	1,130,585
Employee benefits	542,904	1,004,906	1,066,698	1,099,666	1,064,954	1,223,448	1,223,447	1,143,966	1,202,938	1,183,389
Capital outlay	154,800	42,389	82,679	201,373	258,687	8,783	430,779	75,846	38,141	39,213
Total expenditures	5,493,349	6,169,313	6,094,700	6,718,758	6,377,816	5,629,008	6,411,123	6,196,571	6,264,323	6,441,790
Excess (Deficiency) of revenues over (under) expenditures	914,814	332,905	298,034	(34,183)	175,767	79,969	(154,883)	373,614	590,396	524,879
Other Financing sources (uses)										
Proceeds from borrowing	200,000	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(112,924)	(131,251)	(137,448)	(120,041)	-	-	-	(17,686)	(27,996)
Total other financing sources (uses)	200,000	(112,924)	(131,251)	(137,448)	(120,041)	-	-	-	(17,686)	(27,996)
Net change in fund balances	1,114,814	219,981	166,783	(171,631)	55,726	79,969	(154,883)	373,614	572,710	496,883
Debt service as a percentage of noncapital expenditures	-	-	-	-	-	-	-	-		-

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.

Exhibit J-5

LONG BEACH ISLAND CONSOLIDATED 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	Insurance Proceeds	Rentals	Prior Year Refunds	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2004	-	-	-	-	-	740	740
2005	-	-	-	3,671	-	4,436	8,107
2006	-	-	-	2,228	-	2,773	5,001
2007	-	-	-	12,696	-	15,402	28,098
2008	131	-	5,354	1,856	-	1,636	8,977
2009	-	-	-	-	-	11,941	11,941
2010	-	-	-	201	-	7,693	7,894
2011	-	-	-	1,803	-	30,780	32,583
2012	-	22,606	-	-	-	25,873	48,479
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-

Source: District records

Exhibit J-6

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
UNAUDITED

Borough of Barnegat Light

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
2005	34,328,800	804,603,300	n/a	n/a	39,181,100	n/a	3,499,000	881,612,200	131,306,000	370,800	750,677,000	864,287,665	0.049
2006	45,548,100	956,864,600	n/a	n/a	43,182,900	n/a	3,939,000	1,049,534,600	137,401,400	345,068	912,478,268	1,031,438,497	0.041
2007	40,850,500	976,830,300	n/a	n/a	43,455,900	n/a	1,156,800	1,062,293,500	137,831,400	334,753	924,127,347	1,129,944,717	0.040
2008	34,576,200	991,695,500	n/a	n/a	44,492,500	n/a	1,156,800	1,071,921,000	134,992,300	-	936,928,700	-	0.043
2009	33,914,600	999,574,100	n/a	n/a	44,462,400	n/a	1,156,800	1,079,107,900	135,023,400	-	944,084,500	-	0.041
2010	34,515,700	920,968,900	n/a	n/a	39,078,400	n/a	1,156,800	995,719,800	130,734,400	-	864,985,400	-	0.041
2011	32,457,400	923,358,200	n/a	n/a	40,433,400	n/a	1,156,800	997,405,800	130,734,400	-	866,671,400	-	0.042
2012	34,865,800	923,008,400	n/a	n/a	39,489,200	n/a	1,156,800	998,520,200	129,954,000	-	868,566,200	-	0.043
2013	31,333,800	926,020,800	n/a	n/a	37,501,200	n/a	1,156,800	996,002,600	129,954,000	-	866,048,600	-	0.043
2014	37,240,700	919,616,400	n/a	n/a	37,246,200	n/a	1,156,800	995,260,100	129,954,000	-	865,306,100	-	0.044

Source: Ocean County Abstract of Ratables

Exhibit J-6

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
UNAUDITED

Borough of Harvey Cedars

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
2005	12,677,300	1,022,884,100	n/a	n/a	12,696,100	n/a	n/a	1,048,257,500	41,734,800	378,868	1,006,901,568	1,020,080,610	0.049
2006	34,426,500	1,306,845,100	n/a	n/a	14,837,400	n/a	n/a	1,356,109,000	46,210,000	340,445	1,356,449,445	1,242,433,238	0.038
2007	31,069,300	1,316,938,800	n/a	n/a	14,316,900	n/a	n/a	1,362,325,000	46,156,800	339,038	1,315,829,162	1,362,664,038	0.037
2008	26,646,700	1,326,570,400	n/a	n/a	14,316,900	n/a	n/a	1,367,534,000	45,459,800	-	1,322,074,200	-	0.039
2009	31,720,100	1,326,448,600	n/a	n/a	14,316,900	n/a	n/a	1,372,485,600	45,456,800	-	1,327,028,800	-	0.038
2010	21,113,700	1,194,429,000	n/a	n/a	14,646,100	n/a	n/a	1,230,188,800	42,567,700	-	1,187,621,100	-	0.043
2011	16,734,300	1,205,071,100	n/a	n/a	14,068,400	n/a	n/a	1,235,873,800	42,537,700	-	1,193,336,100	-	0.042
2012	16,826,600	1,202,153,700	n/a	n/a	14,184,500	n/a	n/a	1,235,164,800	43,819,900	-	1,191,344,900	-	0.041
2013	14,521,800	1,206,769,000	n/a	n/a	14,340,500	n/a	n/a	1,235,631,300	43,819,900	-	1,191,811,400	-	0.043
2014	20,466,200	1,199,702,200	n/a	n/a	14,340,500	n/a	n/a	1,234,508,900	43,819,900	-	1,190,689,000	-	0.044

Source: Ocean County Abstract of Ratables

Exhibit J-6

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
UNAUDITED

Long Beach Township

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
2005	293,364,400	6,609,712,200	n/a	n/a	159,866,100	n/a	8,144,900	7,071,087,600	93,693,300	2,524,062	6,979,918,362	6,244,733,236	0.045
2006	317,454,700	6,658,170,700	n/a	n/a	155,526,800	n/a	8,736,200	7,139,888,400	93,353,100	2,191,996	7,048,727,296	7,534,365,131	0.043
2007	246,077,300	6,868,844,500	n/a	n/a	157,261,400	n/a	7,718,900	7,279,902,100	93,353,100	1,960,320	7,184,588,680	7,281,862,420	0.044
2008	206,968,200	7,015,508,900	n/a	n/a	158,503,300	n/a	7,718,900	7,388,699,300	94,644,700	-	7,294,054,600	-	0.045
2009	175,406,200	7,112,752,800	n/a	n/a	162,314,800	n/a	5,015,200	7,455,489,000	94,311,000	-	7,361,178,000	-	0.044
2010	165,934,200	7,178,093,700	n/a	n/a	158,656,500	n/a	5,015,200	7,507,699,600	93,788,800	-	7,413,910,800	-	0.042
2011	187,947,900	7,183,352,800	n/a	n/a	156,909,400	n/a	5,015,200	7,533,225,300	93,793,400	-	7,439,431,900	-	0.044
2012	176,536,165	7,228,634,700	n/a	n/a	155,483,300	n/a	5,015,200	7,565,669,365	92,331,300	-	7,473,338,065	-	0.044
2013	169,665,200	7,250,730,685	n/a	n/a	151,950,700	n/a	5,015,200	7,577,361,765	94,179,600	-	7,483,182,165	-	0.045
2014	275,901,100	7,186,784,875	n/a	n/a	145,320,900	n/a	5,015,200	7,613,022,075	92,443,600	-	7,520,578,475	-	0.046

Source: Ocean County Abstract of Ratables

Exhibit J-6

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
UNAUDITED

Borough of Ship Bottom

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]
2005	25,395,400	888,728,500	n/a	n/a	125,420,600	n/a	7,091,600	1,046,636,100	49,773,000	360,107	997,223,207	960,675,241	0.045
2006	31,814,800	890,446,600	n/a	n/a	118,118,700	n/a	5,902,900	1,046,283,000	50,349,900	297,614	996,230,714	1,150,144,587	0.045
2007	26,689,500	918,975,200	n/a	n/a	118,167,100	n/a	4,259,700	1,068,091,500	50,292,700	267,999	1,017,530,801	1,068,359,499	0.046
2008	23,365,200	943,318,000	n/a	n/a	120,311,700	n/a	2,659,900	1,089,548,800	49,822,100	-	1,039,852,700	-	0.047
2009	22,560,300	951,354,650	n/a	n/a	122,914,300	n/a	2,659,900	1,099,489,150	50,053,500	-	1,049,435,650	-	0.048
2010	24,532,400	958,281,800	n/a	n/a	122,299,000	n/a	2,659,900	1,107,773,100	50,657,100	-	1,057,116,000	-	0.045
2011	22,186,600	964,525,300	n/a	n/a	121,715,700	n/a	2,659,900	1,111,087,500	51,210,800	-	1,059,876,700	-	0.046
2012	21,665,100	970,377,500	n/a	n/a	121,454,600	n/a	2,659,900	1,116,157,100	52,444,000	-	1,063,713,100	-	0.046
2013	23,954,400	961,839,400	n/a	n/a	115,859,500	n/a	2,639,900	1,104,293,200	52,097,800	-	1,052,195,400	-	0.047
2014	35,066,700	950,796,400	n/a	n/a	115,001,600	n/a	2,639,900	1,103,504,600	51,821,300	-	1,051,683,300	-	0.048

Source: Ocean County Abstract of Ratables

Exhibit J-6

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
UNAUDITED

Borough of Surf City

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	
2005	18,846,400	18,846,400	1,358,922,900	n/a	n/a	82,980,800	n/a	n/a	1,460,750,100	45,085,500	1,548,271	1,417,212,871	1,263,637,623	0.044
2006	19,589,100	19,589,100	1,368,323,700	n/a	n/a	82,682,000	n/a	n/a	1,470,594,800	46,036,000	1,435,673	1,425,994,473	1,533,093,520	0.043
2007	20,634,500	20,634,500	1,388,038,500	n/a	n/a	81,718,900	n/a	n/a	1,490,391,900	46,036,000	1,277,173	1,443,078,727	1,491,669,073	0.043
2008	-	13,625,900	1,410,648,800	n/a	n/a	81,890,100	n/a	-	1,506,164,800	48,496,400	-	1,457,668,400	-	0.045
2009	-	14,539,300	1,424,538,400	n/a	n/a	80,649,900	n/a	-	1,519,727,600	48,520,100	-	1,471,207,500	-	0.045
2010	-	18,820,400	1,426,680,200	n/a	n/a	80,440,400	n/a	-	1,525,941,000	49,746,000	-	1,476,195,000	-	0.043
2011	-	16,776,800	1,437,439,400	n/a	n/a	80,408,800	n/a	-	1,534,625,000	49,746,000	-	1,484,879,000	-	0.044
2012	-	16,987,400	1,443,657,500	n/a	n/a	80,412,000	n/a	-	1,541,056,900	49,746,000	-	1,491,310,900	-	0.043
2013	-	15,529,600	1,451,038,000	n/a	n/a	79,932,600	n/a	-	1,546,500,200	49,753,200	-	1,496,747,000	-	0.044
2014	-	26,178,900	1,441,394,000	n/a	n/a	79,948,100	n/a	-	1,547,521,000	50,197,700	-	1,497,323,300	-	0.046

Source: Ocean County Abstract of Ratables

Exhibit J-7

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per $100 of assessed value)

Borough of Barnegat Light

	School District Direct Rate			Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	(From J-6) Total Direct School Tax Rate	Municipal	Ocean County	Total Direct and Overlapping Tax Rate
2005	0.049	-	0.049	0.147	0.362	0.809
2006	0.041	-	0.041	0.123	0.320	0.706
2007	0.040	-	0.040	0.134	0.318	0.725
2008	0.043	-	0.043	0.135	0.343	0.745
2009	0.041	-	0.041	0.155	0.325	0.748
2010	0.041	-	0.041	0.165	0.355	0.779
2011	0.042	-	0.042	0.165	0.360	0.768
2012	0.043		0.043	0.175	0.385	0.821
2013	0.043	-	0.043	0.195	0.394	0.824
2014	0.044	-	0.044	0.000	0.000	0.904

Source: Municipal Tax Collector

Exhibit J-7

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per $100 of assessed value)

Borough of Harvey Cedars

	School District Direct Rate			Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	(From J-6) Total Direct School Tax Rate	Municipal	Ocean County	Total Direct and Overlapping Tax Rate
2005	0.049	-	0.049	0.197	0.358	0.830
2006	0.038	-	0.038	0.178	0.298	0.717
2007	0.037	-	0.037	0.186	0.295	0.696
2008	0.039	-	0.039	0.193	0.305	0.710
2009	0.038	-	0.038	0.203	0.303	0.714
2010	0.043	-	0.043	0.220	0.371	0.856
2011	0.042	-	0.042	0.223	0.358	0.823
2012	0.041	-	0.041	0.224	0.369	0.809
2013	0.043	-	0.043	0.243	0.389	0.932
2014	0.044	-	0.044	0.000	0.000	0.946

Source: Municipal Tax Collector

Exhibit J-7

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per $100 of assessed value)

Long Beach Township

	School District Direct Rate				Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	(From J-6) Total Direct School Tax Rate		Municipal	Ocean County	Total Direct and Overlapping Tax Rate
2005	0.045	-	0.045	#	0.200	0.326	0.781
2006	0.043	-	0.043	#	0.200	0.343	0.798
2007	0.044	-	0.044	#	0.203	0.359	0.819
2008	0.045	-	0.045	#	0.201	0.350	0.809
2009	0.044	-	0.044	#	0.212	0.348	0.811
2010	0.042	-	0.042	#	0.220	0.362	0.838
2011	0.044	-	0.044	#	0.224	0.378	0.864
2012	0.044	-	0.044	#	0.221	0.393	0.892
2013	0.045	-	0.045	#	0.224	0.414	0.924
2014	0.046	-	0.046		0.000	0.000	0.961

Source: Municipal Tax Collector

Exhibit J-7

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per $100 of assessed value)

Borough of Ship Bottom

	School District Direct Rate				Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	(From J-6) Total Direct School Tax Rate		Municipal	Ocean County	Total Direct and Overlapping Tax Rate
2005	0.046	-	0.046	#	0.252	0.339	0.875
2006	0.045	-	0.045	#	0.200	0.343	0.800
2007	0.046	-	0.046	#	0.279	0.368	0.935
2008	0.047	-	0.047	#	0.294	0.368	0.942
2009	0.048	-	0.048	#	0.305	0.379	0.971
2010	0.045	-	0.045	#	0.320	0.388	0.964
2011	0.046	-	0.046	#	0.337	0.391	0.991
2012	0.046	-	0.046	#	0.342	0.410	1.021
2013	0.047	-	0.047	#	0.363	0.429	1.045
2014	0.048	-	0.048		0.000	0.000	1.079

Source: Municipal Tax Collector

Exhibit J-7

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per $100 of assessed value)

Borough of Surf City

	School District Direct Rate			Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate a	General Obligation Debt Service b	(From J-6) Total Direct School Tax Rate	Municipal	Ocean County	Total Direct and Overlapping Tax Rate
2005	0.044	-	0.044	0.192	0.318	0.773
2006	0.043	-	0.043	0.201	0.339	0.812
2007	0.043	-	0.043	0.221	0.352	0.871
2008	0.045	-	0.045	0.231	0.355	0.876
2009	0.045	-	0.045	0.228	0.353	0.855
2010	0.043	-	0.043	0.228	0.370	0.909
2011	0.044	-	0.044	0.228	0.373	0.923
2012	0.043		0.043	0.230	0.382	0.886
2013	0.044	-	0.044	0.244	0.406	0.929
2014	0.046	-	0.046	0.000	0.000	0.957

Source: Municipal Tax Collector

Exhibit J-8

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Ten Years Ago
UNAUDITED

Borough of Barnegat Light

	2014			2004		
	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%
Taxpayer 11	-		0.00%	-		0.00%
Taxpayer 12	-		0.00%	-		0.00%
Taxpayer 13	-		0.00%	-		0.00%
Total	$ -			$ -		

Source: Municipal Tax Assessor

Exhibit J-8

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Ten Years Ago
UNAUDITED

Borough of Harvey Cedars

	2014			2004		
	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%
Taxpayer 11	-		0.00%	-		0.00%
Taxpayer 12	-		0.00%	-		0.00%
Taxpayer 13	-		0.00%	-		0.00%
Total	$ -		0.00%	$ -		0.00%

Exhibit J-8

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Ten Years Ago
UNAUDITED

Long Beach Township

	2014			2004		
	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%
Taxpayer 11	-		0.00%	-		0.00%
Taxpayer 12	-		0.00%	-		0.00%
Taxpayer 13	-		0.00%	-		0.00%
Total	$ -		0.00%	$ -		0.00%

Exhibit J-8

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Ten Years Ago
UNAUDITED

Borough of Ship Bottom

	2014			2004		
	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%
Taxpayer 11	-		0.00%	-		0.00%
Taxpayer 12	-		0.00%	-		0.00%
Taxpayer 13	-		0.00%	-		0.00%
Total	$ -		0.00%	$ -		0.00%

Exhibit J-8

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Ten Years Ago
UNAUDITED

Borough of Surf City

	2014			2004		
	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%
Taxpayer 11	-		0.00%	-		0.00%
Taxpayer 12	-		0.00%	-		0.00%
Taxpayer 13	-		0.00%	-		0.00%
Total	$ -		0.00%	$ -		0.00%

Exhibit J-9

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
UNAUDITED

Borough of Barnegat Light

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	446,976	446,976	100.00%	-
2006	440,835	440,835	100.00%	-
2007	427,845	427,845	100.00%	-
2008	421,276	421,276	100.00%	-
2009	466,186	466,186	100.00%	-
2010	442,992	442,992	100.00%	-
2011	410,724	410,724	100.00%	-
2012	418,602	418,602	100.00%	-
2013	437,411	437,411	100.00%	-
2014	433,093	433,093	100.00%	-

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

Exhibit J-9

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
UNAUDITED

Borough of Harvey Cedars

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	522,643	522,643	100.00%	-
2006	517,731	517,731	100.00%	-
2007	514,278	514,278	100.00%	-
2008	501,367	501,367	100.00%	-
2009	531,199	531,199	100.00%	-
2010	525,714	525,714	100.00%	-
2011	530,652	530,652	100.00%	-
2012	516,416	516,416	100.00%	-
2013	517,758	517,758	100.00%	-
2014	531,231	531,231	100.00%	-

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

Exhibit J-9

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
UNAUDITED

Long Beach Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	3,208,590	3,208,590	100.00%	-
2006	3,192,404	3,192,404	100.00%	-
2007	3,120,119	3,120,119	100.00%	-
2008	3,257,111	3,257,111	100.00%	-
2009	3,296,716	3,296,716	100.00%	-
2010	3,282,893	3,282,893	100.00%	-
2011	3,153,465	3,153,465	100.00%	-
2012	3,312,096	3,312,096	100.00%	-
2013	3,384,472	3,384,472	100.00%	-
2014	3,459,316	3,459,316	100.00%	-

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

Exhibit J-9

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
UNAUDITED

Borough of Ship Bottom

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	504,638	504,638	100.00%	-
2006	490,704	490,704	100.00%	-
2007	475,912	475,912	100.00%	-
2008	490,276	490,276	100.00%	-
2009	509,944	509,944	100.00%	-
2010	526,221	526,221	100.00%	-
2011	500,274	500,274	100.00%	-
2012	506,124	506,124	100.00%	-
2013	520,441	520,441	100.00%	-
2014	524,036	524,036	100.00%	-

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

Exhibit J-9

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
UNAUDITED

Borough of Surf City

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	655,366	655,366	100.00%	-
2006	645,033	645,033	100.00%	-
2007	634,829	634,829	100.00%	-
2008	653,984	653,984	100.00%	-
2009	679,687	679,687	100.00%	-
2010	678,493	678,493	100.00%	-
2011	655,811	655,811	100.00%	-
2012	668,987	668,987	100.00%	-
2013	670,587	670,587	100.00%	-
2014	693,604	693,604	100.00%	-

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

Exhibit J-10

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED

	Governmental Activities				Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income a	Per Capita a
2005	The District had no general bonded debt.							
2006	The District had no general bonded debt.							
2007	The District had no general bonded debt.							
2008	The District had no general bonded debt.							
2009	The District had no general bonded debt.							
2010	The District had no general bonded debt.							
2011	The District had no general bonded debt.							
2012	The District had no general bonded debt.							
2013	The District had no general bonded debt.							
2014	The District had no general bonded debt.							

Exhibit J-11

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value a of Property	Per Capita b
2005	The District had no general bonded debt.				
2006	The District had no general bonded debt.				
2007	The District had no general bonded debt.				
2008	The District had no general bonded debt.				
2009	The District had no general bonded debt.				
2010	The District had no general bonded debt.				
2011	The District had no general bonded debt.				
2012	The District had no general bonded debt.				
2013	The District had no general bonded debt.				
2014	The District had no general bonded debt.				

Exhibit J-12

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
UNAUDITED

Borough of Barnegat Light

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of Barnegat Light	$ -	0.00%	$ -
County of Ocean	-	0.00%	-
Subtotal, overlapping debt			$ -
Long Beach Island School District Debt			-
Total direct and overlapping debt			$ -

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

Exhibit J-12

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
UNAUDITED

Borough of Harvey Cedars

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of Harvey Cedars	$ -	0.00%	$ -
County of Ocean	-	0.00%	-
Subtotal, overlapping debt			-
Long Beach Island School District Debt			-
Total direct and overlapping debt			$ -

Board of Taxation. Debt outstanding data provided by each governmental unit.

Exhibit J-12

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
UNAUDITED

Long Beach Township

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Township of Long Beach	$ -	0.00%	$ -
County of Ocean	-	0.00%	-
Subtotal, overlapping debt			-
Long Beach Island School District Debt			-
Total direct and overlapping debt			$ -

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

Exhibit J-12

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
UNAUDITED

Borough of Ship Bottom

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of Ship Bottom	$ -	0.00%	$ -
County of Ocean	-	0.00%	-
Subtotal, overlapping debt			-
Long Beach Island School District Debt			-
Total direct and overlapping debt			$ -

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
UNAUDITED

Borough of Surf City

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of Surf City	$ -	0.00%	$ -
County of Ocean	-	0.00%	-
Subtotal, overlapping debt			-
Long Beach Island School District Debt			-
Total direct and overlapping debt			$ -

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

Exhibit J-13

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2013

		Equalized valuation basis
	2014	$ -
	2013	-
	2012	-
	[A]	$ -
Average equalized valuation of taxable property	**[A/3]**	$ -
1/2 % of	**[B]**	-
Total Net Debt Applicable to Limit	**[C]**	-
Legal debt margin	**[B-C]**	$ -

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	$ 258,835,359	$ 263,051,655	$ 382,040,902							
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 258,835,359	$ 263,051,655	$ 382,040,902	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Source: Equalized valuation bases were obtained from the Ocean County Board of Taxation. Percentage limit is for K-6 district.

Exhibit J-14

LONG BEACH ISLAND CONSOLIDATED 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
2005	6,792	224,190,336	33,008	3.85%
2006	7,614	252,751,526	34,509	4.40%
2007	7,743	-	-	5.50%
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-

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

Exhibit J-15

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago
UNAUDITED

	2013			2004		
Employer	**Employees**	**Rank [Optional]**	**Percentage of Total Municipal Employment**	**Employees**	**Rank [Optional]**	**Percentage of Total Municipal Employment**
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
	-		0.00%	-		0.00%

NOTE: Data was not available from local municipalities and Chambers of Commerce.

Exhibit J-16

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
UNAUDITED

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction										
Regular	26	26	26	24	22	18	22	18	18	19
Special education	4	4	4	4	3	3	2	3	3	4
Other special education	2	2	2	1	1	1		1	1	1
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	5	3	4	1	2	2	2	2	3	4
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	8	8	8	1	8	6	5	6	6	5
General administration	2	2	2	1	2	1	1	1	1	2
School administrative services	3	3	3	1	3	1	1	1	1	1
Other administrative services	-	-	-	-	-	-	1	1	1	1
Central services	3	2	2	1	2	2	2	2	3	3
Administrative Information Technology	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	7	7	5	6	6	6	6	6	5	5
Pupil transportation	5	5	6	8	7	6	6	6	6	7
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	4	4	4	5	5	5	5	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	69	66	66	53	61	52	53	47	48	51

Source: District Personnel Records

Exhibit J-17

LONG BEACH ISLAND CONSOLIDATED 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 Elementary	Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	292	5,878,965	20,133	2.93%	38	8:1	291.8	276.0	-2.41%	94.59%
2006	271	5,644,713	20,829	3.46%	39	7:1	270.6	255.1	-7.27%	94.27%
2007	252	5,871,727	23,301	11.86%	32	8:1	252.2	237.0	-6.80%	93.97%
2008	262	5,871,727	22,411	-3.82%	32	8:1	254.1	239.8	0.75%	94.37%
2009	240	6,106,603	25,444	13.53%	34	7:1	227.0	213.0	-10.67%	93.83%
2010	239	6,111,801	25,572	0.50%	36	7:1	227.3	214.8	0.13%	94.50%
2011	236	5,631,108	23,861	-6.69%	33	7:1	238.1	224.7	4.75%	94.37%
2012	242	5,762,905	23,814	-0.20%	32	7:1	237.0	224.9	-0.46%	94.89%
2013	233	6,000,029	25,751	8.14%	32	7:1	246.8	232.8	4.14%	94.33%
2014	230	6,398,200	27,818	8.03%	31	7:1	229.9	217.6	-6.85%	94.65%

Sources: District records

Note: Enrollment based on annual October district count.

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

Exhibit J-18

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
UNAUDITED

District Building	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Elementary										
Ethel Jacobsen School (1968)										
Square Feet	33,135	33,135	33,135	33,135	33,135	33,135	33,135	33,135	33,135	33,135
Capacity (students)	250	250	250	250	250	250	250	250	250	250
Enrollment	134	132	125	125	125	125	125	125	125	107
Long Beach Island Grade School (1956)										
Square Feet	48,165	48,165	48,165	48,165	48,165	48,165	48,165	48,165	48,165	48,165
Capacity (students)	256	256	256	256	256	256	256	256	256	256
Enrollment	152	134	127	127	127	127	127	127	127	123
Long Beach Island Bus Garage (1956)										
Square Feet	7,216	7,216	7,216	7,216	7,216	7,216	7,216	7,216	7,216	7,216

Number of Schools at June 30, 2010
Elementary = 2

Source: District Office

Exhibit J-19

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
UNAUDITED

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

* School Facilities Project # (s)	Ethel Jacobson School	Long Beach Island Grade School	Other Facilities - Bus Garage	Total
2005	88,498	119,001	8,350	215,849
2006	63,188	83,718	7,212	154,118
2007	39,872	53,177	4,200	97,249
2008	118,469	166,389	4,090	288,948
2009	48,257	66,386	3,058	117,701
2010	32,315	43,766	2,737	78,818
2011	28,427	38,032	2,875	69,334
2012	17,263	22,760	2,082	42,105
2013	39,858	53,657	3,700	97,215
2014	38,533	86,411	3,500	128,444
Total School Facilities	$ 653,996	$ 910,263	$ 64,118	$ 1,628,377

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

Exhibit J-20

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Insurance Schedule
June 30, 2014

	Coverage	Deductible
B&G, Property-Auto Phy. Dam., and Boiler & Machinery	$250,000 per occurrence	
Comprehensive General Liability & Auto Liability	$10,000,000 per occ./mem. $2,500,000 FDLL $5,000 Med. Pay (GL)	
School Leaders Professional Liability	$5,000,000 per claim/agg. $1,000,000 defense cost	
Workers' Compensation	Statutory benefits as required by State of NJ. $5,000,000 per occ./agg.	
Flood Insurance	$500,000 per building $500,000 contents per bldg.	$2,000 $2,000

Source: District records

SINGLE AUDIT SECTION

JUMP, PERRY AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS
12 LEXINGTON AVENUE · TOMS RIVER, NJ · 08753 · PHONE (732) 240-7377 · FAX (732) 505-8307 · WEBSITE: jumpcpa.com

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
Long Beach Island Consolidated School District
County Of Ocean
Surf City, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Board of Education of the Long Beach Island Consolidated School District in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board of Education of the Long Beach Island Consolidated School District basic financial statements, and have issued our report thereon dated November 23, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Education of the Long Beach Island Consolidated School District in the County of Ocean, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the Long Beach Island Consolidated School District in the County of Ocean, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Long Beach Island Consolidated 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Long Beach Island Consolidated 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

JUMP, PERRY & COMPANY, L.L.P.
Toms River, NJ

Kathy Perry

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

November 23, 2014

JUMP, PERRY AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04

Honorable President and
Members of the Board of Education
Long Beach Island Consolidated School District
County of Ocean
Surf City, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited Long Beach Island Consolidated School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the New Jersey State OMB Circular 04-04 that could have a direct and material effect on each of Long Beach Island Consolidated School District's major federal and state programs for the year ended June 30, 2014. Long Beach Island Consolidated School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Long Beach Island Consolidated School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 and the New Jersey State OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Long Beach Island Consolidated School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, Long Beach Island Consolidated School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Other Matters

Report on Internal Control Over Compliance

Management of Long Beach Island Consolidated School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Long Beach Island Consolidated School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Long Beach Island Consolidated School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey State OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

JUMP, PERRY & COMPANY, L.L.P.
Toms River, NJ

Kathy Perry

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

November 23, 2014

Exhibit K-3

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, Schedule A

for the Fiscal Year ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Accounts Receivable at June 30, 2014	Deferred Revenue at June 30, 2014	Due to Grantor at June 30, 2014
U.S. Department of Homeland Security											
Federal Emergency Management Agency											
FEMA	83.516	7/1/13-6/30/14	$ 16,116	$ -	$ -	$ 16,116	$ (16,116)	$ -	$ -	$ -	$ -
Total General Fund				-	-	16,116	(16,116)	-	-	-	-
U.S. Department of Education											
Passed-through State Department of Education:											
I.D.E.A. Part B Preschool	84.027	7/1/13-6/30/14	4,146	-	-	4,146	(4,146)				
I.D.E.A. Part B Preschool	84.027	7/1/12-6/30/13	4,284	(4,284)	-	4,284	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	7/1/13-6/30/14	68,802	-		32,961	(68,802)		(35,841)		
I.D.E.A. Part B Basic Regular	84.027	7/1/12-6/30/13	80,248	(80,248)		80,248	-		-		
NCLB Title IA	84.009	7/1/13-6/30/14	26,402	-	-	26,402	(26,402)		-		
NCLB Title IA	84.009	7/1/12-6/30/13	34,483	(34,483)	-	34,483	-	-	-	-	-
Title II, Part A	84.168	7/1/13-6/30/14	18,182	-		18,182	(18,182)		-		
Title II, Part A	84.168	7/1/12-6/30/13	17,549	(17,549)	-	17,549	-	-	-	-	-
Total Special Education				(136,564)	-	214,109	(117,532)	-	(35,841)	-	-
Total Expenditures of Federal Awards				$ (136,564)	$ -	$ 230,225	$ (133,648)	$ -	$ (35,841)	$ -	$ -

See accompanying notes to schedules of expenditures.

Schedule K-4

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

Schedule of Expenditures of State Awards, Schedule B

for the Fiscal Year ended June 30, 2014

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013 Deferred Revenue (Accounts Receivable)	Balance at June 30, 2013 Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Accounts Receivable at June 30, 2014	Deferred Revenue at June 30, 2014	Due to Grantor at June 30, 2014	Memo Budgetary Receivable	Memo Cumulative Total Expenditures
State Department of Education														
Transportation Cat. Aid	13-495-034-5120-014	7/1/13-6/30/14	$ 68,851	$ -	$ -	$ -	$ 68,851	$ (68,851)	$ -	$ -	$ -	$ -	$ -	$ 68,851
Special Education Aid	13-495-034-5120-011	7/1/13-6/30/14	119,540	-	-	-	119,540	(119,540)	-	-	-	-	-	119,540
Extraordinary Aid	14-495-034-5120-044	7/1/13-6/30/14	10,831	-	-	-	-	(10,831)	-	(10,831)	-	-	-	10,831
Extraordinary Aid	13-495-034-5120-044	7/1/12-6/30/13	2,572	(2,572)	-	-	2,572	-	-	-	-	-	-	-
Non-public transportation aid	13-495-034-5120-044	7/1/12-6/30/13	522	(522)			522	-	-	-	-	-	-	-
Security Aid	13-495-034-5120-084	7/1/13-6/30/14	23,138	-	-	-	23,138	(23,138)	-	-	-	-	-	23,138
School Choice Aid	13-495-034-5120-068	7/1/12-6/30/13	377,177	(58,386)	-	-	58,386	-	-	-	-	-	-	-
School Choice Aid	14-495-034-5120-068	7/1/13-6/30/14	445,284	-	-	-	380,495	(445,284)	-	-	-	-	64,789	445,284
On-behalf TPAF Pension	14-495-034-5095-002	7/1/13-6/30/14	291,205	-	-	-	291,205	(291,205)	-	-	-	-	-	291,205
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13-6/30/14	173,519	-	-	-	164,568	(173,519)	-	(8,951)	-	-	-	173,519
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12-6/30/13	9,071	(9,071)	-	-	9,071	-	-	-	-	-	-	-
Total State Department of Education				$ (70,551)	$ -	$ -	$ 1,118,348	$ (1,132,368)	$ -	$ (19,782)	$ -	$ -	$ 64,789	$ 1,132,368

See accompanying notes to schedules of expenditures.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

Notes to the Schedules of Awards and Financial Assistance

June 30, 2014

1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Board of Education, Long Beach Island Consolidated 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 General Purpose Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($6,403) for the general fund and ($20,374) 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:

	Federal	State	Local	Total
General fund	$16,116	1,125,965	5,743,546	$6,885,627
Special revenue fund	97,158	-	-	97,158
Debt service fund	-	-	-	-
Food service fund	-	-	-	-
Total awards and financial assistance	$ 113,274	1,125,965	5,743,546	$6,982,785

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

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2014.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

June 30, 2014

Section I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes ___X___ no

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

Noncompliance material to general-purpose financial statements noted? _____ yes ___X___ no

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? ___X___ yes _____ no

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

Internal Control over major programs:

1) Material weakness(es) identified? _____ yes ___X___ no

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04? _____ yes ___X___ no

Identification of major programs:

State Aid-Public Cluster

495-034-5120-068	School Choice Aid
495-034-5120-084	Security Aid
495-034-5120-068	Special Education Categorical Aid

Section II – Financial Statement Findings

No matters were reported for the period ended June 30, 2014.

Section III – State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2014.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings
June 30, 2014

There were no prior year findings for the period ended June 30, 2013.