

SCHOOL DISTRICT

LITTLE SILVER

OF Monmouth COUNTY

LITTLE SILVER, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2016

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Little Silver School District
of Monmouth County

Little Silver, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

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

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INTRODUCTORY SECTION



LITTLE SILVER PUBLIC SCHOOLS

124 Willow Drive, Little Silver, NJ 07739

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Fax: 732-741-3644

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

Dear Board Members:

The comprehensive annual financial report of the Little Silver School District for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Little Silver Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The programs are provided at two locations: Markham Place Middle School on Markham Place and Point Road Elementary School on Little Silver Point Road. There are 49 employees at the middle school, 70 at the elementary school and 16 in district positions. School enrollment during 2015-2016 was 370 middle, 475 elementary school, which is 9 students below the 14-15 student enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2015-16	845	(1.05%)
2014-15	854	(2.06%)
2013-14	872	3.07%
2012-13	846	3.55%
2011-12	817	(1.21%)
2010-11	827	1.97%
2009-10	811	0.50%
2008-09	807	0.62%
2007-08	802	0.00%
2006-07	802	0.00%

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

The school system is highly valued by local residents. Students in Little Silver attain very high scores on performance assessments, placing the school system year after year in the top five percent in the state academically. 59% of the professional staff holds advanced academic degrees, and there is a great deal of emphasis on continuing professional development.

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

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

3) MAJOR INITIATIVES: The Little Silver students continue to score above the state and national averages on standardized tests. The following is a summary of our 2015-2016 passing NJASK Science Scores for Grade 4 and 8:

	<u>Science</u>
*Grade 4	98.9%
*Grade 8	93.7%

The recent release of the 2016 PARCC scores (Partnership for Assessment of Readiness for College and Careers) demonstrated that Little Silver students scored far above State averages across the board in English Language Arts Literacy and Math for students in grade 3 through 8. Further, based on the five levels of performance (1. Did not yet meet expectations; 2. Partially met expectations; 3. Approached expectations; 4. Met expectations; and 5. Exceeded expectations), the vast majority of Little Silver students across the grade levels either met or exceeded expectations.

Many professional development activities were accomplished in the 2015-2016 school year. The district has provided multiple in-service days and training sessions for the staff. Many workshops were also presented during the year including parent workshops. These workshops support the focus on federal and state mandated use of technology as well as the implementation of core curriculum standards and PARCC for both regular and special education. Little Silver Schools is also a member of a number of networks and consortiums, which provide professional development on a shared-cost basis.

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 project 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 purchase encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

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

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

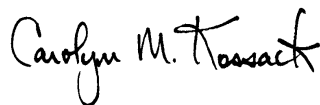
8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the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

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

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

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

Respectfully submitted,

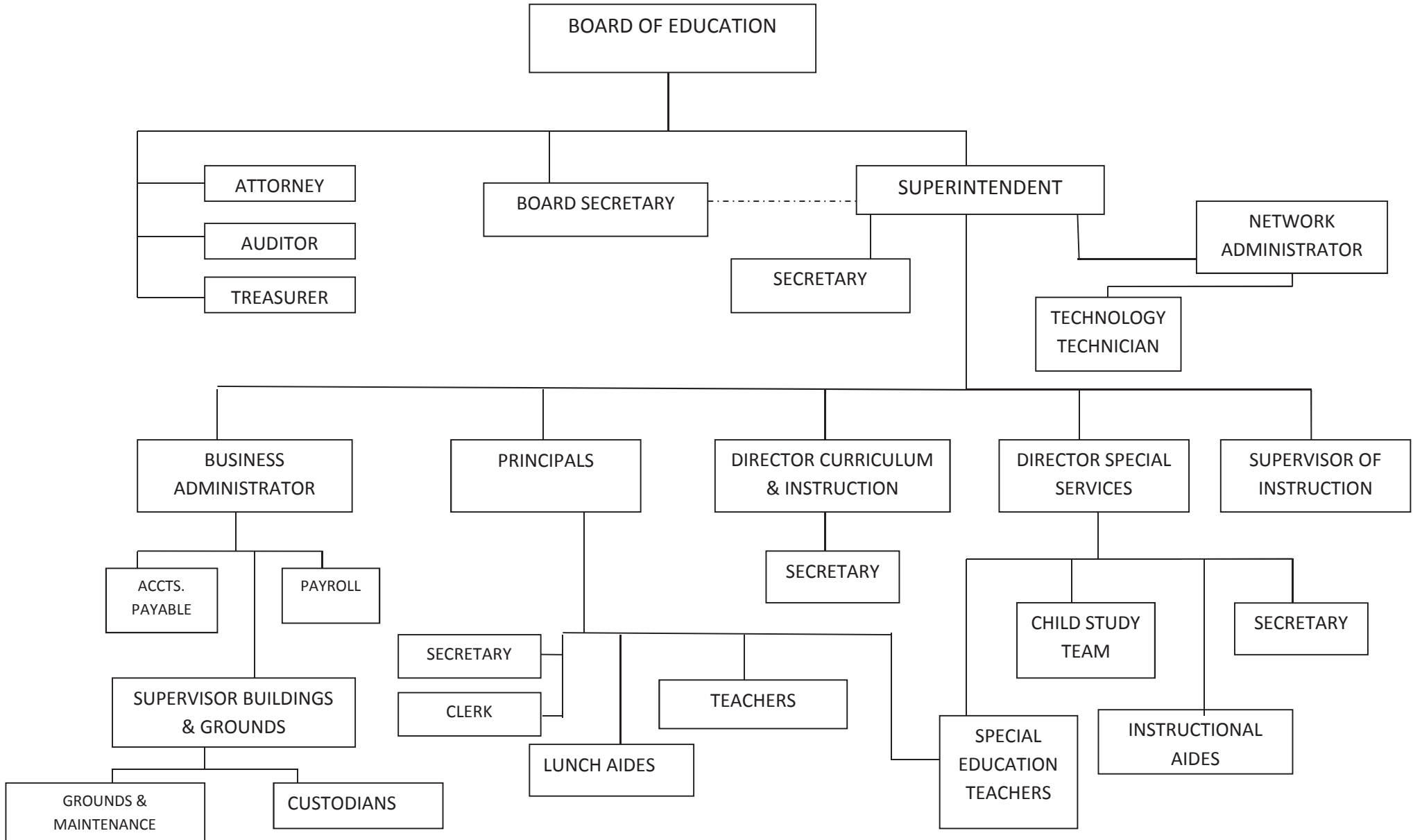


Dr. Carolyn Kossack
Superintendent of Schools



Lindsey Case
School Business Administrator/
Board Secretary

LITTLE SILVER BOARD OF EDUCATION ORGANIZATION CHART



Little Silver School District
Little Silver, New Jersey

Roster of Officials
June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Christian Smith, President,	2018
Andrew Walsh, Vice President	2016
Meggan Bateman	2017
Stephanie Brannagan	2017
Meghan Clark	2016
Michael Grant	2017
Lorre Weisman	2018

Other Officials

Dr. Carolyn M. Kossack, Superintendent
Lindsey Case, Board Secretary/School Business Administrator
Sean Boyce, Treasurer
Bruce Padula, Attorney

Little Silver School District
Consultants and Advisors

Attorney

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

Audit Firm

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

Official Depositories

Investors Savings Bank
20 White Street
Red Bank, New Jersey 07701

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Little Silver School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Little Silver School District in the County of Monmouth, State of New Jersey as of June 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Other Information (continued)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2016 on our consideration of the Little Silver School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Little Silver School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted

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



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

October 18, 2016
Toms River, NJ

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Little Silver School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

The discussion and analysis of Little Silver School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

In total, net position totaled \$13,645,648, which represents a (0.47) percent decrease from 2015.

General revenues accounted for \$13,332,556 in revenue or 90.12 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,461,574 or 9.88 percent of total revenues of \$14,794,130.

Total assets increased by \$290,538 as cash and cash equivalents increased by \$200,903, receivables increased by \$ 16,092 and capital assets decreased by \$507,533.

The School Board had \$14,859,042 in expenses; only \$1,461,574 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$13,332,556 were adequate to provide for these programs.

Among major funds, the General Fund had \$13,758,311 in revenues and \$13,587,650 in expenditures and transfers. The General Fund's balance increased \$170,661 over 2015. The General Fund's balance is \$1,660,588.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the School Board to provide programs and activities viewing the School Board as a whole and reports the culmination of all financial transactions. The report answers the question "How Did We Do Financially During Fiscal Year 2016?" The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins on page 23. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

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

Enterprise Fund

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

The School Board as a Whole

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

Table 1 provides a summary comparison of the School Board's net position for 2016 and 2015.

Table 1

Net Position as of June 30, 2016 and 2015

	2016	2015
Assets:		
Cash and Cash Equivalents	\$ 1,574,887	\$ 1,373,984
Receivables, Net	273,188	257,096
Other Assets	-	-
Capital Assets, Net	<u>19,663,218</u>	<u>20,170,751</u>
Total Assets	<u>21,511,293</u>	<u>21,801,831</u>
Deferred Outflow of Resources:		
Deferred outflows - PERS	<u>596,620</u>	<u>195,247</u>
Liabilities:		
Accounts Payable	33,959	2,855
Unearned Revenue	1,001	14,514
Due to other governments	714	-
Noncurrent Liabilities:		
Due Within One Year	847,898	825,741
Due Beyond One Year	<u>7,389,968</u>	<u>7,345,205</u>
Total Liabilities	<u>8,273,540</u>	<u>8,188,315</u>
Deferred Inflow of Resources:		
Deferred inflows - PERS	<u>188,725</u>	<u>98,203</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	15,098,218	14,780,010
Restricted for:		
Capital Projects	637,769	176,931
Debt Service	45,849	8,750
General Fund	799,170	1,177,316
Unrestricted	<u>(2,935,358)</u>	<u>(2,432,447)</u>
Total Net Position	<u>\$13,645,648</u>	<u>\$13,710,560</u>

The School Board's combined net position were \$13,645,648 on June 30, 2016. This is a change of (0.47)% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years 2016 and 2015.

Table 2

Changes in Net Position

	2016	2015
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 421,671	\$ 289,740
Operating Grants and Contributions	1,039,903	278,942
Capital Grants and Contributions	-	-
General Revenues:		
Property Taxes	12,564,290	12,189,002
Grants and Entitlements	565,808	1,864,229
Other	<u>202,458</u>	<u>49,143</u>
 Total Revenues	 <u>14,794,130</u>	 <u>14,671,056</u>
 <u>Program Expenses</u>		
Instruction	6,173,323	5,797,419
Support Services:		
Pupils and Instructional Staff	1,697,437	2,227,929
General Administration, School Administration		
Business Operations and Maintenance of		
Facilities	6,428,549	5,644,105
Pupil Transportation	222,181	264,467
 Food Service	 197,577	 225,070
Interest on Long-Term Debt	<u>139,975</u>	<u>191,820</u>
 Total Expenses	 <u>14,859,042</u>	 <u>14,350,810</u>
 (Decrease)/Increase in Net Position	 \$ <u><u>(64,912)</u></u>	 \$ <u><u>320,246</u></u>

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

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

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

Expenses for Fiscal Year 2016

Business-Type Activities

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

Total Enterprise Fund expenses exceeded revenues by \$57,348.

Charges for services represent \$254,828 of revenue. This represents the amount paid by patrons for daily food service and catering.

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

Governmental Activities

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

Table 3

Governmental Activities

	2016		2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 6,173,323	\$ 6,006,480	\$ 5,797,419	\$ 5,581,680
Support Services:				
Pupils and Instructional Staff	1,697,437	1,697,437	2,227,929	2,065,276
General Administration, School Administration, Business Operation and Maintenance of Facilities	6,428,549	5,388,646	5,644,105	5,644,105
Pupil Transportation	222,181	222,181	264,467	264,467
Interest and Fiscal Charges	139,975	139,975	191,820	191,820
Total Expenses	\$14,661,465	\$13,454,719	\$14,125,740	\$13,747,348

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

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

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

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

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

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

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

Other includes special schools and unallocated depreciation.

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2016, it reported a combined fund balance of \$13,645,648, which is a decrease of \$64,912. The Reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2016.

<u>Revenue</u>	<u>2015-16 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014-15</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$12,933,494	88.96 %	\$ 744,492	271.12 %
State Sources	1,364,856	9.39	(499,373)	(181.86)
Federal Sources	<u>240,855</u>	<u>1.66</u>	<u>29,466</u>	<u>10.73</u>
Total	<u>\$14,539,205</u>	<u>100.01 %</u>	<u>\$ 274,585</u>	<u>99.99 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2016.

<u>Expenditures</u>	<u>2015-16 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014-15</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 6,173,323	42.88 %	\$ 375,874	(78.35) %
Undistributed				
Expenditures	7,220,771	50.15	(265,460)	55.34
Capital Outlay	48,794	0.34	(517,021)	107.78
Debt Service:				
Principal	815,000	5.66	40,000	(8.34)
Interest	<u>139,975</u>	<u>0.97</u>	<u>(113,100)</u>	<u>23.57</u>
Total	<u>\$14,397,863</u>	<u>100.00 %</u>	<u>\$ (479,707)</u>	<u>100.00 %</u>

General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$650,442 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$186,179 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

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

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

The excesses will be carried forward into the beginning fund balance from the 2015-2016 fiscal year and will be used to reduce the local tax levy for the 2016-2017 fiscal year.

Capital Assets

At the end of the fiscal year 2016, the School Board had \$19,663,218 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2016 and 2015

	2016	2015
Land	\$ 5,297,900	\$ 5,297,900
Construction in Progress	5,447	-
Building and Improvements	14,031,776	14,470,465
Machinery and Equipment	<u>328,095</u>	<u>402,386</u>
Total	<u>\$19,663,218</u>	<u>\$20,170,751</u>

During the current fiscal year, \$5,447 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Economic Factors and Next Year's Budget

For the 2015-2016 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 11.32% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 88.68% of total revenue is from local tax levy.

The \$(2,935,358) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2015-2016 budget was adopted in October 23, 2015 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Township of Little Silver for increased aid.

The School Board anticipates a slight increase in enrollment for the 2016-2017 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

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

BASIC FINANCIAL STATEMENTS

LITTLE SILVER SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,552,276	\$ 22,611	\$ 1,574,887
Receivables, net	273,188	-	273,188
Capital assets, non-depreciable	5,303,347	-	5,303,347
Capital assets, net	<u>14,359,871</u>	<u>-</u>	<u>14,359,871</u>
Total assets	<u>21,488,682</u>	<u>22,611</u>	<u>21,511,293</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	<u>596,620</u>	<u>-</u>	<u>596,620</u>
LIABILITIES			
Accounts payable	33,959	-	33,959
Unearned revenue	1,001	-	1,001
Intergovernmental payable	714	-	714
Noncurrent liabilities:			
Due within one year	847,898	-	847,898
Due beyond one year	<u>7,389,968</u>	<u>-</u>	<u>7,389,968</u>
Total liabilities	<u>8,273,540</u>	<u>-</u>	<u>8,273,540</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	<u>188,725</u>	<u>-</u>	<u>188,725</u>
NET POSITION			
Investment in capital assets, net of related debt	15,098,218	-	15,098,218
Restricted for:			
Debt service	45,849	-	45,849
Capital projects	637,769	-	637,769
Other purposes	799,170	-	799,170
Unrestricted	<u>(2,957,969)</u>	<u>22,611</u>	<u>(2,935,358)</u>
Total net position	<u>\$ 13,623,037</u>	<u>\$ 22,611</u>	<u>\$ 13,645,648</u>

See accompanying notes to financial statements.

LITTLE SILVER SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 5,110,799	\$ 166,843	\$ -	\$ -	\$ (4,943,956)	\$ -	\$ (4,943,956)
Special education instruction	831,675	-	-	-	(831,675)	-	(831,675)
Other special instruction	230,849	-	-	-	(230,849)	-	(230,849)
Support services and undistributed costs:							
Instruction	104,825	-	-	-	(104,825)	-	(104,825)
Health services	152,940	-	-	-	(152,940)	-	(152,940)
Student and instr related services	1,233,095	-	-	-	(1,233,095)	-	(1,233,095)
Educational media services	164,412	-	-	-	(164,412)	-	(164,412)
Instruction staff training	36,933	-	-	-	(36,933)	-	(36,933)
General administrative services	373,532	-	-	-	(373,532)	-	(373,532)
School administrative services	485,894	-	-	-	(485,894)	-	(485,894)
Information technology services	275,017	-	-	-	(275,017)	-	(275,017)
Allowed maintenance for school facilitie	157,996	-	-	-	(157,996)	-	(157,996)
Other operation & maintenance of plant	1,406,948	-	-	-	(1,406,948)	-	(1,406,948)
Student transportation services	222,181	-	-	-	(222,181)	-	(222,181)
Unallocated employee benefits	2,689,259	-	-	-	(2,689,259)	-	(2,689,259)
Non-budgeted expenditures	1,039,903	-	1,039,903	-	-	-	-
Special schools	5,232	-	-	-	(5,232)	-	(5,232)
Interest expense	139,975	-	-	-	(139,975)	-	(139,975)
Total governmental activities	<u>14,661,465</u>	<u>166,843</u>	<u>1,039,903</u>	<u>-</u>	<u>(13,454,719)</u>	<u>-</u>	<u>(13,454,719)</u>
Business-type activities:							
Food service	197,577	254,828	-	-	-	57,251	57,251
Total business-type activities	<u>197,577</u>	<u>254,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,251</u>	<u>57,251</u>
Total primary government	<u>\$ 14,859,042</u>	<u>\$ 421,671</u>	<u>\$ 1,039,903</u>	<u>\$ -</u>	<u>\$ (13,454,719)</u>	<u>\$ 57,251</u>	<u>\$ (13,397,468)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					11,572,216	-	11,572,216
Taxes levied for debt service					992,074	-	992,074
Federal and state aid - not restricted					324,953	-	324,953
Federal and state aid -restricted					240,855	-	240,855
Miscellaneous income					196,519	-	196,519
Investment earnings					5,842	97	5,939
Total general revenues, special items, extraordinary items and transfers					<u>13,332,459</u>	<u>97</u>	<u>13,332,556</u>
Change in net position					(122,260)	57,348	(64,912)
Net position-beginning					13,745,297	(34,737)	13,710,560
Net position-ending					<u>\$ 13,623,037</u>	<u>\$ 22,611</u>	<u>\$ 13,645,648</u>

See accompanying notes to financial statements.

LITTLE SILVER SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,592,959	\$ (166,369)	\$ 70,997	\$ 54,689	\$ 1,552,276
Interfund receivables	8,840	-	39,270	-	48,110
Other receivable	-	1,653	-	-	1,653
Receivables from other governments	105,818	165,717	-	-	271,535
Total assets	<u>\$ 1,707,617</u>	<u>\$ 1,001</u>	<u>\$ 110,267</u>	<u>\$ 54,689</u>	<u>\$ 1,873,574</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	33,959	-	-	-	33,959
Interfund payable	39,270	-	-	8,840	48,110
Intergovernment payable	-	-	714	-	714
Unearned revenue	-	1,001	-	-	1,001
Total liabilities	<u>73,229</u>	<u>1,001</u>	<u>714</u>	<u>8,840</u>	<u>83,784</u>
Fund Balances:					
Reserved for:					
Other purposes	-	-	-	-	-
Excess surplus prior year - designated for subsequent years expenditures	296,584	-	-	-	296,584
Emergency reserve	104	-	-	-	104
Maintenance reserve	190,000	-	-	-	190,000
Capital reserve account	528,216	-	-	-	528,216
Excess surplus	222,138	-	-	-	222,138
Committed to:					
Other purposes	28,465	-	-	-	28,465
Capital projects	-	-	190,000	-	190,000
Assigned to:					
Designated for subsequent year's expended by the board of education	61,879	-	-	-	61,879
Unassigned to:					
General fund	307,002	-	-	-	307,002
Capital projects	-	-	(80,447)	-	(80,447)
Debt service fund	-	-	-	45,849	45,849
Total Fund balances	<u>1,634,388</u>	<u>-</u>	<u>109,553</u>	<u>45,849</u>	<u>1,789,790</u>
Total liabilities and fund balances	<u>\$ 1,707,617</u>	<u>\$ 1,001</u>	<u>\$ 110,267</u>	<u>\$ 54,689</u>	
Amounts reported for government activities in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$26,158,709 and the accumulated depreciation is \$6,495,491.					
					19,663,218
Deferred outflows related to the PERS pension plan					596,620
Deferred inflows related to the PERS pension plan					(188,725)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					<u>(8,237,866)</u>
Net position of governmental activities					<u>\$ 13,623,037</u>

LITTLE SILVER SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 11,572,216	\$ -	\$ -	\$ 992,074	\$ 12,564,290
Tuition charges	166,843	-	-	-	166,843
Transportation fees	-	-	-	-	-
Interest income	4,926	-	-	-	4,926
Interest earned - capital reserve	916	-	-	-	916
Miscellaneous	96,062	100,457	-	-	196,519
Total Local Sources	<u>11,840,963</u>	<u>100,457</u>	<u>-</u>	<u>992,074</u>	<u>12,933,494</u>
State sources	1,435,629	-	(70,773)	-	1,364,856
Federal sources	-	240,855	-	-	240,855
Total revenues	<u>\$ 13,276,592</u>	<u>\$ 341,312</u>	<u>\$ (70,773)</u>	<u>\$ 992,074</u>	<u>\$ 14,539,205</u>
EXPENDITURES					
Current:					
Regular instruction	\$ 4,801,421	\$ 309,378	\$ -	\$ -	\$ 5,110,799
Special education instruction	831,675	-	-	-	831,675
Other special instruction	230,849	-	-	-	230,849
Support services and undistributed costs:					
Instruction	104,825	-	-	-	104,825
Health services	152,940	-	-	-	152,940
Student and instruction related services	1,201,161	31,934	-	-	1,233,095
Educational media services	164,412	-	-	-	164,412
Instruction staff training	36,933	-	-	-	36,933
General administrative services	373,532	-	-	-	373,532
School administrative services	485,894	-	-	-	485,894
Information technology	275,017	-	-	-	275,017
Allowed maintenance for school facilities	157,996	-	-	-	157,996
Other operation & maintenance of plant	861,362	-	-	-	861,362
Student transportation services	222,181	-	-	-	222,181
Unallocated employee benefits	2,107,449	-	-	-	2,107,449
Non-budgeted expenditures	1,039,903	-	-	-	1,039,903
Special schools	5,232	-	-	-	5,232
Debt service:					
Principal	-	-	-	815,000	815,000
Interest and other charges	-	-	-	139,975	139,975
Capital outlay	43,347	-	5,447	-	48,794
Total expenditures	<u>13,096,129</u>	<u>341,312</u>	<u>5,447</u>	<u>954,975</u>	<u>14,397,863</u>
Excess (Deficiency) of revenues over expenditures	<u>180,463</u>	<u>-</u>	<u>(76,220)</u>	<u>37,099</u>	<u>141,342</u>
OTHER FINANCING SOURCES (USES)					
Transfer capital reserve to capital projects	(115,000)	-	115,000	-	-
Transfer capital projects to capital reserve	106,158	-	(106,158)	-	-
Transfer to cover deficit food service	-	-	-	-	-
Total other financing sources and (uses)	<u>(8,842)</u>	<u>-</u>	<u>8,842</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of revenues over expenditures and other financings sources and (uses)	<u>171,621</u>	<u>-</u>	<u>(67,378)</u>	<u>37,099</u>	<u>141,342</u>
Fund balance—July 1	1,462,767	-	176,931	8,750	1,648,448
Fund balance—June 30	<u>\$ 1,634,388</u>	<u>\$ -</u>	<u>\$ 109,553</u>	<u>\$ 45,849</u>	<u>\$ 1,789,790</u>

LITTLE SILVER SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2016

Total net change in fund balances - governmental funds (from B-2)	\$	141,342				
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>						
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>						
	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 10px;">Depreciation expense</td> <td style="text-align: right;">(512,980)</td> </tr> <tr> <td style="padding-right: 10px;">Capital outlays</td> <td style="text-align: right;"><u>5,447</u></td> </tr> </table>	Depreciation expense	(512,980)	Capital outlays	<u>5,447</u>	(507,533)
Depreciation expense	(512,980)					
Capital outlays	<u>5,447</u>					
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		815,000				
<p>Payment of lease is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		10,741				
<p>In the statement of activities, certain operating expenses such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported when paid.</p>		(24,243)				
<p>In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey</p>		<u>(557,567)</u>				
Change in net position of governmental activities	\$	<u>(122,260)</u>				

LITTLE SILVER SCHOOL DISTRICT
 Statement of Net Position
 Proprietary Funds
 June 30, 2016

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 22,611
Total current assets	<u>22,611</u>
Total assets	<u>\$ 22,611</u>
NET POSITION	
Unrestricted	\$ 22,611
Total net position	<u>\$ 22,611</u>

LITTLE SILVER SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	<u>Enterprise Fund</u>
Operating revenues:	
Sales	\$ 254,828
Total operating revenue	<u>254,828</u>
Operating expenses:	
Cost of sales	106,629
Cost of supplies	-
Other purchased services	90,948
Total operating expenses	<u>197,577</u>
Operating (loss)/profit	57,251
Non-operating revenues:	
Interest revenue	97
Total non-operating revenues	<u>97</u>
Change in net position	57,348
Total net position-beginning	<u>(34,737)</u>
Total net position-ending	<u>\$ 22,611</u>

LITTLE SILVER SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year ended June 30, 2016

	Enterprise Fund
Cash Flows from Operating Activities:	
Sales to customers	\$ 254,828
Payments to suppliers	(197,577)
Net cash provided by operating activities	57,251
Cash Flows from Investing Activities	
Interest	97
Net cash provided by investing activities	97
Net increase in cash and cash equivalents	57,348
Cash and cash equivalents July 1	(34,737)
Cash and cash equivalents June 30	22,611
Cash flows from operating activities:	
Operating profit	57,251
Net cash provided by operating activities	\$ 57,251

LITTLE SILVER SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Payroll Agency	Flexible Spending Account	Student Activities	Unemployment Compensation Trust
ASSETS				
Cash and cash equivalents	\$ 72,619	\$ 640	\$ 14,255	\$ 15,573
Total assets	<u>72,619</u>	<u>640</u>	<u>14,255</u>	<u>15,573</u>
LIABILITIES				
Payroll deductions and withholdings	72,619	640	-	-
Due to student groups	-	-	14,255	-
Total liabilities	<u>72,619</u>	<u>640</u>	<u>14,255</u>	<u>-</u>
NET POSITION				
Held in trust for unemployment claims and other purposes	-	-	-	15,573
Total net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,573</u>
Total liabilities and net position	<u>\$ 72,619</u>	<u>\$ 640</u>	<u>\$ 14,255</u>	<u>\$ 15,573</u>

See accompanying notes to financial statements.

LITTLE SILVER SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Unemployment Compensation Trust</u>
<u>ADDITIONS</u>	
Contributions:	\$ 35,372
Investment earnings:	
Interest	15
Total additions	<u>35,387</u>
<u>DEDUCTIONS</u>	
Unemployment claims	<u>24,176</u>
Total deductions	<u>24,176</u>
Change in net position	11,211
Net position—beginning of the year	<u>4,362</u>
Net position—end of the year	<u><u>\$ 15,573</u></u>

See accompanying notes to financial statements.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

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

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

B. Basis of Presentation

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

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

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

Basis of Presentation

The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 11.

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

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

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

Basis of Presentation (Cont'd):

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

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

The District reports the following governmental funds:

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

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

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

Basis of Presentation (Cont'd):

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

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

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

The District reports the following proprietary fund:

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

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

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

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

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

Basis of Accounting:

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

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

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

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.

C. Property Taxes

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

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

D. Budgets/Budgetary Control

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

All budget amendments/transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2016 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.

E. Encumbrances

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

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

F. Cash, Cash Equivalents and Investments

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

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

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

G. Tuition Receivable

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

H. Tuition Payable

Tuition charges for the fiscal years 2015-2016 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

I. Inventories and Prepaid Expenses

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

Inventories in the enterprise funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

J. 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.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

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

K. Capital Assets

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

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

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

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

L. Compensated Absences

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

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

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

M. Unearned/Deferred Revenue

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

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

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. Deferred Outflows/Inflows of Resources

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

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

P. 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 District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

Q. Fund Balance Resources

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

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

R. Revenues – Exchange and Non-exchange Transactions

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

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

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

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

S. 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.

T. Management Estimates

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

2. Cash and Cash Equivalents and Investments

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2016, the carrying amount of the District's deposits was \$1,677,974 and the bank balance was \$1,862,689. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

Pursuant to Government Accounting Standards, the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2016, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

2. Cash and Cash Equivalents and Investments (continued)

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

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

3. Investments

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

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

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year. The District has no deposits invested.

4. Capital Reserve Account

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

4. Capital Reserve Account (continued)

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

The activity of the Capital Reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance	\$	436,142
Add:		
Interest Earned		916
Approved at June 2016 Meeting		100,000
Transfer of Unspent Funds		106,158
Less:		
Transfer to Capital Projects		<u>(115,000)</u>
Ending Balance	\$	<u><u>528,216</u></u>

5. Maintenance Reserve Account

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

5. Maintenance Reserve Account (Continued)

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, 2016.

The activity of the Maintenance Reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Balance, July 1, 2015	\$	80,000
Add:		
Approved at June 2016 Meeting		150,000
Less:		
Budgeted transfer out		<u>(40,000)</u>
Balance, at June 30, 2016	\$	<u><u>190,000</u></u>

6. Emergency Reserve Account

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

The activity of the Emergency Reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Balance July 1, 2015	\$	41,248
Less:		
Budgeted transfer out		<u>(41,144)</u>
Balance, June 30, 2016	\$	<u><u>104</u></u>

7. Receivables

Receivables at June 30, 2016, 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 follow on the next page.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

7. Receivables (Continued)

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$ 105,818	\$ 105,818
Federal Aid	165,717	165,717
Interfunds	48,110	-
Other	<u>1,653</u>	<u>1,653</u>
Gross Receivables	321,298	273,188
Allowance for Uncollectible	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 321,298</u>	<u>\$ 273,188</u>

8. Capital Assets

Capital Assets consisted of the following at June 30, 2016.

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 5,297,900	-	-	\$ 5,297,900
Construction in Progress	<u>-</u>	<u>5,447</u>	<u>-</u>	<u>5,447</u>
Total Capital Assets Not Being Depreciated	<u>5,297,900</u>	<u>5,447</u>	<u>-</u>	<u>5,303,347</u>
Capital Assets Being Depreciated				
Building and Building Improvements	19,741,001	-	-	19,741,001
Machinery and Equipment	<u>1,114,361</u>	<u>-</u>	<u>-</u>	<u>1,114,361</u>
Totals at Historical Cost	<u>20,855,362</u>	<u>-</u>	<u>-</u>	<u>20,855,362</u>
Less Accumulated Depreciation for:				
Site Improvements	-	-	-	-
Building and Building Improvements	(5,270,536)	(438,689)	-	(5,709,225)
Machinery and Equipment	<u>(711,975)</u>	<u>(74,291)</u>	<u>-</u>	<u>(786,266)</u>
Total Accumulated Depreciation	<u>(5,982,511)</u>	<u>(512,980)</u>	<u>-</u>	<u>(6,495,491)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>14,872,851</u>	<u>(512,980)</u>	<u>-</u>	<u>14,359,871</u>
Government Activity Capital Assets, Net	<u>\$ 20,170,751</u>	<u>(507,533)</u>	<u>-</u>	<u>\$ 19,663,218</u>

Depreciation expense was charged to governmental functions as follows:

Operations and maintenance	\$ <u>512,980</u>
Total depreciation expense	\$ <u><u>512,980</u></u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

9. Non-current Liabilities

During the fiscal year ended June 30, 2016 the following changes occurred in the non-current liabilities:

	Balance <u>July 01, 2015</u>	Increase/ <u>(Decrease)</u>	Balance June 30, 2016	Due within <u>one year</u>
Bonds payable	\$ 5,380,000	(815,000)	4,565,000	\$ 720,000
Capital leases	10,741	(10,741)	-	-
Compensated absences payable	205,897	24,243	230,140	-
Pension liability - PERS	<u>2,574,308</u>	<u>868,418</u>	<u>3,442,726</u>	<u>127,898</u>
	<u>\$ 8,170,946</u>	<u>66,920</u>	<u>8,237,866</u>	<u>\$ 847,898</u>

a. Bonds Payable

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

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

Year ended June 30	Principal	Interest	Total
2017	\$ 720,000	\$ 193,550	\$ 913,550
2018	710,000	165,200	875,200
2019	705,000	137,250	842,250
2020	705,000	102,825	807,825
2021	705,000	68,825	773,825
2022-2026	900,000	67,725	967,725
2027-2031	<u>120,000</u>	<u>3,600</u>	<u>123,600</u>
	<u>\$ 4,565,000</u>	<u>\$ 738,975</u>	<u>\$ 5,303,975</u>

b. Bonds Authorized But Not Issued

As of June 30, 2016 the District had no authorized but not issued bonds.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

10. Pension Plans

Description of Plans

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

Teachers' Pension and Annuity Fund ("TPAF")

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

For the year ended June 30, 2016, the District recognized pension expense of \$482,679 and revenue of \$482,679 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.

At June 30, 2016, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.0578886075% of the total plan. The information on the following page was provided from the State of New Jersey June 30, 2015 audit of the TPAF fund and has been adjusted to the District's proportionate share.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

10. Pension Plans (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 184,860	\$ 10,957
Changes of assumptions	4,143,576	-
Net difference between projected and actual earnings on pension plan investments	-	308,091
Changes in proportion and differences between District contributions and proportionate share of contributions	26,461	41,809
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 4,354,897</u>	<u>\$ 360,857</u>

The District's proportionate share of the pension liability at June 30, 2015 as it relates to the District is \$36,588,072.

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

Year ended June 30:	
2016	\$ 473,780
2017	473,780
2018	473,780
2019	725,774
2020	614,256
Thereafter	<u>1,271,717</u>
Total	<u>\$ 4,033,087</u>

Public Employees' Retirement System ("PERS")

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

For the year ended June 30, 2016, the District recognized pension expense of \$127,898. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.0147666981% of the total plan. The information on the following page was provided from the State of New Jersey June 30, 2015 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

10. Pension Plans (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,080	\$ -
Changes of assumptions	355,986	-
Net difference between projected and actual earnings on pension plan investments	-	53,296
Changes in proportion and differences between District contributions and proportionate share of contributions	161,554	135,429
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 596,620</u>	<u>\$ 188,725</u>

The District's proportionate share of the pension liability at June 30, 2015 as it relates to the District is \$3,314,828 and has been recorded on the district-wide financials. The current portion due in April 2016 for the June 30, 2016 liability is \$127,898 and has been included on the district-wide financials. The total PERS pension liability at June 30, 2016 is \$3,442,726.

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

Year ended June 30:	
2016	\$ 69,501
2017	69,501
2018	69,501
2019	110,692
2020	62,574
Thereafter	-
Total	<u>\$ 381,769</u>

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

10. Pension Plans (Cont'd)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	1.04 %
U.S. Treasuries	1.75 %	1.64 %
Investment Grade Credit	10.00 %	1.79 %
Mortgages	2.10 %	1.62 %
High Yield Bonds	2.00 %	4.03 %
Inflation-Indexed Bonds	1.50 %	3.25 %
Broad US Equities	27.25 %	8.52 %
Developed Foreign Equities	12.00 %	6.88 %
Emerging Market Equities	6.40 %	10.00 %
Private Equity	9.25 %	12.41 %
Hedge Funds/Absolute Return	12.00 %	4.72 %
Real Estate (Property)	2.00 %	6.83 %
Commodities	1.00 %	5.32 %
Global Debt ex US	3.50 %	(0.40)%
REIT	4.25 %	5.12 %

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

10. Pension Plans (Continued)

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

The following presents the collective net pension liability of the participating employers as of June 30, 2016 and 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (3.90 %)	Current Discount Rate (4.90 %)	1% Increase (5.90 %)
District's proportionate share of the net pension liability	4,119,925	3,314,828	2,639,840

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

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by the N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years or service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

10. Pension Plans (Continued)

Contribution Requirements

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (ACP)	Percentage of ACP Contributed	Net Pension Obligation
6/30/16	\$ 129,425	100	0
6/30/15	1,154,023	100	0
6/30/14	975,530	100	0

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

Year Funding	Annual Pension Cost (ACP)	Percentage of ACP Contributed	Net Pension Obligation
06/30/16	\$ 1,057,417	100	0
06/30/15	3,681,742	100	0
06/30/14	2,851,267	100	0

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 legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

There was a current year contribution to the TPAF post-retirement medical benefits made by the State of New Jersey on behalf of the Board in the amount of \$1,057,417. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A. 18A:6666 the State of New Jersey reimbursed the District \$482,679 during the year ended June 30, 2016 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 revenues and expenditures in accordance with Governmental Accounting Standards.

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

10. Pension Plans (Continued)

Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2016 were \$1,925. There was no liability for unpaid contributions at June 30, 2016.

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

11. 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, 2015, there were 107,314 retirees eligible for post-retirement medical benefits, and the State contributed \$1.24 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with, P.L. 1994 Chapter 62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

12. Compensated Absences

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

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

13. Deferred Compensation

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

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

14. Risk Management

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

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

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

District Financial Year	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2015-2016	\$ 35,372	15	(24,176)	\$ 15,573
2014-2015	12,835	16	(13,727)	4,362
2013-2014	\$ 11,500	12	(12,777)	\$ 5,238

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

15. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2016:

	Interfund Receivable	Interfund Payable
General Fund	\$ 8,840	\$ 39,270
Special Revenue Fund	-	-
Capital Projects Fund	39,270	-
Debt Service Fund	-	8,840
Enterprise Fund	-	-
Trust and Agency Fund	-	-
	<u>\$ 48,110</u>	<u>\$ 48,110</u>

16. Contingent Liabilities

Grant Programs

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

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

Little Silver School District

Notes to Financial Statements

For the Year Ended June 30, 2016

17. Fund Balances

General Fund – Of the \$1,634,388 General Fund balance at June 30, 2016, \$28,465 of encumbrances is committed to other purposes, \$528,216 is restricted for capital reserve, \$190,000 is restricted for maintenance reserve, \$104 is restricted for the emergency reserve, \$296,584 is restricted for excess surplus for subsequent year expenditures, \$61,879 has been classified as assigned fund balance designated for subsequent year expenditures, \$222,138 is restricted for excess surplus and \$307,002 is unassigned.

18. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for 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 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, 2016 is \$222,138. The excess fund balance at June 30, 2015 was \$296,584.

19. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2016. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2013.

20. Subsequent Events

Management has evaluated subsequent events through October 18, 2016, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 11,572,216	\$ -	\$ 11,572,216	\$ 11,572,216	\$ -
Tuition	95,000	-	95,000	166,843	71,843
Interest on Investments	2,500	-	2,500	4,926	2,426
Transportation Fees from Other Individuals	28,500	-	28,500	-	(28,500)
Interest earned on capital reserve funds	270	-	270	916	646
Miscellaneous	14,500	-	14,500	96,062	81,562
Total - local sources	11,712,986	-	11,712,986	11,840,963	127,977
State sources:					
Categorical transportation aid	10,488	-	10,488	10,488	-
Categorical special education aid	272,441	-	272,441	272,441	-
Extraordinary aid	25,000	-	25,000	80,645	55,645
Non public transportation aid	-	-	-	2,557	2,557
Other state aids	16,860	-	16,860	16,860	-
Categorical security aid	11,775	-	11,775	11,775	-
TPAF pension (on-behalf - Non-budgeted)	-	-	-	1,057,417	1,057,417
TPAF social security (reimbursed - Non-budgeted)	-	-	-	465,165	465,165
Total state sources	336,564	-	336,564	1,917,348	1,580,784
Total revenues	12,049,550	-	12,049,550	13,758,311	1,708,761
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Freschool/Kindergarten - Salaries of teachers	401,977	(2,161)	399,816	394,197	5,619
Grades 1-5 - Salaries of teachers	2,231,003	124,452	2,355,455	2,355,455	-
Grades 6-8 - Salaries of teachers	1,585,565	13,550	1,599,115	1,596,002	3,113
Regular Programs - Home Instruction:					
Salaries of teachers	750	533	1,283	1,283	-
Purchased professional-educational services	381	1,085	1,466	1,466	-
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	72,244	49,532	121,776	120,037	1,739
Purchased professional-educational services	450	-	450	-	450
Purchased professional technical services	19,900	(6,772)	13,128	12,065	1,063
Other purchased services (400-500 series)	400	-	400	73	327
General supplies	337,779	19,440	357,219	310,971	46,248
Textbooks	43,391	(33,726)	9,665	365	9,300
Other objects	2,019	7,942	9,961	9,507	454
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,695,859	173,875	4,869,734	4,801,421	68,313
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	-	2,083	2,083	1,482	601
General supplies	-	100	100	100	-
Learning and/or Language Disabilities:	-	2,183	2,183	1,582	601
Multiple Disabilities:					
Salaries of teachers	65,412	(10,467)	54,945	54,875	70
Other salaries for instruction	19,692	(326)	19,366	1,040	18,326
General supplies	1,000	176	1,176	1,176	-
Multiple Disabilities:	86,104	(10,617)	75,487	57,091	18,396

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of teachers	\$ 737,939	\$ 2,473	\$ 740,412	\$ 733,530	\$ 6,882
Other salaries for instruction	48,735	(11,066)	37,669	37,669	-
General supplies	2,100	(297)	1,803	1,803	-
Total Resource Room/Resource Center	788,774	(8,890)	779,884	773,002	6,882
TOTAL SPECIAL EDUCATION - INSTRUCTION	874,878	(17,324)	857,554	831,675	25,879
Basic Skills/Remedial - Instruction					
Salaries of teachers	88,540	29,120	117,660	117,660	-
General Supplies	428	-	428	422	6
Total Basic Skills/Remedial - Instruction	88,968	29,120	118,088	118,082	6
School-Spon. Cocurricular Activities - Instruction					
Salaries	39,262	24,151	63,413	63,413	-
Supplies and materials	7,315	10,964	18,279	10,375	7,904
Other objects	450	123	573	573	-
Total School-Spon. Cocurricular Actvts. - Instruction	47,027	35,238	82,265	74,361	7,904
School-Spon. Athletics - Instruction					
Salaries	40,694	(15,844)	24,850	24,508	342
Purchased services (300-500 series)	6,000	-	6,000	5,887	113
Supplies and materials	7,585	(628)	6,957	6,716	241
Other objects	2,000	(705)	1,295	1,295	-
Total School-Spon. Cocurricular Actvts. - Instruction	56,279	(17,177)	39,102	38,406	696
Total Instruction	5,763,011	203,732	5,966,743	5,863,945	102,798
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - regular	-	-	-	-	-
Tuition to other LEAs within the state - special	87,522	5,663	93,185	93,185	-
Tuition to Priv. Sch. For Handic. in state	2,201	9,448	11,649	11,640	9
Total Undistributed Expenditures - Instruction:	89,723	15,111	104,834	104,825	9
Undist. Expend. - Health Services					
Salaries	151,269	(3,631)	147,638	147,410	228
Purchased professional and technical services	3,500	-	3,500	3,500	-
Supplies and materials	3,116	(472)	2,644	2,030	614
Total Undistributed Expenditures - Health Services	157,885	(4,103)	153,782	152,940	842
Undist. Expend. - Other Support Serv - Students Related Service					
Salaries	247,815	44,765	292,580	292,578	2
Purchased professional - educational services	61,300	(3,828)	57,472	57,456	16
Supplies and materials	1,800	250	2,050	1,905	145
Total Undist. Expend. - Other Support Serv - Students	310,915	41,187	352,102	351,939	163
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	110,866	72,810	183,676	182,011	1,665
Total Undist. Expend. - Other Support Services Students - Extraordinary :	110,866	72,810	183,676	182,011	1,665
Undist. Expend. - Other Support Serv Students-Regular					
Salaries of other professional staff	122,199	598	122,797	122,645	152
Other purchased prof. and tech. services	14,500	(598)	13,902	13,780	122
Supplies and materials	4,450	(1,717)	2,733	2,588	145
Total Undist. Expend. - Other Support Serv - Students-Regular	141,149	(1,717)	139,432	139,013	419
Undist. Expend. - Other Support Serv - Students-Special					
Salaries of other professional staff	341,044	7,416	348,460	347,980	480
Salaries of secretarial and clerical assistants	34,678	1	34,679	34,678	1
Other purchased prof. and tech. services	15,120	(2,919)	12,201	12,200	1
Supplies and materials	6,000	3,078	9,078	5,396	3,682
Other objects	6,890	(1,703)	5,187	4,935	252
Total Undist. Expend. - Other Supp Services - Students-Special	403,732	5,873	409,605	405,189	4,416
Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr					
Salaries of supervisor of instruction	96,841	2,500	99,341	99,341	-
Salaries of secretarial and clerical assistants	13,727	1	13,728	13,728	-
Other Salaries	4,000	(1,900)	2,100	2,100	-
Other purchased services (400-500)	4,000	250	4,250	4,250	-
Supplies and materials	1,000	(74)	926	926	-
Other objects	3,090	(426)	2,664	2,664	-
Total Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr	122,658	351	123,009	123,009	-

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Educational Media Services/School Library					
Salaries	\$ 107,990	\$ (80,548)	\$ 27,442	\$ 24,276	\$ 3,166
Salaries - Technology Coordinators	60,053	44,792	104,845	104,844	1
Purchased professional and technical services	69,450	(45,759)	23,691	16,421	7,270
Supplies and materials	20,000	529	20,529	18,871	1,658
Total Undist. Expend. - Educational Media Services/School Library	257,493	(80,986)	176,507	164,412	12,095
Undist. Expend. - Instruction Staff Training Services					
Salaries of supervisor of instruction	20,709	451	21,160	21,159	1
Other Salaries	9,300	3,526	12,826	12,826	-
Other purchased prof. and tech. services	-	4,904	4,904	2,948	1,956
Total Undist. Expend. - Instruction Staff Training Services	30,009	8,881	38,890	36,933	1,957
Undist. Expend. - Support Service - General Administration					
Salaries	239,186	492	239,678	238,592	1,086
Legal services	18,500	13,147	31,647	-	-
Audit Fees	9,500	(200)	9,300	9,300	-
Architectural/Engineering Services	5,500	(500)	5,000	2,000	3,000
Other purchased professional services	4,850	-	4,850	4,435	415
Purchased technical services	4,100	200	4,300	4,297	3
Communications/Telephone	32,175	(7,337)	24,838	24,369	469
BOE Other purchased services	2,500	65	2,565	2,565	-
Other purchased services (400-500 series)	34,893	(1,419)	33,474	33,474	-
General supplies	2,500	(200)	2,300	2,266	34
Judgements against the school district	7,500	834	8,334	8,333	1
Miscellaneous expenditures	8,207	(1,799)	6,408	6,408	-
BOE membership dues and fees	6,150	(265)	5,885	5,846	39
Total Undist. Expend. - Support Service - General Administration	375,561	3,018	378,579	373,532	5,047
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	269,082	-	269,082	269,082	-
Salaries of secretarial and clerical assistants	125,452	3,883	129,335	127,853	1,482
Salaries of other professional staff	90,050	(14,665)	75,385	75,385	-
Purchased professional and technical services	3,500	-	3,500	330	3,170
Other purchased services (400-500 series)	3,800	284	4,084	3,884	200
Supplies and materials	8,022	568	8,590	6,743	1,847
Other objects	2,597	20	2,617	2,617	-
Total Undist. Expend. - Support Service - School Administration	502,503	(9,910)	492,593	485,894	6,699
Undistributed Expenditures - Central Services					
Salaries	215,701	(9,899)	205,802	205,802	-
Purchased professional services	9,655	10,988	20,643	20,643	-
Purchased technical services	2,500	1,000	3,500	3,500	-
Misc. Purchased Services	4,450	(150)	4,300	2,363	1,937
Interest on lease purchase agreements	778	34	812	812	-
Supplies and materials	3,000	541	3,541	3,541	-
Miscellaneous expenditures	5,720	(5,720)	-	-	-
Other objects	-	2,510	2,510	2,510	-
Total Undist. Expend. - Central Services	241,804	(696)	241,108	239,171	1,937
Undist.- Admin. Info. Technology					
Purchased technical services	57,255	(20,941)	36,314	32,182	4,132
Supplies and materials	3,500	941	4,441	3,664	777
Total Undist. Expend - Admin. Info. Technology	60,755	(20,000)	40,755	35,846	4,909
Undist. Expend. - Allowed Maintenance for School Facilities					
Salaries	34,386	-	34,386	34,386	-
Cleaning, repair and maintenance services	108,515	11,265	119,780	103,238	16,542
Other objects	3,750	(305)	3,445	3,384	61
General supplies	15,000	1,988	16,988	16,988	-
Total Undist. Expend. - Allowed Maintenance for School Facilities	161,651	12,948	174,599	157,996	16,603
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	375,021	729	375,750	372,489	3,261
Salaries of non-instructional aides	24,840	(7,757)	17,083	15,895	1,188
Cleaning, repair and maintenance services	79,307	5,697	85,004	84,868	136
Other purchased property services	28,600	1,429	30,029	25,497	4,532
Travel	-	530	530	200	330
Insurance	72,769	5,505	78,274	78,044	230
General supplies	45,011	6,137	51,148	50,197	951
Energy (electricity)	165,000	(10,263)	154,737	143,733	11,004
Energy (natural gas)	60,000	-	60,000	51,931	8,069
Other objects	3,900	(3,052)	848	639	209
Total Undist Expend-Other Operation & Maint Of Plant	854,448	(1,045)	853,403	823,493	29,910

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	\$ 22,065	\$ -	\$ 22,065	\$ 22,065	\$ -
Cleaning, repair and maintenance services	6,000	30	6,030	5,886	144
General supplies	400	-	400	101	299
Total Undist Expend-Care & Upkeep of Grounds	28,465	30	28,495	28,052	443
Security					
Cleaning, repair and maintenance services	10,160	-	10,160	9,560	600
General supplies	500	-	500	257	243
Total Security	10,660	-	10,660	9,817	843
Undist. Expend. - Student Transportation Services					
Salaries of non-instructional aides	-	40	40	35	5
Salaries-pupil transport (between home & school)-Regular	10,314	38	10,352	10,133	219
Salaries-pupil transport (between home & school)-Special	4,900	3,910	8,810	8,335	475
Contract Svc (btw Home & Sch.) - Vendors	54,000	(20,923)	33,077	25,593	7,484
Contract Svc (other btw home & Sch.) - Vendors	22,000	(5,388)	16,612	16,414	198
Contract Svc (btw home & Sch.) - Joint Agreements	31,290	(12,209)	19,081	19,081	-
Contract Svc (Spl. Ed. Students) - ESCs & CTSAs	95,130	40,388	135,518	135,518	-
Contract Svc - Aid in Lieu Pymts - NonPub Sch	8,940	(1,868)	7,072	7,072	-
Total Undist. Expend. - Student Transportation Services	226,574	3,988	230,562	222,181	8,381
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	8,275	(136)	8,139	8,139	-
Social security contributions	125,000	15,043	140,043	139,641	402
Other retirement contributions - PERS	135,310	(5,778)	129,532	129,425	107
Unemployment Compensation	18,002	4,737	22,739	22,739	-
Workmen's compensation	80,200	(1,580)	78,620	78,620	-
Health benefits	2,113,363	(144,310)	1,969,053	1,710,635	258,418
Tuition reimbursement	17,000	2,163	19,163	18,250	913
Other employee benefits	650	(650)	-	-	-
TOTAL UNALLOCATED EMPLOYEE BENEFITS	2,497,800	(130,511)	2,367,289	2,107,449	259,840
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	1,057,417	(1,057,417)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	465,165	(465,165)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,522,582	(1,522,582)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,497,800	(130,511)	2,367,289	3,630,031	(1,262,742)
TOTAL UNDISTRIBUTED EXPENDITURES	6,584,651	(84,771)	6,499,880	7,666,284	(1,166,404)
TOTAL GENERAL CURRENT EXPENSE	12,347,662	118,961	12,466,623	13,530,229	(1,063,606)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Undistributed expenditures-Support services-Child Study Teams	25,242	-	25,242	9,287	15,955
Total Equipment	25,242	-	25,242	9,287	15,955
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	30,962	3,098	34,060	34,060	-
Total Facilities Acquisition and Construction Services	30,962	3,098	34,060	34,060	-
TOTAL CAPITAL OUTLAY	56,204	3,098	59,302	43,347	15,955

LITTLE SILVER SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of teachers	\$ -	\$ 4,910	\$ 4,910	2,910	\$ 2,000
General Supplies	-	2,331	2,331	2,322	9
Total Summer School - Instruction	<u>-</u>	<u>7,241</u>	<u>7,241</u>	<u>5,232</u>	<u>2,009</u>
TOTAL SPECIAL SCHOOLS	<u>-</u>	<u>7,241</u>	<u>7,241</u>	<u>5,232</u>	<u>2,009</u>
Transfer of Funds to Charter Schools	-	-	-	-	-
TOTAL EXPENDITURES	<u>12,403,866</u>	<u>129,300</u>	<u>12,533,166</u>	<u>13,578,808</u>	<u>(1,045,642)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(354,316)	(129,300)	(483,616)	179,503	(663,119)
Other Financing Sources/ (Uses):					
Transfer to capital projects from capital reserve	(182,344)	-	(182,344)	(115,000)	(67,344)
Transfer from capital projects back into capital reserve	-	-	-	106,158	(106,158)
Interest deposit to capital reserve	(270)	270	-	-	-
Total Other Financing Sources:	<u>(182,614)</u>	<u>270</u>	<u>(182,344)</u>	<u>(8,842)</u>	<u>(173,502)</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures & Other Financing Sources (Uses)	(536,930)	(129,030)	(665,960)	170,661	(836,621)
Fund Balance, July 1	1,489,927	-	1,489,927	1,489,927	-
Fund Balance, June 30	<u>\$ 952,997</u>	<u>\$ (129,030)</u>	<u>\$ 823,967</u>	<u>\$ 1,660,588</u>	<u>\$ (836,621)</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				528,216	
Maintenance reserve				190,000	
Emergency reserve				104	
Excess surplus-current year				222,138	
Excess surplus - designated for subsequent year's expenditures				296,584	
Committed Fund Balance:					
Other purposes				-	
Year-end encumbrances				28,465	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				61,879	
Unrestricted/undesignated fund balance				<u>333,202</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				1,660,588	
Last state aid payment not recognized on GAAP basis				(26,200)	
Fund balance per governmental funds (GAAP) - B-1				<u>1,634,388</u>	
Restricted fund balances				1,327,386	
Unrestricted fund balances				307,002	
Fund balance per governmental funds (GAAP) - B-1				<u>1,634,388</u>	

LITTLE SILVER SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ 108,914	\$ 108,914	\$ 101,008	\$ (7,906)
Federal sources	183,179	58,749	241,928	241,305	(623)
Total Revenues	<u>183,179</u>	<u>167,663</u>	<u>350,842</u>	<u>342,313</u>	<u>(8,529)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	-	11,433	11,433	11,371	62
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	108,913	108,913	101,008	7,905
Textbooks	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-
Tuition	156,200	20,760	176,960	176,960	-
General supplies	17,918	3,145	21,063	21,040	23
Total instruction	<u>174,118</u>	<u>144,251</u>	<u>318,369</u>	<u>310,379</u>	<u>7,990</u>
Support services:					
Other professional staff salaries	-	-	-	-	-
Secretarial/clerical salaries	-	-	-	-	-
Purchased professional educational services	9,061	2,500	11,561	11,552	9
Purchased professional technical services	-	-	-	-	-
Other purchased services (400-500 series)	-	9,910	9,910	9,380	530
General supplies	-	11,002	11,002	11,002	-
Total support services	<u>9,061</u>	<u>23,412</u>	<u>32,473</u>	<u>31,934</u>	<u>539</u>
Total Expenditures	<u>183,179</u>	<u>167,663</u>	<u>350,842</u>	<u>342,313</u>	<u>8,529</u>

LITTLE SILVER SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2016

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

		General Fund		Special Revenue Fund
<u>Sources/inflows of resources</u>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 13,758,311	[C-2]	\$ 342,313
Differences - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(1,001)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(482,679)		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		27,160		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		(26,200)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 13,276,592	[B-2]	\$ 341,312
<u>Uses/outflows of resources</u>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 13,578,808	[C-2]	\$ 342,313
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		-		(1,001)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(482,679)		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 13,096,129	[B-2]	\$ 341,312

REQUIRED SUPPLEMENTARY INFORMATION - PART III

LITTLE SILVER SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the District's Proportionate Share of Net Pension Liability-PERS
 For the Fiscal Year Ended June 30, 2016

Last 10 Fiscal Years*

	2014	2015	2016
District's proportion of the net pension liability (asset)	100.000%	100.000%	0.01477%
District's proportionate share of the net pension liability (asset) associated with the district	\$ 2,824,263	2,574,308	\$ 3,442,726
District's covered-employee payroll	960,557	981,115	1,160,042
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.01%	38.11%	33.70%
Plan fiduciary net position as a percentage of the total pension liability	40.71%	42.74%	61.84%

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

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

LITTLE SILVER SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the District Contributions-PERS
 For the Fiscal Year Ended June 30, 2016

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contributions	\$ 109,279	112,358	\$ 129,425
Contributions in relation to the contractually required contribution	<u>109,279</u>	<u>112,358</u>	<u>129,425</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 960,557	981,115	\$ 1,160,042
Contributions as a percentage of covered-employee payroll	11.38%	11.45%	11.16%

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

LITTLE SILVER SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
 For the Fiscal Year Ended June 30, 2016

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability (asset)	0.000%	0.000%	0.5789%
District's proportionate share of the net pension liability (asset)	\$ 29,364,054	30,343,665	36,588,072
District's covered-employee payroll	\$ 5,605,158	5,985,625	6,834,775
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.000%	0.000%	18.680%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%

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

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

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

Little Silver School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2016

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.04 %
Salary increases: 2012-2021	2.15 - 4.40 % based on age
Thereafter	3.15 - 5.40 % based on age
Investment rate of return	7.90 %

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

OTHER SUPPLEMENTARY INFORMATION

LITTLE SILVER SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	<u>Title I</u>	<u>Title IIA</u>	<u>I.D.E.A. - Part B</u>		<u>Donations</u>	<u>Totals</u>
			<u>Basic</u>	<u>Preschool</u>		<u>2016</u>
Revenues:						
Federal Sources	\$ 23,743	22,394	189,246	5,922	-	\$ 241,305
Local sources	-	-	-	-	101,008	101,008
Total revenues	<u>23,743</u>	<u>22,394</u>	<u>189,246</u>	<u>5,922</u>	<u>101,008</u>	<u>342,313</u>
Expenditures:						
Instruction:						
Salaries of teachers	11,371	-	-	-	-	11,371
Tuition	-	-	176,960	-	-	176,960
Other purchased services	-	-	-	-	101,008	101,008
General supplies	11,132	-	6,477	3,431	-	21,040
Total instruction	<u>22,503</u>	<u>-</u>	<u>183,437</u>	<u>3,431</u>	<u>101,008</u>	<u>310,379</u>
Support services:						
Salaries of program directors	-	-	-	-	-	-
Purchased professional technical services	-	-	-	-	-	-
Purchased professional educational services	-	3,883	5,178	2,491	-	11,552
Other purchased services	-	8,749	631	-	-	9,380
General supplies	1,240	9,762	-	-	-	11,002
Total support services	<u>1,240</u>	<u>22,394</u>	<u>5,809</u>	<u>2,491</u>	<u>-</u>	<u>31,934</u>
Total expenditures	<u>\$ 23,743</u>	<u>\$ 22,394</u>	<u>189,246</u>	<u>5,922</u>	<u>101,008</u>	<u>\$ 342,313</u>

LITTLE SILVER SCHOOL DISTRICT
 Capital Projects Fund

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 For the Year Ended June 30, 2016

Revenues and Other Financing Sources

Transfer from capital reserve	\$ 8,842
ROD grants	(70,773)
Interest earned	-
Total revenues	<u>(61,931)</u>

Expenditures and Other Financing Uses

Architectural/Engineering services	5,447
Construction services	-
Land and improvements	-
Total expenditures	<u>5,447</u>

Excess (deficiency) of revenues over (under) expenditures (67,378)

Fund balance - beginning 176,931

Fund balance - ending \$ 109,553

LITTLE SILVER SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1a

Additions and Renovations to Various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Point Road Playground Surface Replacement
From Inception and for the Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State of New Jersey	\$ 78,150	(31,190)	46,960	\$ 78,150
Transfer from Capital Reserve	117,225	(46,785)	70,440	117,225
Total revenues	<u>195,375</u>	<u>(77,975)</u>	<u>117,400</u>	<u>195,375</u>
Expenditures and Other Financing Uses				
Architectural/Engineering services	3,000	-	3,000	9,000
Land and improvements	114,400	-	114,400	186,375
Total expenditures	<u>117,400</u>	<u>-</u>	<u>117,400</u>	<u>195,375</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 77,975</u>	<u>(77,975)</u>	<u>-</u>	<u>\$ -</u>

Additional project information:

Project Number	2720-060-12-1005
Grant Date	2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 195,375
Additional Authorized Cost	-
Revised Authorized Cost	\$ 195,375
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original target completion date	8/30/2015
Revised target completion date	8/30/2015

LITTLE SILVER SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Point Road Window and Door Replacement
From Inception and for the Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<u>Revenues and Other Financing Sources</u>				
State of New Jersey	\$ 149,780	(39,583)	110,197	\$ 149,780
Transfer from Capital Reserve	224,669	(59,373)	165,296	224,669
Total revenues	<u>374,449</u>	<u>(98,956)</u>	<u>275,493</u>	<u>374,449</u>
<u>Expenditures and Other Financing Uses</u>				
Architectural/Engineering Services	20,000	-	20,000	20,000
Land and improvements	255,493	-	255,493	354,449
Total expenditures	<u>275,493</u>	<u>-</u>	<u>275,493</u>	<u>374,449</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 98,956</u>	<u>(98,956)</u>	<u>-</u>	<u>\$ -</u>

Additional project information

Project Number	2720-060-14-1004
Grant Date	2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	374,449
Additional Authorized Cost	-
Revised Authorized Cost	374,449
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original target completion date	8/30/15
Revised target completion date	8/30/15

LITTLE SILVER SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Markham Window and Door Replacement
From Inception and for the Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<u>Revenues and Other Financing Sources</u>				
State of New Jersey ROD Grant	\$ -	-	-	\$ 121,562
Transfer from Capital Reserve	-	115,000	115,000	182,344
Total revenues	-	115,000	115,000	303,906
<u>Expenditures and Other Financing Uses</u>				
Architectural/Engineering services	-	5,447	5,447	12,710
Land and improvements	-	-	-	291,196
Total expenditures	-	5,447	5,447	303,906
Excess (deficiency) or revenues over (under) expenditures	\$ -	109,553	109,553	\$ -

Additional project information

Project Number	2720-050-14-1003
Grant Date	6/18/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 303,906
Additional Authorized Cost	-
Revised Authorized Cost	\$ 303,906
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	2%
Original target completion date	8/31/2016
Revised target completion date	8/31/2016

LITTLE SILVER SCHOOL DISTRICT
 Enterprise Fund
 Statement of Net Position
 June 30, 2016

	<u>Food Service</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 22,611
Accounts receivable:	
State	-
Federal	-
Interfunds	-
Other	-
Inventories	-
	<hr/>
Total current assets	22,611
	<hr/>
Fixed assets:	
Equipment	-
Accumulated depreciation	-
	<hr/>
Total fixed assets	-
	<hr/>
Total assets	<u>\$ 22,611</u>
Liabilities and Net Position:	
Liabilities:	
Accounts payable	-
Deferred revenue	-
	<hr/>
Total liabilities	-
	<hr/>
Net position:	
Net investment in capital assets	-
Restricted for other purposes	-
Contributed capital	-
Unrestricted net position	22,611
	<hr/>
Total net position	22,611
	<hr/>
Total liabilities and net position	<u>\$ 22,611</u>

LITTLE SILVER SCHOOL DISTRICT
 Food Services Enterprise Fund
 Statement of Revenues, Expenses and
 Changes in Net Position
 for the Fiscal Year ended June 30, 2016

	Food Service
Operating revenues:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ -
Special milk program	-
	-
Total-daily sales-reimbursable programs	-
Daily sales non-reimbursable programs	254,828
	254,828
Total operating revenues	254,828
Operating expenses:	
Salaries	-
Employee benefits	-
Purchased property	-
Other purchased services	90,948
Supplies and materials	-
Depreciation	-
Cost of sales	106,629
	197,577
Total operating expenses	197,577
Operating gain / loss	57,251
Nonoperating revenues:	
State sources:	
State school lunch program	-
Federal sources:	
National school lunch program	-
National School Breakfast program	-
U.S.D.A. commodities	-
Interest Income	97
	97
Total nonoperating revenues	97
Change in net position	57,348
Total net position beginning	(34,737)
Total net position ending	\$ 22,611

**LITTLE SILVER SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Cash Flows
for the Fiscal Year ended June 30, 2016**

	Food Service
Cash Flows from Operating Activities:	
Receipts from customers and other funds	\$ 254,828
Payments to employees	-
Payments for employee benefits	-
Payments to suppliers	(197,577)
Net cash provided by (used for) operating activities	57,251
Cash Flows from Noncapital Financing Activities:	
State sources	-
Federal sources	-
Operating subsidies	-
Interest Income	97
Net cash provided by (used for) noncapital financing activities	97
Cash Flows from Capital and Related Financing Activities:	
Purchases of fixed assets	-
Net cash provided by (used for) capital and related financing activities	-
Net increase (decrease) in cash and cash equivalents	57,348
Balances-beginning of the year	(34,737)
Balances-end of the year	22,611
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating gain / loss	\$ 57,251
Adjustments to reconcile operating loss to cash provided by (used for) operating activities:	
Depreciation	-
Federal commodities	-
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	-
Decrease (increase) in accounts receivable	-
Decrease (increase) in inventory	-
Increase (decrease) in accounts payable	-
Total adjustments	-
Net cash provided by (used for) operating activities	\$ 57,251

LITTLE SILVER SCHOOL DISTRICT
 Statement of Agency Fund Assets and Liabilities
 Fiduciary Funds
 June 30, 2016

	<u>Payroll Agency</u>	<u>Flexible Spending Account</u>	<u>Student Activity</u>	<u>Unemployment Compensation Trust</u>	<u>Total 2016</u>
ASSETS					
Cash and cash equivalents	\$ 72,619	640	14,255	15,573	\$ 103,087
Total assets	<u>72,619</u>	<u>640</u>	<u>14,255</u>	<u>15,573</u>	<u>103,087</u>
LIABILITIES					
Payroll deductions and withdrawals	72,619	640	-	-	73,259
Due to student groups	-		14,255	-	14,255
Total liabilities	<u>72,619</u>	<u>640</u>	<u>14,255</u>	<u>-</u>	<u>87,514</u>
NET POSITION					
Reserved - Dedicated to Unemployment	-	-	-	15,573	15,573
Total net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,573</u>	<u>15,573</u>
Total liabilities and net position	<u>\$ 72,619</u>	<u>640</u>	<u>14,255</u>	<u>15,573</u>	<u>\$ 103,087</u>

LITTLE SILVER SCHOOL DISTRICT
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Fiscal Year Ended June 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Total</u>
Operating Income:		
Contributions	\$ 35,372	\$ 35,372
Interest	15	15
Total Income	<u>35,387</u>	<u>35,387</u>
Expenditures:		
Claims Paid	<u>24,176</u>	<u>24,176</u>
Operating Income	<u>11,211</u>	<u>11,211</u>
Net position, July 1, 2015	<u>4,362</u>	<u>4,362</u>
Net position, June 30, 2016	<u>\$ 15,573</u>	<u>\$ 15,573</u>

LITTLE SILVER SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>Elementary School</u>				
Student Activities	\$ 12,185	49,461	47,391	\$ 14,255

LITTLE SILVER SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of receipts and disbursements
 For the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 73,316	9,044,661	9,045,358	\$ 72,619
<u>Liabilities</u>				
Payroll deductions, withholdings and amount due to employees	\$ 73,316	9,044,661	9,045,358	\$ 72,619

LITTLE SILVER SCHOOL DISTRICT
Long-Term Debt
Statement of Serial Bonds
June 30, 2016

Issue	Date of Issue	Amount of Original Issue	Annual Date	Maturities Amount	Interest Rate	Beginning Balance July 1, 2016	Issued	Retired	Ending Balance June 30, 2016							
Refunding Bonds (MCIA)	5/1/2015	4,715,000	2-1-17	675,000	4.00%	\$ 4,715,000	-	770,000	\$ 3,945,000							
			2-1-18	665,000	4.00%											
			2-1-19	660,000	5.00%											
			2-1-20	655,000	5.00%											
			2-1-21	655,000	4.00%											
			2-1-22	635,000	5.00%											
			2012 Referendum	11/2/2012	750,000					8-1-16	45,000	3.00%	665,000		45,000	620,000
8-1-17	45,000	3.00%														
8-1-18	45,000	3.00%														
8-1-19	50,000	3.00%														
8-1-20	50,000	2.00%														
8-1-21	50,000	2.50%														
8-1-22	50,000	2.50%														
8-1-23	55,000	2.50%														
8-1-24	55,000	2.75%														
8-1-25	55,000	2.75%														
8-1-26	60,000	3.00%														
8-1-27	60,000	3.00%														
						<u>\$ 5,380,000</u>	<u>-</u>	<u>815,000</u>	<u>\$ 4,565,000</u>							

LITTLE SILVER SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Leases
 Year Ended June 30, 2016

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issued</u>	<u>Beginning Balance July 1, 2015</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2016</u>
Dell Computer Equipment Lease	4.73%	\$ 30,758	<u>\$ 10,741</u>	<u>10,741</u>	<u>\$ -</u>

LITTLE SILVER SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 992,074	-	992,074	\$ 992,074	-
Miscellaneous	-		-	-	-
Total Revenues	992,074	-	992,074	992,074	-
EXPENDITURES:					
Regular Debt Service:					
Interest	177,075	-	177,075	139,975	37,100
Redemption of Principal	815,000	-	815,000	815,000	-
Total Expenditures	992,075	-	992,075	954,975	37,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	-	(1)	37,099	(37,100)
Fund Balance, July 1	8,750	-	8,750	8,750	-
Fund Balance, June 30	\$ 8,749	-	8,749	\$ 45,849	(37,100)

STATISTICAL SECTION

**LITTLE SILVER SCHOOL DISTRICT
Statistical Section**

<u>Contents</u>	<u>Pages</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	91-95
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	96-99
<p>Debt Capacity</p> <p>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.</p>	100-103
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	104-105
<p>Operating Information</p> <p>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.</p>	106-110

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets, net of related debt	\$ 8,602,463	\$ 9,752,798	\$ 9,947,265	\$ 10,621,270	\$ 10,938,259	\$ 11,336,359	\$ 12,004,737	\$ 12,913,600	\$ 14,780,010	\$ 15,098,218
Restricted	1,045,410	1,768,466	1,748,015	1,639,728	1,875,884	1,886,066	2,317,845	1,796,621	1,362,997	1,482,788
Unrestricted	425,097	163,148	139,634	131,523	328,632	618,276	241,042	248,644	(2,397,710)	(2,957,969)
Total governmental activities net assets/position	\$ 10,072,970	\$ 11,684,412	\$ 11,834,914	\$ 12,392,521	\$ 13,142,775	\$ 13,840,701	\$ 14,563,624	\$ 14,958,865	\$ 13,745,297	\$ 13,623,037
Business-type activities										
Invested in capital assets, net of related debt	\$ 32,378	\$ 13,872	\$ 11,418	\$ 21,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	29,424	27,945	28,238	17,962	-	-	-	-	(34,737)	22,611
Total business-type activities net assets/position	\$ 61,802	\$ 41,817	\$ 39,656	\$ 39,314	\$ -	\$ -	\$ -	\$ -	\$ (34,737)	\$ 22,611
District-wide										
Invested in capital assets, net of related debt	\$ 8,634,841	\$ 9,766,670	\$ 9,958,683	\$ 10,642,622	\$ 10,938,259	\$ 11,336,359	\$ 12,004,737	\$ 12,913,600	\$ 14,780,010	\$ 15,098,218
Restricted	1,045,410	1,768,466	1,748,015	1,639,728	1,875,884	1,886,066	2,317,845	1,796,621	1,362,997	1,482,788
Unrestricted	454,521	191,093	167,872	149,485	328,632	618,276	241,042	248,644	(2,432,447)	(2,935,358)
Total district net assets/position	\$ 10,134,772	\$ 11,726,229	\$ 11,874,570	\$ 12,431,835	\$ 13,142,775	\$ 13,840,701	\$ 14,563,624	\$ 14,958,865	\$ 13,710,560	\$ 13,645,648

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,404,529	\$ 3,485,213	\$ 3,716,283	\$ 3,827,448	\$ 3,685,962	\$ 3,892,351	\$ 4,103,804	\$ 4,667,671	\$ 4,625,757	\$ 5,110,799
Special education	975,101	1,261,801	1,183,941	1,100,857	962,172	1,088,086	920,051	868,641	741,742	831,675
Other special education	115,348	109,543	118,269	163,266	324,260	142,847	274,637	146,959	337,775	230,849
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	67,951	65,643	77,607	74,417	78,954	85,368	85,151	119,084	92,145	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	194,365	204,739	69,040	93,294	109,364	201,905	207,125	189,575	207,347	-
Student & instruction related services	937,819	1,011,114	1,271,129	1,457,590	1,353,935	1,374,399	1,425,010	1,475,866	1,524,123	1,692,205
School administrative services	727,287	387,688	397,030	409,651	342,958	723,276	784,450	419,685	496,459	485,894
General administration	205,641	609,308	747,843	736,062	693,635	314,123	300,087	628,384	723,308	373,532
Plant operations and maintenance	1,063,564	1,039,829	1,058,348	1,080,161	1,018,571	972,813	984,285	997,085	984,813	1,051,964
Administrative information technology	-	-	-	-	-	-	-	-	-	275,017
Pupil transportation	268,624	268,996	238,267	289,030	247,361	257,299	227,110	243,157	264,467	222,181
Other support services	2,503,341	2,528,880	2,246,932	2,368,332	2,494,489	2,788,233	3,117,945	2,998,472	3,212,330	3,729,162
Special schools	-	-	-	-	-	-	-	-	-	5,232
Charter schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	426,751	401,119	379,824	356,815	330,848	332,182	307,170	274,977	191,820	139,975
Unallocated depreciations	318,501	410,252	421,375	432,778	475,241	435,005	445,260	970,170	724,654	512,980
Total governmental activities expenses	11,208,822	11,784,125	11,925,888	12,389,701	12,117,750	12,607,887	13,182,085	14,000,726	14,125,740	14,661,465
Business-type activities:										
Food service	47,827	127,745	97,585	2,342	6,383	-	-	-	225,070	197,577
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	47,827	127,745	97,585	2,342	6,383	-	-	-	225,070	197,577
Total district expenses	\$ 11,256,649	\$ 11,911,870	\$ 12,023,473	\$ 12,392,043	\$ 12,124,133	\$ 12,607,887	\$ 13,182,085	\$ 14,000,726	\$ 14,350,810	\$ 14,859,042
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ 6,417	\$ 20,500	\$ 28,500	\$ 117,550	\$ 99,450	\$ 166,843
Pupil transportation	-	-	-	-	37,203	42,775	90,550	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	284,629	255,053	297,696	316,145	311,588	283,840	253,568	283,288	278,942	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	1,039,903
Total governmental activities program revenues	284,629	255,053	297,696	316,145	355,208	347,115	372,618	400,838	378,392	1,206,746
Business-type activities:										
Charges for services:										
Food service	37,121	102,435	73,026	-	-	-	-	-	190,290	254,828
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	37,121	102,435	73,026	-	-	-	-	-	190,290	254,828
Total district program revenues	\$ 321,750	\$ 357,488	\$ 370,722	\$ 316,145	\$ 355,208	\$ 347,115	\$ 372,618	\$ 400,838	\$ 568,682	\$ 1,461,574
Net (Expense)/Revenue										
Governmental activities	\$ (11,212,133)	\$ (11,529,072)	\$ (11,628,192)	\$ (12,073,556)	\$ -	\$ 12,260,772	\$ 12,809,467	\$ 13,599,888	\$ 13,747,348	\$ (13,454,719)
Business-type activities	(10,706)	(25,310)	(24,559.00)	(2,342.00)	(6,383.00)	-	-	-	(34,780)	57,251
Total district-wide net expense	\$ (11,222,839)	\$ (11,554,382)	\$ (11,652,751)	\$ (12,075,898)	\$ (6,383)	\$ 12,260,772	\$ 12,809,467	\$ 13,599,888	\$ 13,712,568	\$ (13,397,468)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,508,342	\$ 9,872,717	\$ 9,802,017	\$ 10,027,707	\$ 10,316,963	\$ 10,513,301	\$ 10,675,633	\$ 10,889,146	\$ 11,160,929	\$ 11,572,216
Taxes levied for debt service	975,124	980,251	\$ 970,775	\$ 927,165	\$ 1,001,150	982,302	1,031,418	1,061,976	1,028,073	992,074
Unrestricted grants and contributions	1,788,058	1,782,753	1,287,184	1,189,068	1,000,417	1,335,522	1,582,172	1,449,796	1,864,229	565,808
Tuition Received	31,265	-	-	-	-	-	-	-	-	-
Investment earnings	94,760	57,893	9,214	19,032	12,621	11,830	4,085	5,718	5,347	5,842
Miscellaneous income	146,972	93,497	157,615	89,007	81,029	104,852	32,902	66,668	54,972	196,519
Transfers	2,425	(17,596)	-	-	-	(58,038)	-	-	(11,219)	-
Inventory retirements	-	-	-	-	-	-	750,000	-	-	-
Total governmental activities	12,546,946	12,769,515	12,204,407	12,251,979	12,412,185	12,889,769	14,076,210	13,473,304	14,102,331	13,332,459
Business-type activities:										
Investment earnings	-	(641)	-	-	5	-	-	-	43	97
Transfers	13,150	22,017	22,398	-	-	-	-	-	-	-
Fixed asset adjustments	2,084	(16,051)	-	-	-	-	-	-	-	-
Total business-type activities	15,234	5,325	22,398	-	5	-	-	-	43	97
Total district-wide	\$ 12,562,180	\$ 12,774,840	\$ 12,226,805	\$ 12,251,979	\$ 12,412,185	\$ 12,889,769	\$ 14,076,210	\$ 13,473,304	\$ 14,102,374	\$ 13,332,556
Change in Net Assets/Position										
Governmental activities	\$ 1,338,124	\$ 1,240,443	\$ 576,215	\$ 178,423	\$ 649,998	\$ 628,997	\$ 1,266,743	\$ (126,584)	\$ (2,219,325)	\$ (122,260)
Business-type activities	4,528	(19,985)	(2,161)	(2,342)	(6,378)	-	-	-	(34,737)	57,348
Total district	\$ 1,342,652	\$ 1,220,458	\$ 574,054	\$ 176,081	\$ 643,620	\$ 628,997	\$ 1,266,743	\$ (126,584)	\$ (2,254,062)	\$ (64,912)

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,322,187	\$ 1,701,705	\$ 1,702,956	\$ 1,639,725	\$ 1,875,878	\$ 2,195,826	\$ 1,748,053	\$ 1,727,405	\$ 1,177,316	\$ 1,327,386
Unreserved	224,533	267,841	252,766	250,278	328,632	314,370	241,042	248,644	285,451	307,002
Total general fund	<u>\$ 1,546,720</u>	<u>\$ 1,969,546</u>	<u>\$ 1,955,722</u>	<u>\$ 1,890,003</u>	<u>\$ 2,204,510</u>	<u>\$ 2,510,196</u>	<u>\$ 1,989,095</u>	<u>\$ 1,976,049</u>	<u>\$ 1,462,767</u>	<u>\$ 1,634,388</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	38,389	38,389	-	-	-	(5,858)	57,744	69,213	176,931	109,553
Debt service fund	30,637	28,649	45,059	3	6	4	2	3	8,750	45,849
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 69,026</u>	<u>\$ 67,038</u>	<u>\$ 45,059</u>	<u>\$ 3</u>	<u>\$ 6</u>	<u>\$ (5,854)</u>	<u>\$ 57,746</u>	<u>\$ 69,216</u>	<u>\$ 185,681</u>	<u>\$ 155,402</u>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 10,483,466	\$ 10,852,968	\$ 10,772,792	\$ 10,954,872	\$ 11,318,113	\$ 11,495,603	\$ 11,707,051	\$ 11,951,122	\$ 12,189,002	\$ 12,564,290
Tuition charges	31,265	-	21,022	1,133	6,417	20,500	90,550	117,550	99,450	166,843
Transportation fees	-	43,978	43,106	48,578	37,203	42,775	28,500	27,150	31,871	-
Interest earnings	9,343	57,893	9,214	19,032	12,621	11,830	4,085	5,718	5,347	5,842
Miscellaneous	304,283	95,951	182,120	106,090	121,714	104,852	84,562	116,095	90,654	196,519
State sources	1,802,540	1,793,343	1,484,733	1,197,479	1,265,327	1,324,621	1,582,172	1,449,796	1,864,229	1,364,856
Federal sources	198,253	198,031	11,517	240,940	5,993	294,741	201,908	206,711	211,389	240,855
Total revenue	12,829,150	13,042,164	12,524,504	12,568,124	12,767,388	13,294,922	13,698,828	13,874,142	14,491,942	14,539,205
Expenditures										
Instruction:										
Regular Instruction	3,397,059	3,551,867	3,681,736	3,821,825	3,685,962	3,892,351	4,103,804	4,667,671	4,625,757	5,110,799
Special education instruction	1,225,633	1,261,801	1,183,941	1,100,857	962,172	1,088,086	920,051	868,641	741,742	831,675
Other special instruction	115,348	109,543	118,269	163,266	324,260	142,847	274,637	146,959	337,775	230,849
School-sponsored/other instructional	67,951	65,643	77,607	74,417	78,954	85,368	85,151	119,084	92,145	110,057
Support Services:										
Tuition	194,365	204,739	69,040	93,294	109,364	201,905	207,125	189,575	207,347	-
Student & inst. related services	944,170	1,011,114	1,271,129	1,457,590	1,353,935	1,374,399	1,425,010	1,475,866	1,524,123	1,587,380
General administration	-	-	397,030	409,651	342,598	314,123	300,087	419,685	496,459	373,532
School administration	727,287	387,688	527,175	736,062	693,635	723,276	784,450	629,384	722,308	485,894
Central services	205,641	609,308	220,668	-	-	-	-	-	984,813	275,017
Operations and maintenance	1,063,564	1,039,829	873,077	1,080,161	1,018,571	972,813	984,285	997,085	264,467	861,362
Student Transportation	268,624	268,996	238,267	289,030	247,361	257,299	227,110	243,157	-	222,181
Allowable maintenance-school facilities	-	-	185,271	207,053	-	-	-	-	2,022,930	157,996
Unallocated employee benefits	2,531,087	2,528,880	1,500,788	1,380,891	2,495,913	2,788,233	1,891,007	2,983,578	809,804	2,107,449
On-behalf TPAF pension contributions	-	-	339,188	350,487	-	-	799,940	-	453,980	574,738
Reimbursed TPAF social security	-	-	406,956	429,901	-	-	426,998	-	-	465,165
Capital outlay:										
Total capital outlay	525,329	578,842	429,721	112,193	139,006	114,054	933,208	585,104	565,815	48,794
Debt service:										
Principal	574,842	407,818	605,842	608,842	661,842	669,842	742,842	773,842	775,000	815,000
Interest and other charges	433,437	604,047	386,912	363,379	339,305	312,462	288,578	268,133	253,075	139,975
Total expenditures	12,274,337	12,630,115	12,512,617	12,678,899	12,452,878	12,937,058	14,394,283	14,367,764	14,877,540	14,397,863
Excess (Deficiency) of revenues over (under) expenditures	554,813	412,049	11,887	(110,775)	314,510	357,864	(695,455)	(513,622)	(385,598)	141,342
Other Financing sources (uses)										
Refund of extraordinary aid	-	-	-	-	-	(53,038)	-	-	-	-
Sale of bonds	-	-	-	-	-	-	750,000	-	-	-
Accrued interest on bonds	15,575	4,421	-	-	-	-	-	-	-	-
Transfers in	3,282	1,055	38,451	-	-	-	-	-	-	-
Transfers out	(16,432)	(23,072)	(60,852)	-	-	-	-	-	(11,219)	-
Total other financing sources (uses)	2,425	(17,596)	(22,401)	-	-	(53,038)	750,000	-	(11,219)	-
Net change in fund balances	\$ 557,238	\$ 394,453	\$ (10,514)	\$ (110,775)	\$ 314,510	\$ 304,826	\$ 54,545	\$ (513,622)	\$ (396,817)	\$ 141,342
Debt service as a percentage of noncapital expenditures	8.58%	8.40%	8.22%	7.74%	8.13%	7.66%	7.66%	7.56%	7.18%	6.66%

Note: Noncapital expenditures are total expenditures less capital outlay.
Source: District Records

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Admissions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,987	\$ 4,310	\$ -	\$ -
Book fines	-	-	-	-	-	140	12	299	-	-
Enrichment programs	-	-	-	-	10,800	10,665	12,908	9,561	-	-
Interest	94,760	57,893	9,152	19,032	12,621	11,830	10,868	5,718	5,347	5,842
Miscellaneous	84,639	49,493	89,033	11,911	11,895	5,601	9,407	4,378	14,352	96,062
Facility rentals	-	-	-	-	5,861	1,413	450	694	-	-
Refund prior year's expenditures	-	-	-	-	-	-	-	18,375	-	-
Sale of assets	-	-	9,059	-	-	-	-	-	-	-
Transportation fees	47,050	43,978	49,722	48,578	37,203	35,775	28,500	27,150	31,871	-
Tuition	31,265	-	21,022	28,233	64,458	59,708	90,550	117,550	99,450	166,843
	<u>257,714</u>	<u>151,364</u>	<u>177,988</u>	<u>107,754</u>	<u>142,838</u>	<u>809,639</u>	<u>156,682</u>	<u>188,035</u>	<u>151,020</u>	<u>268,747</u>

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities *	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate *
2007	13,882,900	1,144,025,300	3,376,500	15,800	83,976,300	-	-	1,245,276,800	-	921,403	1,246,198,203	1,586,968,655	0.848
2008	15,409,600	1,149,913,900	3,376,500	15,800	83,930,100	-	-	1,252,645,900	-	1,054,252	1,253,700,152	1,651,284,812	0.859
2009	14,215,700	1,134,855,600	3,376,500	15,800	84,643,500	-	-	1,237,107,100	-	1,227,857	1,238,334,957	1,690,394,643	0.885
2010	9,474,700	1,146,434,300	3,376,500	15,800	84,557,900	-	-	1,243,859,200	-	2,303,833	1,246,163,033	1,659,770,691	0.909
2011	9,557,900	1,152,263,400	3,376,500	15,500	84,557,900	-	-	1,249,771,200	-	1,021,967	1,250,793,167	1,621,069,059	0.919
2012	11,934,400	1,152,141,400	3,376,500	15,500	84,456,800	-	-	1,251,924,600	-	989,441	1,252,914,041	1,615,713,440	0.934
2013	15,317,400	1,233,714,800	4,051,200	17,300	100,897,600	-	-	1,353,998,300	-	1,395,197	1,355,393,497	1,595,594,714	0.882
2014	15,317,400	1,233,714,800	4,051,200	17,300	100,897,600	-	-	1,353,998,300	-	1,395,197	1,355,393,497	1,592,462,530	0.882
2015	24,062,400	1,330,815,200	4,128,500	17,300	100,937,900	-	-	1,459,961,300	-	974,140	1,460,935,440	1,719,005,830	0.834
2016	9,345,600	1,501,675,100	4,035,000	17,300	113,702,100	-	-	1,628,775,100	-	1,180,677	1,629,955,777	1,628,775,100	0.868

Source: Monmouth County Tax Board

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

Fiscal Year Ended June 30,	Little Silver School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Red Bank Regional School District	Municipality of Little Silver	Monmouth County	
2007	0.792	0.079	0.871	0.434	0.468	0.347	2.120
2008	0.782	0.077	0.859	0.446	0.502	0.338	2.145
2009	0.808	0.077	0.885	0.475	0.512	0.347	2.219
2010	0.832	0.077	0.909	0.479	0.508	0.363	2.259
2011	0.840	0.079	0.919	0.493	0.521	0.366	2.299
2012	0.851	0.083	0.934	0.493	0.521	0.366	2.314
2013	0.804	0.078	0.882	0.51	0.498	0.354	2.244
2014	0.804	0.078	0.882	0.51	0.498	0.354	2.244
2015	0.759	0.075	0.834	0.482	0.469	0.365	2.150
2016	0.801	0.067	0.868	0.439	0.429	0.320	2.056

Source: Monmouth County Tax Board

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

	2016			2007		
	Assessed Valuation	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Markham Prospect Associates	\$ 12,368,000	1	0.99%	\$ 8,694,700	1	0.71%
Conover Realty	7,617,200	2	0.61%	3,638,900	3	0.30%
Taxpayer #1	3,982,300	3	0.32%	3,871,900	2	0.32%
Taxpayer #2	3,705,200	4	0.30%	3,468,000	5	0.28%
BK Trikha Properties, LLC	3,567,000	5	0.28%	-	0	0.28%
Taxpayer #3	3,098,900	6	0.25%	2,780,100	7	0.21%
I.S.T. Corp	2,881,300	7	0.23%	2,579,800	9	0.23%
1979 Associates, LLC	2,825,900	8	0.23%	2,452,200	10	0.20%
Taxpayer #4	2,767,400	9	0.22%	-	0	0.00%
Taxpayer #5	2,714,000	10	0.22%	-	0	0.21%
Total Net Taxable Value	<u>\$ 45,527,200</u>		<u>3.65%</u>	<u>27,485,600</u>		<u>2.74%</u>

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	10,483,466	10,483,466	100.00%	-
2008	10,852,968	10,852,968	100.00%	-
2009	10,772,792	10,772,792	100.00%	-
2010	10,954,872	10,954,872	100.00%	-
2011	11,318,113	11,318,113	100.00%	-
2012	11,495,603	11,495,603	100.00%	-
2013	11,707,051	11,707,051	100.00%	-
2014	11,951,122	11,951,122	100.00%	-
2015	12,189,002	12,189,002	100.00%	-
2016	13,047,024	13,047,024	100.00%	-

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities	Total District	% of Personal Income	Per Capita
	General Obligation Bonds & Loans	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2007	10,291,896	-	-	-	-	10,291,896	2.92%	1,682
2008	9,713,054	-	-	-	-	9,713,054	2.68%	1,589
2009	9,107,212	-	-	-	-	9,107,212	2.66%	1,483
2010	8,498,370	-	-	-	-	8,498,370	2.51%	1,427
2011	7,836,528	-	-	-	-	7,836,528	2.30%	1,316
2012	7,166,686	-	-	-	-	7,166,686	2.01%	1,198
2013	6,423,844	-	-	-	-	6,423,844	1.77%	1,088
2014	6,400,002	-	-	-	-	6,400,002	N/A	N/A
2015	6,250,100	-	-	-	-	6,250,100	N/A	N/A
2016	4,565,000	-	-	-	-	4,565,000	N/A	N/A

Source: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
See Exhibit NJ J-14 for personal income and population data.
These ratios are calculated using personal income and population for the prior calendar year.

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

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
2007	10,291,896	-	10,291,896	0.83%	1,682
2008	9,713,054	-	9,713,054	0.78%	1,589
2009	9,107,212	-	9,107,212	0.74%	1,483
2010	8,498,370	-	8,498,370	0.68%	1,427
2011	7,836,528	-	7,836,528	0.63%	1,316
2012	7,166,686	-	7,166,686	0.57%	1,198
2013	6,423,844	-	6,423,844	0.47%	1,088
2014	6,400,002	-	6,400,002	0.47%	N/A
2015	6,250,100	-	6,250,100	0.43%	N/A
2016	4,565,000	-	4,565,000	0.28%	N/A

LITTLE SILVER SCHOOL DISTRICT
 Ratios of Direct and Overlapping Bonded Debt
 For the Fiscal Year Ended June 30, 2016
 UNAUDITED

Net direct debt of school district as of June 30, 2016	\$	4,565,000
Net Overlapping Debt of School District:		
Borough of Little Silver (100%)		3,274,213
County of Monmouth - Little Silver share (1.205%)		5,336,316
		<u>5,336,316</u>
Total direct and overlapping bonded debt as of June 30, 2016	\$	<u>13,175,529</u>

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

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

Legal Debt Margin for Fiscal Year 2016

Equalized valuation basis		
2016	\$ 1,628,775,100	
2015	1,459,961,300	
2014	<u>1,353,998,300</u>	
	<u>\$ 4,442,734,700</u>	[A]
Average equalized valuation of taxable property	\$ 1,480,911,567	[A/3]
Debt limit (3% of average equalization value)	44,427,347	[B]
Net bonded school debt	<u>4,565,000</u>	[C]
Legal debt margin	<u>\$ 39,862,347</u>	[B-C]

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 57,676,695	\$ 46,789,559	\$ 49,277,267	\$ 50,014,501	\$ 49,712,344	\$ 48,965,532	\$ 48,323,772	\$ 48,037,707	\$ 49,070,631	\$ 48,284
Total net debt applicable to limit	<u>13,503,894</u>	<u>9,713,054</u>	<u>9,107,212</u>	<u>8,498,370</u>	<u>7,836,528</u>	<u>7,166,686</u>	<u>6,423,844</u>	<u>6,400,002</u>	<u>6,250,100</u>	<u>4,565</u>
Legal debt margin	<u>\$ 44,172,801</u>	<u>\$ 37,076,505</u>	<u>\$ 40,170,055</u>	<u>\$ 41,516,131</u>	<u>\$ 41,875,816</u>	<u>\$ 41,798,846</u>	<u>\$ 41,899,928</u>	<u>\$ 41,637,705</u>	<u>\$ 42,820,531</u>	<u>\$ 43,719</u>
Total net debt applicable to the limit as a percentage of debt limit	30.57%	26.20%	22.67%	20.47%	18.71%	17.15%	15.33%	15.37%	14.60%	10.44%

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

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

Year	Population	Personal Income (thousands of dollars) ^a	Per Capita Personal Income	Unemployment Rate
2007	6,119	353,005,110.00	57,690.00	2.8%
2008	6,114	362,768,076.00	59,334.00	3.6%
2009	6,141	342,446,724.00	55,764.00	6.0%
2010	5,955	339,167,025.00	56,955.00	6.0%
2011	5,956	340,986,956.00	57,251.00	6.1%
2012	5,982	356,939,958.00	59,669.00	6.4%
2013	5,906	362,781,956.00	61,426.00	4.7%
2014	5,918	375,526,690.00	63,455.00	5.7%
2015	5,913	390,370,347.00	66,019.00	3.7%
2016				

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

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

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

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

2016

2007

DATA NOT AVAILABLE

DATA NOT AVAILABLE

Source: Borough of Little Silver

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

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	67.1	66.0	66.0	66.0	67.0	68.8	74.0	74.0	74.0	74.0
Special education	16.7	17.3	17.4	17.5	16.8	18.4	11.0	11.0	11.0	11.0
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	9.6	12.4	15.3	13.4	13.3	18.0	20.3	20.3	20.3	20.3
Student & instruction related services:	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General administration	5.6	5.6	5.6	6.0	6.0	6.0	7.0	7.0	8.0	8.0
School administrative services	5.0	3.0	3.0	-	-	-	-	-	-	-
Other administrative services	-	-	-	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Central services	1.0	1.0	1.0	0.8	0.8	0.4	1.0	1.0	1.0	1.0
Administrative information technology	11.9	10.0	10.0	11.8	11.8	11.5	11.5	11.5	11.5	11.5
Plant operations & maintenance	-	0.7	0.7	0.7	0.6	0.6	0.3	0.3	0.3	0.3
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	<u>118.9</u>	<u>118.0</u>	<u>121.0</u>	<u>121.0</u>	<u>121.1</u>	<u>128.5</u>	<u>129.9</u>	<u>129.9</u>	<u>130.9</u>	<u>130.9</u>

Source: District Personnel Records

LITTLE SILVER SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2007	809	9,484,875	11,724	0.45%	77	10:4:1	9:0:1	794.9	762.10	-1.13%	95.9%
2008	809	9,816,435	12,134	3.50%	76	10:8:1	8:6:1	810.7	778.50	1.99%	96.0%
2009	807	10,064,659	12,472	2.79%	76	11:2:1	8:9:1	805.3	773.90	-0.67%	96.1%
2010	801	10,499,390	13,108	5.10%	76	10:9:1	8:1:1	804.3	771.30	-0.12%	95.9%
2011	804	10,225,573	12,718	-2.98%	76	10:6:1	8:9:1	792	781.20	-1.53%	98.6%
2012	817	10,578,708	12,948	1.81%	75	10:6:1	8:8:1	809	779.40	2.15%	96.3%
2013	846	10,949,148	12,942	-0.05%	75.11	12:1	9:1	839	804.90	3.71%	95.9%
2014	872	11,376,191	13,046	0.80%	78.16			865.87	831.73	3.20%	96.1%
2015	854	11,905,753	13,941	6.86%	84.96	12:1	9:1	849.09	813.86	-1.94%	95.9%
2016	845	13,530,229	16,012	14.86%	85.96	12:1	9:1	846.52	814.06	0.02%	96.2%

Note: Enrollment based on annual October district count.

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

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

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Elementary										
Point Road Elementary										
Square Feet	50,998	50,998	50,998	50,998	50,998	50,998	50,998	53,548	53,548	53,548
Capacity (students)	466	466	466	466	466	466	466	506	506	506
Enrollment	436	438	440	459	447	460	457	477	464	471
Middle School										
Markham Place Middle School										
Square Feet	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189	57,189
Capacity (students)	387	387	387	387	387	387	387	387	387	387
Enrollment	352	371	371	338	359	347	376	383	388	374
Other										
Administration Building										
Square Feet	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400

LITTLE SILVER SCHOOL DISTRICT
 Schedule of Required Maintenance for School Facilities
 For the Fiscal Year Ended June 30, 2016
 UNAUDITED

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

School Facilities	Markham Place	Point Road Elementary	Other Facilities	Total
2007	94,192	69,404	1,652	165,248
2008	110,091	81,558	2,050	193,699
2009	112,824	70,983	1,465	185,272
2010	117,417	91,522	1,766	210,705
2011	86,639	91,685	1,519	179,843
2012	86,857	81,040	500	168,397
2013	99,977	66,765	312	167,054
2014	96,713	74,009	1,419	172,141
2015	90,459	81,762	1,740	173,961
2016	82,158	74,258	1,579	157,996

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

Source: District records

LITTLE SILVER SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Coverage limits</u>	<u>Deductible</u>
Multi-Peril - General Securities		
Property - Blanket Building and contents (Replacement Cost Values)	36,321,953	1,000
Extra Expense Section - All Risks Coverage	1,000,000	
Electronic Data Processing Equipment	375,000	250
Flood & Earthquake (each)	500,000	25,000
Musical Instruments Floater	500,000	500
Monies and Security	25,000	
Comprehensive General Liability	2,000,000	1,000
Employers Non-Owned & Hired Automobile Liability	2,000,000 3,000,000	500 500
Employee Benefits Liability Aggregate	1,000,000 3,000,000	1,000
Workers Compensation - NJSBAIG Covered Payrolls	2,000,000 7,996,000	
Boiler Insurance - General Securities Extra Expense Section	Included in blanket property limit 100,000	1,000 1,000
Fidelity Bond - General Securities Treasurer Board Secretary	200,000 83,000	
School Board Legal Liability - NJSBAIG	1,000,000	5,000
Student Accident - Berkley Life and Health Ins. Co. Compulsory Program Catastrophic Casualty	1,000,000 500,000	

Source: District Records

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Little Silver School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Little Silver School District basic financial statements, and have issued our report thereon dated October 18, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted

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



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

October 18, 2016

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

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

Report on Compliance for Each Major Federal and State Program

We have audited Little Silver School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Little Silver School District's major federal programs for the year ended June 30, 2016. Little Silver School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, Little Silver School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

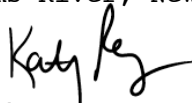
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

Purpose of this Report

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

Respectfully submitted,

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



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

October 18, 2016

LITTLE SILVER SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Program or Award Amount	Balance at June 30, 2015	Cash Received	Budgetary Expenditures	Balance at June 30, 2016		
							(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education									
Passed-through State Department									
of Education:									
Special Revenue Fund:									
Title II Part A	84.281	7/1/15-6/30/15	21,079	\$ (19,139)	\$ 19,139	\$ (1,940)	\$ (1,940)	\$ -	\$ -
Title II Part A	84.281	7/1/15-6/30/16	22,924	-	16,986	(20,454)	(3,468)	-	-
Title I	84.010	7/1/15-6/30/16	23,743	-	20,505	(23,743)	(3,238)	-	-
I.D.E.A. Basic	84.027	7/1/15-6/30/15	187,062	(186,431)	186,431	(631)	(631)	-	-
I.D.E.A. Basic	84.027	7/1/15-6/30/16	189,246	-	33,806	(188,615)	(154,809)	-	-
I.D.E.A. Preschool	84.173	7/1/14-6/30/15	5,819	(5,819)	5,819	-	-	-	-
I.D.E.A. Preschool	84.173	7/1/15-6/30/16	5,992	-	4,291	(5,922)	(1,631)	-	-
Total U.S. Department of Education				(211,389)	286,977	(241,305)	(165,717)	-	-
Total Expenditures of Federal Awards				\$ (211,389)	\$ 286,977	\$ (241,305)	\$ (165,717)	\$ -	\$ -

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

LITTLE SILVER SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year ended June 30, 2016

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015	Cash Received	Budgetary Expenditures	Deferred Revenue at June 30, 2016	(Accounts Receivable) at June 30, 2016	Due to Grantor at June 30, 2016	MEMO		
										Budgetary Receivable	Cumulative Total Expenditures	
General Fund:												
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	\$ 60,904	\$ (60,904)	\$ 60,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	80,645	-	-	(80,645)	-	(80,645)	-	-	80,645	
Special Education Categorical Aid	16-495-034-5120-089	7/1/15-6/30/16	272,441	-	249,531	(272,441)	-	-	-	(22,910)	272,441	
Nonpublic Transportation Aid	15-495-034-5120-045	7/1/14-6/30/15	947	(947)	947	-	-	-	-	-	-	
Nonpublic Transportation Aid	16-495-034-5120-045	7/1/15-6/30/16	2,557	-	-	(2,557)	-	(2,557)	-	-	2,557	
Categorical Security Aid	16-495-034-5120-084	7/1/15-6/30/16	11,775	-	10,785	(11,775)	-	-	-	(990)	11,775	
Categorical Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	10,488	-	9,606	(10,488)	-	-	-	(882)	10,488	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	8,430	-	7,721	(8,430)	-	-	-	(709)	8,430	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	8,430	-	7,721	(8,430)	-	-	-	(709)	8,430	
On-behalf TPAF Pension Contribution	16-100-034-5095-001	7/1/15-6/30/16	1,057,417	-	1,057,417	(1,057,417)	-	-	-	-	1,057,417	
Reimbursed TPAF Social Security Tax Contribution	15-100-034-5095-002	7/1/14-6/30/15	1,298,512	(23,351)	23,351	-	-	-	-	-	-	
Reimbursed TPAF Social Security Tax Contribution	16-100-034-5095-002	7/1/15-6/30/16	465,165	-	442,549	(465,165)	-	(22,616)	-	-	465,165	
Total General Fund				(85,202)	1,870,532	(1,917,348)	-	(105,818)	-	(26,200)	1,917,348	
Total State Expenditures Subject to Single Audit Determination				(85,202)	1,870,532	(1,917,348)	-	(105,818)	-	(26,200)	1,917,348	
State Expenditures Not Subject to Major Program Determination				-	1,057,417	(1,057,417)	-	-	-	-	(1,057,417)	
Total Expenditures of State Awards Subject to Major Program Determination				\$ (85,202)	\$ 813,115	\$ (859,931)	\$ -	\$ (105,818)	\$ -	\$ (26,200)	\$ 859,931	

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

Little Silver School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2016

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(481,719) for the general fund, \$(450) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page.

Little Silver School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2016

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	1,435,629	1,435,629
Special Revenue Fund	240,855	-	240,855
Debt Service Fund	-	-	-
Capital Projects Fund	-	(70,773)	(70,773)
Food Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	\$ <u>240,855</u>	<u>1,364,856</u>	\$ <u>1,605,711</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2016.

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

Little Silver School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2016

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 no
- 2) Significant deficiencies identified
that are not considered to be
material weaknesses? yes none reported

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

Federal Awards Section: N/A

Internal Control over major programs:

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

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

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR section .516(a) of the Uniform Guidance? yes no

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? yes no

Little Silver School District
 Schedule of Finding and Questioned Costs
 June 30, 2016

Section I – Summary of Auditor’s Results (continued)

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

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

Identification of major programs:

GMIS Number(s)	Name of State Program
	State Aid - Public (Cluster)
495-034-5094-003	Reimbursed TPAF Social Security Contributions

Section II – Financial Statement Findings

No matters were reported for the period ended June 30, 2016.

Prior Year Audit Findings – N/A

Section III – State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2016.

Little Silver School District
Summary Schedule of Prior Audit Findings

June 30, 2016

There were no prior year findings for the period ended June 30, 2015.