

**LONG BEACH ISLAND CONSOLIDATED
SCHOOL DISTRICT**

Surf City, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

SURF CITY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

**Long Beach Island Consolidated School District
Business Administrator's Office**

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INTRODUCTORY SECTION

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Long Beach Island Consolidated School District



Barnegat Light

Harvey Cedars

Surf City

Ship Bottom

Long Beach Township

Riding the Waves of Excellence

LONG BEACH ISLAND BOARD OF EDUCATION

201 20th Street

Ship Bottom, NJ 08008

Phone: (609) 494-8851 Fax: (609) 494-2921

November 29, 2016

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

Dear Board Members:

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

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

1)REPORTING ENTITY AND ITS SERVICES: The Long Beach Island Consolidated School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report.

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

The District provides a full range of educational services appropriate to grade levels Pre K through 6. These include regular, as well as special education for handicapped youngsters. The District completed the 2015-2016 fiscal year with an enrollment of 234 students, which is 2 students more than previous year's enrollment. The following details the changes in the student enrollment of the District over the last fifteen years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	234	+0.86%
2014-15	232	-0.03%
2013-14	238	-0.04%
2012-13	249	+0.05%
2011-12	237	+0.00%
2010-11	238	+0.05%
2009-10	227	-0.09%
2008-09	250	-0.01%
2007-08	254	0.01%
2006-07	252	-7.01%
2005-06	271	-7.19%
2004-05	292	-2.41%
2003-04	299	-8.00%
2002-03	325	-8.22%
2001-02	354	-5.85%

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

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

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

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

9)OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and fund financial statements and schedules is included in the financial section of

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

10) ACKNOWLEDGMENTS:

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

Respectfully submitted,

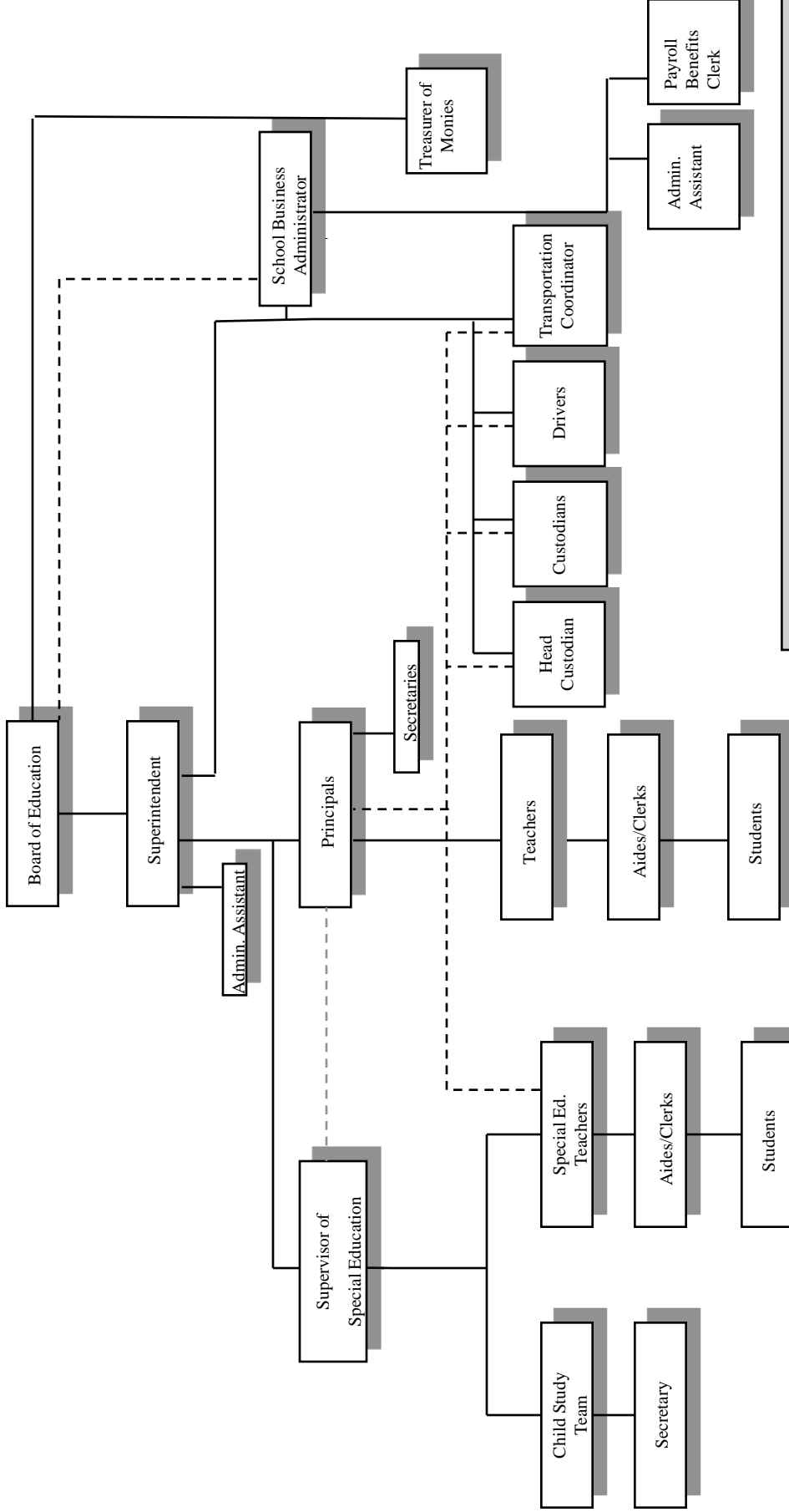


Peter J. Kopack, ED.d
Superintendent



Megan Gally
School Business Administrator/Board Secretary

LONG BEACH ISLAND SCHOOL DISTRICT



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

Long Beach Island Consolidated School District
Surf City, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Jennifer Bott, President	2017
Colette Southwick, Vice President	2018
Thomas Beaty	2018
James Donahower	2016
Georgene Hartmann	2017
Allyn Kain	2017
Bonnie Picaro	2016
Kristy Raber	2018
Marilyn Wasilewski	2016

OTHER OFFICIALS

Peter J. Kopack, Ed.D, Superintendent

Megan Gally, School Business Administrator/Board Secretary

Mary A. Conroy, Treasurer

**Long Beach Island Consolidated School District
Board of Education
Surf City, New Jersey**

ATTORNEY

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

AUDIT FIRM

Holman Frenia Allison, P. C.
680 Hooper Avenue, Building B, Suite 201
Toms River, New Jersey 08753

CONSULTING ENGINEER

Dicaro Rubino Architects
30 Galesi Drive
Wayne, New Jersey 07470

OFFICIAL DEPOSITORY

Ocean First Bank
975 Hooper Avenue
Toms River, New Jersey 08753

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FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Long Beach Island Consolidated School District
County of Ocean
Surf City, New Jersey 08008

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Long Beach Island Consolidated School District, County of Ocean, 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, budgetary comparison information, and the schedules related to accounting and reporting for pensions, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Long Beach Island Consolidated School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance IS presented for purposes of additional analysis as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and is also not a required part of the basic financial statements.

The accompanying combining statements and the schedules of expenditures of state financial assistance 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 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 accompanying combining statements and schedules of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2016 on our consideration of the Long Beach Island Consolidated School District's 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 Long Beach Island Consolidated School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Toms River, New Jersey
November 29, 2016

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**LONG BEACH ISLAND SCHOOL DISTRICT
COROUGH OF SURF CITY, OCEAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

UNAUDITED

This discussion and analysis of Long Beach Island School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District'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 District's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- ◆ General revenues accounted for \$6,193,900 in revenue or 82% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,365,665, or 18% to total revenues of \$7,559,565.
- ◆ The Governmental Activities of the School District had \$8,188,384 in expenses; \$1,310,165 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$6,193,896, plus capital projects fund balance were adequate to provide for these programs. The District also recorded an extraordinary loss of \$492,174 related to de-obligation of funds by the U.S. Federal Emergency Management Agency.
- ◆ The General Fund had \$6,500,289 in revenues, \$6,982,329 in expenditures and \$547,674 in other financing uses. The General Fund's balance decreased \$1,029,714 over 2015.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Long Beach Island 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 whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Long Beach Island School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, “How did we do financially during 2016?” The Statement of Net Position and the Statement of Activities helps answer this question. These 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 District’s net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- ◆ **Governmental Activities** – All of the School District’s programs and services are reported here including, but not limited to, 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 enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major (all) funds is included in the 2015-16 Comprehensive Annual Financial Report as presented by the School District. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, the Special Revenue Fund, and the Capital Projects Fund.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, 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 District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) 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 Funds

The Enterprise Funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary comparison of the School District's net position for 2016 and 2015.

TABLE I – STATEMENT OF NET POSITION

	June 30, 2016			June 30, 2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 2,244,238	\$ 1,949	\$ 2,246,187	\$ 2,955,305	\$ 1,083	\$ 2,956,388
Capital assets, net	2,009,119	-	2,009,119	2,078,286	-	2,078,286
Total assets	4,253,357	1,949	4,255,306	5,033,591	1,083	5,034,674
Deferred outflow of resources	239,106	-	239,106	54,047	-	54,047
Long-term liabilities	1,990,806	-	1,990,806	1,954,476	-	1,954,476
Other liabilities	502,567	863	503,430	32,084	255	32,339
Total liabilities	2,493,373	863	2,494,236	1,986,560	255	1,986,815
Deferred inflow of resources	293,587	-	293,587	219,078	-	219,078
Invested in capital assets, net	2,009,119	-	2,009,119	2,078,286	-	2,078,286
Restricted	1,503,748	-	1,503,748	2,742,979	-	2,742,979
Unrestricted	(1,807,364)	1,086	(1,806,278)	(1,939,265)	828	(1,938,437)
	<u>\$ 1,705,503</u>	<u>\$ 1,086</u>	<u>\$ 1,706,589</u>	<u>\$ 2,882,000</u>	<u>\$ 828</u>	<u>\$ 2,882,828</u>

Table 2 provides a comparison analysis of District-wide changes in net position from fiscal years 2016 and 2015.

TABLE II – CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue						
Program Revenue:						
Operating Grants	\$ 1,310,165	\$ 519,745	\$ 55,500	\$ 39,828	\$ 1,365,665	\$ 559,573
General Revenues:						
Property Taxes	5,073,482	5,754,105	-	-	5,073,482	5,754,105
Federal & State Aid Not Restricted to Specific Purposes	986,455	1,200,876	-	-	986,455	1,200,876
Tuition	93,980	81,892	-	-	93,980	81,892
Miscellaneous	39,979	73,494	4	3	39,983	73,497
Total Revenues	<u>7,504,061</u>	<u>7,630,112</u>	<u>55,504</u>	<u>39,831</u>	<u>7,559,565</u>	<u>7,669,943</u>
Expenses						
Instructional Services	2,767,703	2,425,351	-	-	2,767,703	2,425,351
Support Services	5,112,216	4,191,952	55,246	40,147	5,167,462	4,232,099
Unallocated Depreciation	308,465	299,848	-	-	308,465	299,848
Extraordinary Item - Loss Contingency	492,174	-	-	-	492,174	-
Total Expenses	<u>8,680,558</u>	<u>6,917,151</u>	<u>55,246</u>	<u>40,147</u>	<u>8,735,804</u>	<u>6,957,298</u>
Change in Net Position	<u>\$ (1,176,497)</u>	<u>\$ 712,961</u>	<u>\$ 258</u>	<u>\$ (316)</u>	<u>\$ (1,176,239)</u>	<u>\$ 712,645</u>

Governmental Activities

Property taxes made up 68% of revenues for governmental activities for the Long Beach Island School District for fiscal year 2016. The School District's total governmental revenues were \$7,504,061 for the fiscal year ended June 30, 2016. Federal, state and local grants accounted for 31%.

The total cost of all programs and services was \$8,188,384. Direct Regular and Special Education Instruction comprises 34% of School District expenses.

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

- ◆ Food service revenues exceeded expenses by \$258.
- ◆ Operating contributions represent \$55,500 of revenue. This represents the amount paid by governmental activities.

The School District's Funds

Information about the School District's major funds is included in the 2015-16 Comprehensive Annual Financial Report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., General Fund, Special Revenue Fund, and Capital Projects Fund presented in the fund-based statements) had total revenues of \$6,751,099, expenditures of \$7,384,978 and other financing uses of \$547,674 demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2016, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Staffing changes based on student needs.
- ◆ Additional costs for student expenses both in regular education and special education.
- ◆ Accounting changes in maintenance and operations.
- ◆ Changes in appropriations to prevent budget overruns.
- ◆ Additional needs for technology and textbooks.

While the School District's final budget for the General Fund anticipated a decrease in surplus funds of \$619,181, the actual results for the year show a \$1,028,533 decrease in surplus funds as of June 30, 2016.

Capital Assets

At the end of the fiscal year 2016, the School District had \$2,009,119 invested in land, buildings, and machinery and equipment.

TABLE IV – CAPITAL ASSETS (NET OF DEPRECIATION)

	<u>2016</u>	<u>2015</u>
Land	\$ 141,341	\$ 141,341
Construction in Progress	828,014	828,014
Building and Improvements	895,957	786,223
Machinery and Equipment	<u>143,807</u>	<u>322,708</u>
Total	<u>\$ 2,009,119</u>	<u>\$ 2,078,286</u>

Debt Administration

At June 30, 2016, the School District had no outstanding debt.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Megan Gally, School Business Administrator/Board Secretary at the Long Beach Island School District Board of Education, 201 20th Street, Surf City, New Jersey 08008.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL JUNE 30, 2016
Cash & Cash Equivalents	\$ 710,346	\$ 1,949	\$ 712,295
Receivables, Net	212,053	-	212,053
Restricted Assets:			
Cash Reserve Accounts	1,321,839	-	1,321,839
Capital Assets, Net (Note #6)	2,009,119	-	2,009,119
Total Assets	4,253,357	1,949	4,255,306
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	239,106	-	239,106
Total Deferred Outflow of Resources	239,106	-	239,106
Total Assets & Deferred Outflow of Resources	4,492,463	1,949	4,494,412
LIABILITIES			
Accounts Payable	-	863	863
Payable to Federal & State Government	495,948	-	495,948
Unearned Revenue	6,619	-	6,619
Noncurrent Liabilities (Note #8):			
Due Within One Year	-	-	-
Due Beyond One Year	1,990,806	-	1,990,806
Total Liabilities	2,493,373	863	2,494,236
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	293,587	-	293,587
Total Deferred Inflow of Resources	293,587	-	293,587
Total Liabilities & Deferred Inflow of Resources	2,786,960	863	2,787,823
NET POSITION			
Net Investment in Capital Assets	2,009,119	-	2,009,119
Restricted For:			
Capital Projects	181,909	-	181,909
Other Purposes	1,321,839	-	1,321,839
Unrestricted	(1,807,364)	1,086	(1,806,278)
Total Net Position	\$ 1,705,503	\$ 1,086	\$ 1,706,589

The accompanying Notes to Financial Statements are an integral part of this statement.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			TOTAL JUNE 30, 2016
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES		
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 2,319,580	\$ -	-	(2,319,580)	\$ -	\$ (2,319,580)	
Special Education Instruction	290,035	-	143,281	(146,754)	-	(146,754)	
Other Instruction	158,088	-	-	(158,088)	-	(158,088)	
Support Services & Undistributed Costs:							
Tuition Charges	99,458	-	-	(99,458)	-	(99,458)	
Student & Instruction Related Services	828,203	-	24,264	(803,939)	-	(803,939)	
School Administrative Services	74,689	-	-	(74,689)	-	(74,689)	
General Administrative Services	195,449	-	-	(195,449)	-	(195,449)	
Plant Operations & Maintenance	1,054,151	-	-	(1,054,151)	-	(1,054,151)	
Pupil Transportation	336,659	-	-	(336,659)	-	(336,659)	
Business & Other Support Services	123,432	-	-	(123,432)	-	(123,432)	
Unallocated Employee Benefits	2,344,675	-	1,142,620	(1,202,055)	-	(1,202,055)	
Transfer to Food Service	55,500	-	-	(55,500)	-	(55,500)	
Unallocated Depreciation	308,465	-	-	(308,465)	-	(308,465)	
Total Governmental Activities	8,188,384	-	1,310,165	(6,878,219)	-	(6,878,219)	
Business-Type Activities:							
Food Service	55,246	-	55,500	-	254	254	
Total Business-Type Activities	55,246	-	55,500	-	254	254	

The accompanying Notes to Financial Statements are an integral part of this statement.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	TOTAL
Total Primary Government	\$ 8,243,630	\$ -	\$ 1,365,665	(6,878,219)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes, Net				5,073,482
Federal & State Aid Not Restricted				986,455
Investment Earnings			4	2,699
Tuition Charges				93,980
Miscellaneous Income				37,284
Total General Revenues			4	6,193,900
Extraordinary Items:				
Loss Contingency (See Note 18)				(492,174)
Total Extraordinary Items				(492,174)
Change In Net Position			258	(1,176,239)
Net Position - Beginning			828	2,882,828
Net Position - Ending			\$ 1,086	\$ 1,706,589

The accompanying Notes to Financial Statements are an integral part of this statement.

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B. Fund Financial Statements

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Governmental Funds

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	<u>TOTAL</u> JUNE 30, 2016
ASSETS & OTHER DEBITS				
Cash & Cash Equivalents	\$ 520,189	\$ 5,194	\$ 184,963	\$ 710,346
Tax Levy Receivable	114,991	-	-	114,991
Receivable, Net	-	2,336	-	2,336
Interfunds Receivable	86,319	2,863	-	89,182
Receivables from Other Governments	11,461	-	83,265	94,726
Restricted Cash & Cash Equivalents	1,321,839	-	-	1,321,839
	<hr/>			
Total Assets	<u>\$ 2,054,799</u>	<u>\$ 10,393</u>	<u>\$ 268,228</u>	<u>\$ 2,333,420</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Interfund Payables	\$ 2,863	\$ -	\$ 86,319	\$ 89,182
Payable to Other Governments	492,174	3,774	-	495,948
Unearned Revenue	-	6,619	-	6,619
	<hr/>			
Total Liabilities	495,037	10,393	86,319	591,749
Fund Balances:				
Restricted for:				
Capital Reserve	938,737	-	-	938,737
Maintenance Reserve	333,102	-	-	333,102
Emergency Reserve	50,000	-	-	50,000
Committed Fund Balance:				
Other Purposes	55,965	-	-	55,965
Unassigned Fund Balance	181,958	-	181,909	363,867
	<hr/>			
Total Fund Balances	1,559,762	-	181,909	1,741,671
	<hr/>			
Total Liabilities & Fund Balances	<u>\$ 2,054,799</u>	<u>\$ 10,393</u>	<u>\$ 268,228</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,129,002 and the accumulated depreciation is \$6,119,883.				2,009,119
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.				(54,481)
Long-term liabilities, including net pension payable and compensated absense payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds.				<u>(1,990,806)</u>
Net position of Governmental Activities				<u>\$ 1,705,503</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	<u>TOTAL</u> JUNE 30, 2016
Revenues:				
Local Sources:				
Local Tax Levy	\$ 5,073,482	\$ -	\$ -	\$ 5,073,482
Tuition	93,980	-	-	93,980
Interest on Investments	2,695	-	-	2,695
Miscellaneous	23,637	-	-	23,637
Refund of Prior Year	13,647	-	-	13,647
Total Local Sources	<u>5,207,441</u>	-	-	<u>5,207,441</u>
State Sources	1,292,848	-	83,265	1,376,113
Federal Sources	-	167,545	-	167,545
Total Revenues	<u>6,500,289</u>	<u>167,545</u>	<u>83,265</u>	<u>6,751,099</u>
Expenditures:				
Current Expense:				
Regular Instruction	2,319,580	-	-	2,319,580
Special Education Instruction	146,754	143,281	-	290,035
Other Special Instruction	158,088	-	-	158,088
Support Services:				
Tuition	99,458	-	-	99,458
Student & Instruction Related Services	803,939	24,264	-	828,203
School Administrative Services	74,689	-	-	74,689
General Administrative	195,449	-	-	195,449
Plant Operations & Maintenance	1,046,177	-	-	1,046,177
Pupil Transportation	336,659	-	-	336,659
Central Services	123,432	-	-	123,432
Employee Benefits	1,665,933	-	-	1,665,933
Capital Outlay	12,171	-	235,101	247,272
Total Expenditures	<u>6,982,329</u>	<u>167,545</u>	<u>235,101</u>	<u>7,384,975</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>(482,040)</u>	-	<u>(151,836)</u>	<u>(633,876)</u>
Other Financing Sources/(Uses):				
Transfers to Food Service Fund	(55,500)	-	-	(55,500)
Loss Contingency (See Note 18)	(492,174)	-	-	(492,174)
Total Other Financing Sources/(Uses)	<u>(547,674)</u>	-	-	<u>(547,674)</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/ (Under) Expenditures & Other Financing Uses	<u>(1,029,714)</u>	-	<u>(151,836)</u>	<u>(1,181,550)</u>
Fund Balances, July 1	<u>2,589,476</u>	-	<u>333,745</u>	<u>2,923,221</u>
Fund Balances June 30	<u>\$ 1,559,762</u>	<u>\$ -</u>	<u>\$ 181,909</u>	<u>\$ 1,741,671</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (1,181,550)

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

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

Depreciation Expense	(308,465)	
Capital Outlays	239,298	(69,167)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Unfunded TPAF Pension Expense	(752,962)	
State Share of Unfunded TPAF Pension Expense	752,962	
District PERS Pension Contributions	139,541	
Pension Expense	(62,242)	77,299

In the statement of activities, certain operating expenses, e.g. compensated expenses (vacation & sick time) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources paid. When the paid amount exceeds the earned amount the difference is an addition to the reconciliation; when the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation.

Prior Year	165,948	
Current Year	(169,027)	(3,079)

Change in Net Position of Governmental Activities \$ (1,176,497)

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Proprietary Funds

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EXHIBIT B-4

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
ASSETS	FOOD SERVICE	JUNE 30, 2016	
Current Assets:			
Cash & Cash Equivalents	\$ 1,949	\$	1,949
Total Current Assets	1,949		1,949
Capital Assets:			
Furniture, Machinery & Equipment	10,816		10,816
Less: Accumulated Depreciation	(10,816)		(10,816)
Total Capital Assets	-		-
Total Assets	1,949		1,949
LIABILITIES			
Accounts Payable	863		863
Total Liabilities	863		863
NET POSITION			
Unrestricted Net Position	1,086		1,086
Total Net Position	\$ 1,086	\$	1,086

The accompanying Notes to Financial Statements are an integral part of this statement.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES -	
	ENTERPRISE FUNDS	TOTAL
	FOOD SERVICE	JUNE 30, 2016
Operating Expenses:		
Purchased Services	\$ 55,246	\$ 55,246
Total Operating Expenses	55,246	55,246
Operating Income/(Loss)	(55,246)	(55,246)
Nonoperating Revenues:		
Operating Transfers In	55,500	55,500
Interest Income	4	4
Total Nonoperating Revenues	55,504	55,504
Net Income	258	258
Net Position - July 1	828	828
Net Position - June 30	\$ 1,086	\$ 1,086

The accompanying Notes to Financial Statements are an integral part of this statement.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES -	
	ENTERPRISE FUNDS	TOTAL
	FOOD SERVICE	JUNE 30, 2016
Cash Flows From Operating Activities:		
Payments to Vendors	\$ (54,638)	\$ (54,638)
Net Cash Flows From Operating Activities	(54,638)	(54,638)
Cash Flows From Capital & Related Financing Activities:		
Transfer of Funds	55,500	55,500
Net Cash Flows From Capital & Related Financing Activities	55,500	55,500
Cash Flows From Investing Activities:		
Interest & Dividends	4	4
Net Cash Flows From Investing Activities	4	4
Net Change in Cash & Cash Equivalents	866	866
Balances - Beginning of Year	1,083	1,083
Balances - Ending of Year	\$ 1,949	\$ 1,949
Reconciliation of Operating Income to Net Cash Flows From Operating Activities:		
Operating Income	\$ (55,246)	\$ (55,246)
Adjustments to Reconcile Operating Income to Cash Flows From Operating Activities:		
Increase/(Decrease) in Accounts Payable	608	608
Total Adjustments	608	608
Net Cash Flows From Operating Activities	\$ (54,638)	\$ (54,638)

The accompanying Notes to Financial Statements are an integral part of this statement.

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Fiduciary Fund

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016

ASSETS	<u>PRIVATE PURPOSE UNEMPLOYMENT TRUST</u>	AGENCY FUNDS	<u>TOTAL JUNE 30, 2016</u>
Cash & Cash Equivalents	\$ 4,970	\$ 35,293	\$ 40,263
Total Assets	4,970	35,293	40,263
LIABILITIES			
Payroll Deductions & Withholdings	-	35,293	35,293
Total Liabilities	-	35,293	35,293
NET POSITION			
Held in Trust for Unemployment & Other Purposes	4,970	-	4,970
Total Net Position	\$ 4,970	\$ -	\$ 4,970

The accompanying Notes to Financial Statements are an integral part of this statement.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>PRIVATE PURPOSE UNEMPLOYMENT FUND</u>	<u>TOTAL JUNE 30, 2016</u>
ADDITIONS		
Contributions:		
Employee Contributions	\$ 16,843	\$ 16,843
Total Contributions	<u>16,843</u>	<u>16,843</u>
Investment Earnings:		
Interest - Checking	<u>5</u>	<u>5</u>
Net Investment Earnings	<u>5</u>	<u>5</u>
Total Additions	<u>16,848</u>	<u>16,848</u>
DEDUCTIONS		
Claims Paid	<u>17,261</u>	<u>17,261</u>
Total Deductions	<u>17,261</u>	<u>17,261</u>
Change in Net Position	(413)	(413)
Net Position - Beginning of the Year	<u>5,383</u>	<u>5,383</u>
Net Position - End of the Year	<u>\$ 4,970</u>	<u>\$ 4,970</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies

The financial statements of the Long Beach Island Consolidated School District (the 'District') have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

A. Reporting Entity

The Long Beach Island Consolidated School District (hereafter referred to as the "District") is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members' terms expire each year. The purpose of the District is to educate students in grades kindergarten through sixth at its two schools. The District has an approximate enrollment at June 30, 2016 of 233 students.

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 whether:

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the District holds the corporate powers of the organization;
- ◆ the District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

C. Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

C. Government-Wide Financial Statements (continued)

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

D. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

E. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

E. Proprietary Fund Financial Statements (continued)

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

F. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

G. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, repairs and maintenance, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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

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

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The District currently maintains a Payroll Fund as its Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

G. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

H. 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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general 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:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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.

The budget, as detailed on Exhibit C-1 and Exhibit C-2, includes all amendments to the adopted budget.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

I. 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 assigned 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 a reduction of the accounts receivables or as unearned revenue 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.

J. Cash and Cash Equivalents

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.

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

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 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 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.

K. Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

L. 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. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

M. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

N. 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 the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

O. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

P. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government 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. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

R. Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

R. Fund Balance (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

S. Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

T. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

T. Impact of Recently Issued Accounting Principles (continued)

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

T. Impact of Recently Issued Accounting Principles (continued)

Recently Issued and Adopted Accounting Pronouncements (continued)

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

U. Pensions

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

V. Deferred Outflows and Deferred Inflows of Resources

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

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

W. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through the date of November 29, 2016, which is the date the financial statements were available to be issued.

Note 2. Cash Deposits and Investments

A. Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the District relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District’s bank balance of \$2,205,596 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$	250,000
Collateralized by securities held by Pledging financial institution		<u>1,955,596</u>
Total	\$	<u><u>2,205,596</u></u>

B. Investments

New Jersey statutes permit the District to purchase the following types of securities:

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 2. Cash Deposits and Investments (continued)

B. Investments (continued)

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer.

The District did not hold any investments at June 30, 2016.

Note 3. Reserve Accounts

A. Capital Reserve

A capital reserve account was established by the Long Beach Island Consolidated School District by inclusion of \$750,000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Ending Balance, June 30, 2016 and 2015	<u>\$ 938,737</u>
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The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects at June 30, 2016 is \$1,503,475.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 3. Reserve Accounts (continued)

B. Maintenance Reserve Account

The District established a maintenance reserve account for the accumulation of funds for use as required maintenance expenditures 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 Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve account 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. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 300,000
Transfer per June Resolution	<u>33,102</u>
Ending Balance, June 30, 2016	<u>\$ 333,102</u>

C. Emergency Reserve Account

The District established an emergency reserve account by inclusion of \$50,000 for the accumulation of funds to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The activity of the emergency reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Ending Balance, June 30, 2016 and 2015	<u>\$ 50,000</u>
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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Intergovernmental	\$ 126,452	\$ -	\$ 83,265	\$ 209,717
Other	-	2,336	-	2,336
Total	\$ 126,452	\$ 2,336	\$ 83,265	\$ 212,053

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2016, the District transferred \$4,197 to the capital outlay accounts.

Note 6. Capital Assets

Capital assets activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Governmental Activities:				
Capital assets not being depreciated:				
Site & site improvements	\$ 141,341	\$ -	\$ -	\$ 141,341
Construction in Progress	828,014	-	-	828,014
Total capital assets not being depreciated	<u>969,355</u>	-	-	<u>969,355</u>
Capital Assets being depreciated:				
Buildings & Improvements	5,260,735	235,038	-	5,495,773
Machinery & Equipment	1,773,144	4,260	(113,530)	1,663,874
Total capital assets being depreciated	<u>7,033,879</u>	239,298	(113,530)	<u>7,159,647</u>
Less: accumulated depreciation:				
Buildings & Improvements	(4,474,512)	(125,304)	-	(4,599,816)
Machinery & Equipment	(1,450,436)	(183,161)	113,530	(1,520,067)
Total accumulated depreciation	<u>(5,924,948)</u>	(308,465)	113,530	<u>(6,119,883)</u>
Total capital assets being depreciated, net	<u>1,108,931</u>	(69,167)	-	<u>1,039,764</u>
Total Governmental Activities capital assets, net	<u>\$ 2,078,286</u>	<u>\$ (69,167)</u>	<u>\$ -</u>	<u>\$ 2,009,119</u>

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 6. Capital Assets (continued)

	Balance June 30, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2016</u>
Business-Type Activities:				
Capital assets being depreciated:				
Machinery & Equipment	\$ 10,816	\$ -	\$ -	\$ 10,816
Total capital assets being depreciated	<u>10,816</u>	-	-	<u>10,816</u>
Less: accumulated depreciation:				
Machinery & Equipment	(10,816)	-	-	(10,816)
Total accumulated depreciation	<u>(10,816)</u>	-	-	<u>(10,816)</u>
Total capital assets being depreciated, net	<u>-</u>	-	-	<u>-</u>
Total Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was charged to governmental functions/programs as follows:

Governmental Activities:	
Unallocated	<u>\$ 308,465</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 308,465</u>

Note 7. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2016 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 86,319	\$ 2,863
Special Revenue Fund	2,863	-
Capital Projects Fund	<u>-</u>	<u>86,319</u>
	<u>\$ 89,182</u>	<u>\$ 89,182</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 7. Interfund Receivables, Payables and Transfers (continued)

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 55,500
Food Service Fund	<u>55,500</u>	<u>-</u>
	<u>\$ 55,500</u>	<u>\$ 55,500</u>

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 8. Long-Term Obligations

During the fiscal year-ended June 30, 2016 the following changes occurred in long-term obligations:

	June 30, 2015	Additions	Reductions	June 30, 2016	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 165,948	\$ 3,079	\$ -	\$ 169,027	\$ -
Net Pension Liability	<u>1,788,528</u>	<u>33,251</u>	<u>-</u>	<u>1,821,779</u>	<u>-</u>
Total	<u>\$ 1,954,476</u>	<u>\$ 36,330</u>	<u>\$ -</u>	<u>\$ 1,990,806</u>	<u>\$ -</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences and capital leases are liquidated by the general fund.

A. Bonds Authorized But Not Issued

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

Note 9. Pension Plans

A. Public Employees' Retirement System (PERS)

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 9. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

The following represents the membership tiers for PERS:

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

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 9. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Components of Pension Liability - At June 30, 2016, the District reported a liability of \$1,821,779 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.00812% percent, which was a decrease of 0.00011% from its proportion measured as of June 30, 2014.

<u>Collective Balances at June 30, 2016 & June 30, 2015</u>		
	<u>06/30/16</u>	<u>06/30/15</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Deferred Outflows of Resources	\$ 239,106	\$ 54,047
Deferred Inflows of Resources	\$ 293,587	\$ 219,078
Net Pension Liability	\$ 1,821,779	\$ 1,718,756
District's Portion of the Plan's Total Net Pension Liability	0.00812%	0.00918%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$62,245. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 9. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 43,461	\$ -
Changes of assumptions	195,645	-
Net difference between projected and actual earnings on pension plan investments	-	29,291
Changes in proportion and differences between district contributions and proportionate share of contributions	-	264,296
Total	\$ 239,106	\$ 293,587

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

Year Ended June 30:	
2017	\$ (22,811)
2018	(22,811)
2019	(22,811)
2020	2,796
2021	11,156

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 9. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members 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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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%	5.21%
Total	100.00%	

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 9. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 2,264,248	\$ 1,821,779	\$ 1,450,816

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 9. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 9. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

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

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

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, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 9. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 employers' 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

C. Defined Contribution Retirement Plan (DCRP)

The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 9. Pension Plans (continued)

C. Defined Contribution Retirement Plan (DCRP) (continued)

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

Note 10. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

Note 11. Risk Management

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

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 11. Risk Management (continued)

State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

Fiscal Year	District Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2015-2016	\$ 16,843	\$ 5	\$ 17,261	\$ 4,970
2014-2015	12,807	2	7,445	5,383
2013-2014	16,789	30	63,447	19

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Federal Emergency Management Agency - The District has one FEMA project that has not yet been closed out. Although, final closeout procedures have not yet been performed the District estimates that there is a reasonable possibility that FEMA will de-obligate funds due to insurance reimbursements received by the District. As of the date of this report the District is still reconciling the amount of any potential de-obligation of funds for this project and the loss cannot be reasonably estimated.

Pending Litigation – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 13. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District’s programs and activities.

Note 14. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), “Accounting for Compensated Absences”. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 14. Compensated Absences (continued)

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$169,027.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016 no liability existed for compensated absences in the proprietary fund types.

Note 15. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District had no excess fund balance at June 30, 2016.

Note 16. Fund Balance

General Fund – Of the \$1,559,762 General Fund fund balance at June 30, 2016, \$938,737 has been reserved in the Capital Reserve Account; \$333,102 has been reserved in the Maintenance Reserve Account; \$50,000 has been reserved in the Emergency Reserve Account; \$55,965 has been committed for other purposes; and \$181,958 is unassigned.

Capital Projects Fund – Of the \$181,909 Capital Projects Fund fund balance at June 30, 2016, \$181,909 is unassigned.

Note 17. Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$(1,807,364) existed as of June 30, 2016 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2016**

Note 18. Extraordinary Item

During the year ended June 30, 2016 the District was notified by the United States Federal Emergency Management Agency of overpayments related to certain projects that were undertaken due to the after-effects of Hurricane Sandy totaling \$492,174. The overpayments were a result of a FEMA de-obligation of funds due to insurance reimbursements received by the District. As of the date of this report the District is still reconciling the amount of de-obligation, however the District has determined that this loss is probable and has recorded this amount as an expense in the District's statement of revenues, expenditures and changes in fund balance and recorded the related liability on the District's balance sheet. This amount has also been recorded as an expense in the District's statement of activities and recorded the related liability on the District's statement of net position.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 5,073,482	\$ -	\$ 5,073,482	\$ 5,073,482	\$ -
Tuition from Individuals	10-1310	45,000	-	45,000	65,458	20,458
Tuition from Other Sources	10-1340	-	-	-	28,522	28,522
Interest on Investments	10-1510	-	-	-	2,695	2,695
Miscellaneous	10-1990	3,000	-	3,000	23,637	20,637
Refund of Prior Year		-	-	-	13,647	13,647
Total Local Sources		5,121,482	-	5,121,482	5,207,441	85,959
State Sources:						
School Choice Aid	10-3116	507,129	-	507,129	507,129	-
Categorical Transportation Aid	10-3121	68,851	-	68,851	68,851	-
Categorical Special Education Aid	10-3132	119,540	-	119,540	119,540	-
Categorical Security Aid	10-3177	23,138	-	23,138	23,138	-
Non-Public Transportation Aid	10-3121	-	-	-	2,436	2,436
PARCC Readiness Aid	10-3190	2,250	-	2,250	2,250	-
Per Pupil Growth Aid	10-3191	2,250	-	2,250	2,250	-
On-Behalf TPAF Pension Contribution (Nonbudgeted):						
Normal Cost		-	-	-	178,777	178,777
Post-Retirement Medical		-	-	-	212,874	212,874
Reimbursed TPAF Social Security (Nonbudgeted)		-	-	-	176,784	176,784
Total State Sources		723,158	-	723,158	1,294,029	570,871
Total Revenues		5,844,640	-	5,844,640	6,501,470	656,830
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Preschool - Salaries of Teachers	11-105-100-101	147,188	(53,896)	93,292	92,766	526
Kindergarten - Salaries of Teachers	11-110-100-101	310,285	-	310,285	310,285	-
Grades 1-5 - Salaries of Teachers	11-120-100-101	1,196,681	13,717	1,210,398	1,189,555	20,843
Grade 6 - Salaries of Teachers	11-130-100-101	350,871	-	350,871	350,617	254
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	2,000	-	2,000	1,050	950
Other Salaries for Instruction	11-190-100-106	33,000	-	33,000	32,132	868
Purchased Technical Services	11-190-100-340	63,524	250	63,774	26,240	37,534
Other Purchased Services - (400-500 Series)	11-190-100-500	49,000	3,992	52,992	51,668	1,324
General Supplies	11-190-100-610	172,475	23,926	196,401	171,151	25,250
Textbooks	11-190-100-640	138,128	(62,225)	75,903	75,097	806
Other Objects	11-190-100-800	20,000	177	20,177	19,019	1,158
Total Regular Programs		2,483,152	(74,059)	2,409,093	2,319,580	89,513
Special Education:						
Resource Room/Resource Center						
Salaries of Teachers	11-213-100-101	188,903	(34,750)	154,153	143,903	10,250
General Supplies	11-213-100-610	500	-	500	431	69
Total Resource Room/Resource Center		189,403	(34,750)	154,653	144,334	10,319
Homebound Instruction:						
Salaries of Teachers	11-219-100-101	-	2,420	2,420	2,420	-
Total Homebound Instruction		-	2,420	2,420	2,420	-
Total Special Education		189,403	(32,330)	157,073	146,754	10,319

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Instructional Programs:						
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	88,644	93,715	182,359	157,869	24,490
General Supplies	11-230-100-610	800	-	800	219	581
Total Basic Skills/Remedial Instruction		89,444	93,715	183,159	158,088	25,071
Total - Instruction		2,761,999	(12,674)	2,749,325	2,624,422	124,903
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs						
Within the State - Special	11-000-100-562	59,000	38,795	97,795	82,258	15,537
Tuition to Private Schools for the Handicapped - Within the State	11-000-100-566	30,000	-	30,000	17,200	12,800
Total Instruction		89,000	38,795	127,795	99,458	28,337
Attendance/Social Work:						
Salaries	11-000-211-100	29,952	4,954	34,906	34,901	5
Purchased Professional & Technical Services	11-000-211-300	-	500	500	500	-
Total Attendance/Social Work		29,952	5,454	35,406	35,401	5
Health Services:						
Salaries	11-000-213-100	152,398	4,197	156,595	152,398	4,197
Purchased Professional & Technical Services	11-000-213-300	1,000	-	1,000	72	928
Supplies and Materials	11-000-213-600	3,500	379	3,879	2,335	1,544
Total Health Services		156,898	4,576	161,474	154,805	6,669
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	88,944	-	88,944	88,944	-
Purchased Professional & Educational Services	11-000-216-320	20,000	76,640	96,640	92,253	4,387
Total Other Support Services - Students - Related Services		108,944	76,640	185,584	181,197	4,387
Other Support Services - Students - Extraordinary Services:						
Salaries	11-000-217-100	117,614	-	117,614	115,069	2,545
Total Other Support Services - Students - Extraordinary Services		117,614	-	117,614	115,069	2,545
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff						
Supplies and Materials	11-000-218-104	72,394	810	73,204	71,308	1,896
	11-000-218-600	3,000	-	3,000	1,772	1,228
Total Other Support Services - Students - Regular		75,394	810	76,204	73,080	3,124
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff						
Salaries of Secretarial & Clerical Assistants	11-000-219-104	64,570	(1,801)	62,769	62,769	-
Other Purchased Professional & Technical Services	11-000-219-105	15,403	3,500	18,903	18,901	2
Other Objects	11-000-219-390	99,500	(60,475)	39,025	34,284	4,741
	11-000-219-800	14,000	3,876	17,876	12,549	5,327

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Total Other Support Services - Students - Special Services		193,473	(54,900)	138,573	128,503	10,070
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	30,000	(1,699)	28,301	27,500	801
Salaries of Secretarial & Clerical Assistants	11-000-221-105	35,742	5,072	40,814	40,814	-
Supplies & Materials	11-000-221-600	20,000	28,308	48,308	39,566	8,742
Total Improvement of Instruction Services		85,742	31,681	117,423	107,880	9,543
Educational Media Services/School Library:						
Supplies and Materials	11-000-222-600	5,900	-	5,900	3,265	2,635
Total Educational Media Services/School Library		5,900	-	5,900	3,265	2,635
Instructional Staff Training Services:						
Other Purchased Professional - Educational Services	11-000-223-320	5,000	-	5,000	2,000	3,000
Other Purchased Services - (400-500 Series)	11-000-223-500	12,200	-	12,200	2,113	10,087
Travel	11-000-223-590	1,500	-	1,500	626	874
Total Instructional Staff Training Services		18,700	-	18,700	4,739	13,961
Support Services General Administration:						
Salaries	11-000-230-100	57,028	(29,528)	27,500	27,500	-
Salaries of Secretarial & Clerical Assistants	11-000-230-105	-	27,512	27,512	25,060	2,452
Other Salaries	11-000-230-110	-	4,760	4,760	4,760	-
Legal Services	11-000-230-331	30,000	193	30,193	86,900	(56,707)
Audit Fees	11-000-230-332	14,000	-	14,000	13,500	500
Other Purchased Professional Services	11-000-230-339	500	5,039	5,539	5,539	-
Communications/Telephone	11-000-230-530	5,000	87	5,087	4,075	1,012
Other Purchased Services - (400-500)	11-000-230-590	15,000	2,000	17,000	15,378	1,622
General Supplies	11-000-230-610	1,000	592	1,592	1,592	-
BOE In-House Training/Meeting Supplies	11-000-230-630	2,500	-	2,500	2,394	106
Miscellaneous	11-000-230-890	5,000	-	5,000	4,772	228
BOE Membership Dues & Fees	11-000-230-895	4,000	-	4,000	3,979	21
Total Support Services General Administration		134,028	10,655	144,683	195,449	(50,766)
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	64,570	(500)	64,070	63,905	165
Salaries of Secretarial & Clerical Assistants	11-000-240-105	4,388	606	4,994	4,990	4
Travel	11-000-240-580	150	-	150	-	150
Supplies and Materials	11-000-240-600	3,500	642	4,142	4,000	142
Other Objects	11-000-240-800	1,800	-	1,800	1,794	6
Total Support Services School Administration		74,408	748	75,156	74,689	467
Central Services:						
Salaries	11-000-251-100	119,173	10,766	129,939	106,610	23,329
Purchased Technical Services	11-000-251-340	15,100	(120)	14,980	14,564	416
Supplies & Materials	11-000-251-600	1,150	500	1,650	1,562	88
Miscellaneous Expenditures	11-000-251-890	600	120	720	696	24
Total Central Services		136,023	11,266	147,289	123,432	23,857

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Administrative Information Technology:						
Other Purchased Services	11-000-252-500	1,500	-	1,500	-	1,500
Total Administrative Information Technology		1,500	-	1,500	-	1,500
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	34,475	5,166	39,641	39,586	55
Cleaning, Repair & Maintenance Services	11-000-261-420	101,000	368,432	469,432	338,667	130,765
General Supplies	11-000-261-610	7,500	1,337	8,837	7,962	875
Subtotal Required Maintenance for School Facilities		142,975	374,935	517,910	386,215	131,695
Custodial Services:						
Salaries	11-000-262-100	224,955	60,000	284,955	275,105	9,850
Purchased Professional & Technical Service	11-000-262-300	4,500	7,596	12,096	5,665	6,431
Cleaning, Repair & Maintenance Service	11-000-262-420	40,000	4,113	44,113	37,060	7,053
Other Purchased Property Service	11-000-262-490	4,000	-	4,000	2,975	1,025
Insurance	11-000-262-520	59,500	15,226	74,726	74,719	7
General Supplies	11-000-262-610	60,000	12,818	72,818	57,292	15,526
Energy (Natural Gas)	11-000-262-621	65,000	-	65,000	50,971	14,029
Energy (Electricity)	11-000-262-622	150,000	6,185	156,185	156,175	10
Total Custodial Services		607,955	105,938	713,893	659,962	53,931
Total Operations & Maintenance of Plant		750,930	480,873	1,231,803	1,046,177	185,626
Student Transportation Services:						
Salaries for Pupil Transportation - (Between Home & School - Regular Students)	11-000-270-160	145,000	(25,746)	119,254	108,772	10,482
Salaries for Pupil Transportation - (Between Home & School - Special Ed Students)	11-000-270-161	57,777	14,980	72,757	69,813	2,944
Cleaning, Repair & Maintenance Service	11-000-270-420	45,000	4,000	49,000	38,286	10,714
Contracted Services (Between Home & School)-Joint Agree.	11-000-270-513	20,000	-	20,000	14,036	5,964
Contracted Services (Special Ed Students) - Joint Agreements	11-000-270-515	70,000	-	70,000	66,000	4,000
Miscellaneous Purchased Services - Transportation	11-000-270-593	16,000	-	16,000	16,000	-
General Supplies	11-000-270-610	45,000	(4,000)	41,000	23,752	17,248
Total Student Transportation Services		398,777	(10,766)	388,011	336,659	51,352
Unallocated Benefits - Employee Benefits						
Social Security Contributions	11-000-291-220	90,000	-	90,000	89,429	571
Other Retirement Contributions - Regular	11-000-291-241	77,888	-	77,888	75,622	2,266
Unemployment Compensation	11-000-291-250	-	29,500	29,500	16,736	12,764
Workman's Compensation	11-000-291-260	52,300	-	52,300	52,300	-
Health Benefits	11-000-291-270	970,491	(81,014)	889,477	828,536	60,941
Other Employee Benefits	11-000-291-290	90,000	(55,025)	34,975	34,875	100
Total Unallocated Benefits - Employee Benefits		1,280,679	(106,539)	1,174,140	1,097,498	76,642
Nonbudgeted:						
On-Behalf TPAF Pension Contribution:						
Normal Cost		-	-	-	178,777	(178,777)
Post-Retirement Medical		-	-	-	212,874	(212,874)
Reimbursed TPAF Social Security Contributions		-	-	-	176,784	(176,784)
Total On-Behalf Contributions		-	-	-	568,435	(568,435)
Total Personal Services - Employee Benefits		1,280,679	(106,539)	1,174,140	1,665,933	(491,793)

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures - Food Service:						
Transfers to Cover Deficit (Enterprise)	11-000-310-930	35,000	20,500	55,500	55,500	-
Total Undistributed Expenditures - Food Service		35,000	20,500	55,500	55,500	-
Total Undistributed Expenditures		3,692,962	509,793	4,202,755	4,401,236	(198,481)
Total Expenditures - Current Expense		6,454,961	497,119	6,952,080	7,025,658	(73,578)
Capital Outlay:						
Equipment:						
Instructional - Grades 1-5	12-120-100-730	-	4,197	4,197	4,197	-
Total Equipment		-	4,197	4,197	4,197	-
Facilities Acquisition & Construction Services						
Assessment on SDA Projects	12-000-400-896	8,860	-	8,860	7,974	886
Total Facilities Acquisition & Construction Services:		8,860	-	8,860	7,974	886
Total Capital Outlay		8,860	4,197	13,057	12,171	886
Total Expenditures		6,463,821	501,316	6,965,137	7,037,829	(72,692)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(619,181)	(501,316)	(1,120,497)	(536,359)	584,138
Other Financing Sources/(Uses):						
Loss Contingency		-	-	-	(492,174)	(492,174)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(619,181)	(501,316)	(1,120,497)	(1,028,533)	91,964
Fund Balances, July 1		2,658,773	-	2,658,773	2,658,773	-
Fund Balances, June 30		<u>\$ 2,039,592</u>	<u>\$ (501,316)</u>	<u>\$ 1,538,276</u>	<u>\$ 1,630,240</u>	<u>\$ 91,964</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Roll-Over Encumbrances	<u>\$ 501,316</u>
Total Budget Transfers	<u><u>\$ 501,316</u></u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 938,737
Maintenance Reserve	333,102
Emergency Reserve	50,000
Committed Fund Balance:	
Year-End Encumbrances	55,965
Unassigned Fund Balance	<u>252,436</u>
Subtotal	1,630,240
Reconciliation to Governmental Funds Statements (GAAP)	
Reconciliation of State Aid Payments For GAAP to Budgetary Basis & Other Adjustments	<u>(70,478)</u>
Fund Balance Per Governmental Funds (GAAP)	<u><u>\$ 1,559,762</u></u>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
Federal Sources	\$ 145,365	\$ 6,176	\$ 151,541	\$ 151,541	\$ -
Total Revenues	145,365	6,176	151,541	151,541	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	43,937	16,254	60,191	60,191	-
Tuition	22,118	(12,118)	10,000	10,000	-
Other Purchased Services (400-500 Series)	57,071	(4,187)	52,884	52,884	-
General Supplies	4,202	-	4,202	4,202	-
Total Instruction	127,328	(51)	127,277	127,277	-
Support Services:					
Other Purchased Services	-	14,264	14,264	14,264	-
Supplies & Materials	18,037	(8,037)	10,000	10,000	-
Total Support Services	18,037	6,227	24,264	24,264	-
Total Outflows	145,365	6,176	151,541	151,541	-
Excess/(Deficiency) of Revenues Over/ Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
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
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 6,501,470	\$ 151,541
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	22,624
Current Year	-	(6,620)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	69,297	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(70,478)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 6,500,289	\$ 167,545
	<hr/> <hr/>	<hr/> <hr/>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 7,037,829	\$ 151,541
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	16,004
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	(55,500)	-
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 6,982,329	\$ 167,545
	<hr/> <hr/>	<hr/> <hr/>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT PLAN
LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.00812%	0.00918%	0.00990%
District's proportionate share of the net pension liability (asset)	\$ 1,821,779	\$ 1,718,756	\$ 1,892,582
District's covered-employee payroll	\$ 568,052	\$ 556,608	\$ 508,849
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	320.71%	308.79%	371.93%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT PLAN
LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 69,772	\$ 75,679	\$ 74,614
Contributions in relation to the contractually required contribution	<u>69,772</u>	<u>75,679</u>	<u>74,614</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	568,052	556,608	508,849
Contributions as a percentage of covered-employee payroll	12.28%	13.60%	14.66%

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
State's proportion of the net pension liability (asset) associated with the District	0.02414%	0.02608%	0.02458%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 15,259,653	\$ 13,932,794	\$ 12,423,479
District's covered-employee payroll	\$ 2,503,541	\$ 2,507,532	\$ 2,172,604
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68) –
CHANGE OF BENEFIT TERMS AND ASSUMPTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Teachers' Pension and Annuity Fund (TPAF)

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

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

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

Changes of assumptions. 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.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	IDEA PART-B	IDEA PRESCHOOL	TITLE I PART A
Revenues:			
Federal Sources	\$ 72,884	\$ 4,202	\$ 60,191
	<hr/>	<hr/>	<hr/>
Total Revenues	<u>\$ 72,884</u>	<u>\$ 4,202</u>	<u>\$ 60,191</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ -	\$ -	\$ 60,191
Tuition	10,000	-	-
Other Purchased Services	52,884	-	-
General Supplies	-	4,202	-
	<hr/>	<hr/>	<hr/>
Total Instruction	<u>62,884</u>	<u>4,202</u>	<u>60,191</u>
Support Services:			
Other Purchased Services	-	-	-
Supplies & Materials	10,000	-	-
	<hr/>	<hr/>	<hr/>
Total Support Services	<u>10,000</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>\$ 72,884</u>	<u>\$ 4,202</u>	<u>\$ 60,191</u>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	TITLE II PART A	TOTAL 2016
Revenues:		
Federal Sources	\$ 14,264	\$ 151,541
	<hr/>	<hr/>
Total Revenues	\$ 14,264	\$ 151,541
	<hr/> <hr/>	<hr/> <hr/>
Expenditures:		
Instruction:		
Salaries of Teachers	\$ -	\$ 60,191
Tuition	-	10,000
Other Purchased Services	-	52,884
General Supplies	-	4,202
	<hr/>	<hr/>
Total Instruction	-	127,277
	<hr/>	<hr/>
Support Services:		
Other Purchased Services	14,264	14,264
Supplies & Materials	-	10,000
	<hr/>	<hr/>
Total Support Services	14,264	24,264
	<hr/>	<hr/>
Total Outflows	\$ 14,264	\$ 151,541
	<hr/> <hr/>	<hr/> <hr/>

F. Capital Projects Fund

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**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUNDS
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PROJECT TITLE/ISSUE	DATE	ORIGINAL APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE 2016
			PRIOR YEARS	CURRENT YEARS	
Ethel Jacobson School Roof	06/17/14	\$ 866,886	\$ 738,670	\$ -	\$ 128,216
Ethel Jacobson School Exterior Door	06/17/14	172,697	76,107	40,170	56,420
Ethel Jacobson School Remove and Replace Security System	06/17/14	119,350	3,523	108,710	7,117
Long Beach Island Elementary New Security System	06/17/14	172,550	9,708	86,221	76,621
		<u>\$ 1,331,483</u>	<u>\$ 828,008</u>	<u>\$ 235,101</u>	<u>\$ 268,374</u>

Reconciliation of Fund Balance, June 30, 2016

Unexpended Project Balances, June 30, 2016	\$ 268,374
Less:	
Unrecognized ROD Grants	<u>(39,981)</u>
Total Fund Balance (Budgetary Basis) - June 30, 2016	<u>228,393</u>
Less:	
Unexpended State Aid - ROD Grants	<u>(46,484)</u>
Total Fund Balance (GAAP Basis) - June 30, 2016	<u>\$ 181,909</u>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2016**

Revenues:	
State Sources - EDA Grant	<u>\$ 129,749</u>
Total Revenues	<u>129,749</u>
Expenditures:	
Construction Services	<u>235,101</u>
Total Expenditures	<u>235,101</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(105,352)
Fund Balance - Beginning	<u>333,745</u>
Fund Balance - Ending	<u><u>\$ 228,393</u></u>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
ETHEL JACOBSON ROOF REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - EDA Grant	\$ 306,779	\$ -	\$ 306,779	\$ 346,754
Transfer from Capital Reserve	220,132	-	220,132	220,132
Transfer from Capital Outlay	300,000	-	300,000	300,000
Total Revenues	826,911	-	826,911	866,886
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	26,970	-	26,970	26,970
Construction Services	711,700	-	711,700	839,916
Total Expenditures	738,670	-	738,670	866,886
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 88,241	\$ -	\$ 88,241	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	2760-020-13-3001
Grant Number	G5-5683
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 866,886
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 866,886
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	85.21%
Original Target Completion Date	09/01/15
Revised Target Completion Date	09/01/16

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
ETHEL JACOBSON EXTERIOR DOOR
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - EDA Grant	\$ 56,090	\$ 12,989	\$ 69,079	\$ 69,079
Transfer from Capital Reserve	103,618	-	103,618	103,618
Total Revenues	159,708	12,989	172,697	172,697
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	5,994	-	5,994	5,994
Construction Services	70,113	40,170	110,283	166,703
Total Expenditures	76,107	40,170	116,277	172,697
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 83,601	\$ (27,181)	\$ 56,420	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	2760-020-14-1005
Grant Number	G5-5685
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 172,697
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 172,697
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	67.33%
Original Target Completion Date	09/01/15
Revised Target Completion Date	09/01/16

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
ETHEL JACOBSON REMOVE AND REPLACE SECURITY SYSTEM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - EDA Grant	\$ -	\$ 47,740	\$ 47,740	\$ 47,740
Transfer from Capital Reserve	71,610	-	71,610	71,610
Total Revenues	71,610	47,740	119,350	119,350
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	3,523	-	3,523	3,523
Construction Services	-	108,710	108,710	115,827
Total Expenditures	3,523	108,710	112,233	119,350
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 68,087	\$ (60,970)	\$ 7,117	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	2760-020-13-3003
Grant Number	G5-5684
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 119,350
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 119,350
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	94.04%
Original Target Completion Date	09/01/15
Revised Target Completion Date	09/01/16

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
LONG BEACH ISLAND ELEMENTARY SCHOOL NEW SECURITY SYSTEM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - EDA Grant	\$ -	\$ 69,020	\$ 69,020	\$ 69,020
Transfer from Capital Reserve	103,530	-	103,530	103,530
Total Revenues	103,530	69,020	172,550	172,550
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	9,708	-	9,708	9,708
Construction Services	-	86,221	86,221	162,842
Total Expenditures	9,708	86,221	95,929	172,550
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 93,822	\$ (17,201)	\$ 76,621	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	2760-050-14-1004
Grant Number	G5-5686
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 172,550
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 172,550
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	55.59%
Original Target Completion Date	09/01/15
Revised Target Completion Date	09/01/16

G. Proprietary Funds

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Enterprise Funds

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EXHIBIT G-1

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2016**

ASSETS	FOOD SERVICE	2016
Current Assets:		
Cash & Cash Equivalents	\$ 1,949	\$ 1,949
Total Current Assets	1,949	1,949
Capital Assets:		
Furniture, Machinery & Equipment	10,816	10,816
Less: Accumulated Depreciation	(10,816)	(10,816)
Total Capital Assets	-	-
Total Assets	1,949	1,949
LIABILITIES		
Accounts Payable	863	863
Total Liabilities	863	863
NET POSITION		
Unrestricted Net Position	1,086	1,086
Total Net Position	\$ 1,086	\$ 1,086

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	FOOD SERVICE	2016
Operating Expenses:		
Purchased Services	\$ 55,246	\$ 55,246
	<hr/>	<hr/>
Total Operating Expenses	55,246	55,246
	<hr/>	<hr/>
Operating Income/(Loss)	(55,246)	(55,246)
	<hr/>	<hr/>
Nonoperating Revenues:		
Operating Transfers In	55,500	55,500
Interest Income	4	4
	<hr/>	<hr/>
Total Nonoperating Revenues	55,504	55,504
	<hr/>	<hr/>
Net Income	258	258
Net Position - July 1	828	828
	<hr/>	<hr/>
Net Position - June 30	\$ 1,086	\$ 1,086
	<hr/> <hr/>	<hr/> <hr/>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	FOOD SERVICE	2016
Cash Flows From Operating Activities:		
Payments to Vendors	\$ (54,638)	\$ (54,638)
	<hr/>	<hr/>
Net Cash Flows From Operating Activities	(54,638)	(54,638)
	<hr/>	<hr/>
Cash Flows From Capital & Related Financing Activities:		
Transfer of Funds	55,500	55,500
	<hr/>	<hr/>
Net Cash Flows From Capital & Related Financing Activities	55,500	55,500
	<hr/>	<hr/>
Cash Flows From Investing Activities:		
Interest & Dividends	4	4
	<hr/>	<hr/>
Net Cash Flows From Investing Activities	4	4
	<hr/>	<hr/>
Net Change in Cash & Cash Equivalents	866	866
Balances - Beginning of Year	1,083	1,083
	<hr/>	<hr/>
Balances - Ending of Year	\$ 1,949	\$ 1,949
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of Operating Income to Net Cash Flows From Operating Activities:

Operating Income	\$ (55,246)	\$ (55,246)
Adjustments to Reconcile Operating Income to Cash Flows From Operating Activities:		
Increase/(Decrease) in Accounts Payable	608	608
	<hr/>	<hr/>
Total Adjustments	608	608
	<hr/>	<hr/>
Net Cash Flows From Operating Activities	\$ (54,638)	\$ (54,638)
	<hr/> <hr/>	<hr/> <hr/>

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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EXHIBIT H-1

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST	AGENCY FUNDS PAYROLL	2016
Cash & Cash Equivalents	\$ 4,970	\$ 35,293	\$ 40,263
Total Assets	4,970	35,293	40,263
LIABILITIES			
Payroll Deductions & Withholdings	-	35,293	35,293
Total Liabilities	-	35,293	35,293
NET POSITION			
Reserved for: Unemployment Claims & Other Purposes	4,970	-	4,970
Total Net Position	\$ 4,970	\$ -	\$ 4,970

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2016**

ADDITIONS	<u>PRIVATE PURPOSE UNEMPLOYMENT FUND</u>	2016
Contributions:		
Employee Contributions	\$ 16,843	\$ 16,843
Total Contributions	<u>16,843</u>	<u>16,843</u>
Investment Earnings:		
Interest - Checking	<u>5</u>	<u>5</u>
Net Investment Earnings	<u>5</u>	<u>5</u>
Total Additions	<u>16,848</u>	<u>16,848</u>
 DEDUCTIONS		
Claims Paid	<u>17,261</u>	<u>17,261</u>
Total Deductions	<u>17,261</u>	<u>17,261</u>
Change in Net Position	(413)	(413)
Net Position - Beginning of the Year	<u>5,383</u>	<u>5,383</u>
Net Position - End of the Year	<u>\$ 4,970</u>	<u>\$ 4,970</u>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents	\$ 34,822	\$ 6,259,096	\$ 6,258,625	\$ 35,293
Total Assets	<u>\$ 34,822</u>	<u>\$ 6,259,096</u>	<u>\$ 6,258,625</u>	<u>\$ 35,293</u>
 LIABILITIES				
Payroll Deductions & Withholdings	\$ 34,822	\$ 6,259,096	\$ 6,258,625	\$ 35,293
Total Liabilities	<u>\$ 34,822</u>	<u>\$ 6,259,096</u>	<u>\$ 6,258,625</u>	<u>\$ 35,293</u>

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in Capital Assets	\$ 2,009,119	\$ 2,078,286	\$ 1,550,473	\$ 1,807,238	\$ 2,076,930	\$ 2,289,822	\$ 2,170,028	\$ 2,369,049	\$ 2,467,803	\$ 2,550,291
Restricted	1,503,748	2,742,979	1,929,694	2,053,326	1,487,879	1,052,916	1,279,162	1,316,419	956,433	1,426,775
Unrestricted	(1,807,364)	(1,939,265)	114,699	(19,130)	52,773	92,772	483,007	(60,306)	315,914	32,203
Total Governmental Activities Net Position	\$ 1,705,503	\$ 2,882,000	\$ 3,594,866	\$ 3,841,434	\$ 3,617,582	\$ 3,435,510	\$ 3,932,197	\$ 3,625,162	\$ 3,740,150	\$ 4,009,269
Business-Type Activities:										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,086	828	1,144	4,858	20,314	29,081	53,600	18,928	16,871	6,653
Total Business-Type Activities Net Position	\$ 1,086	\$ 828	\$ 1,144	\$ 4,858	\$ 20,314	\$ 29,081	\$ 53,600	\$ 18,928	\$ 16,871	\$ 6,653
Government-Wide:										
Net Investment in Capital Assets	\$ 2,009,119	\$ 2,078,286	\$ 1,550,473	\$ 1,807,238	\$ 2,076,930	\$ 2,289,822	\$ 2,170,028	\$ 2,369,049	\$ 2,467,803	\$ 2,550,291
Restricted	1,503,748	2,742,979	1,929,694	2,053,326	1,487,879	1,052,916	1,279,162	1,316,419	956,433	1,426,775
Unrestricted	(1,806,278)	(1,938,437)	115,843	(14,272)	73,087	121,853	536,607	(41,378)	332,785	38,856
Total Government-Wide Net Position	\$ 1,706,589	\$ 2,882,828	\$ 3,596,010	\$ 3,846,292	\$ 3,637,896	\$ 3,464,591	\$ 3,985,797	\$ 3,644,090	\$ 3,757,021	\$ 4,015,922

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 2,319,580	\$ 2,207,260	\$ 2,226,534	\$ 2,145,361	\$ 1,987,966	\$ 2,080,187	\$ 2,139,593	\$ 2,200,928	\$ 2,083,045	\$ 1,995,303
Special Education	290,035	128,832	96,709	141,166	204,556	211,936	212,344	138,342	334,240	280,317
Other Special Education	158,088	89,259	83,175	108,371	123,611	119,173	119,173	124,018	111,584	87,466
Support Services:										
Tuition	99,458	155,024	52,979	103,928	72,164	43,160	43,160	106,111	64,185	91,904
Student & Instruction Related Services	828,203	79,832	106,051	148,179	152,764	139,554	140,366	231,961	203,493	242,043
General Administrative Services	195,449	194,795	81,661	108,662	103,610	91,508	91,509	115,850	104,617	113,017
Central Services	74,689	173,693	204,159	150,167	179,597	139,070	134,429	151,480	165,741	145,225
Business Administrative Services	123,432	1,191,865	118,953	76,643	77,181	97,055	96,771	116,052	107,923	121,855
Plant Operations & Maintenance	1,054,151	-	1,102,151	1,194,230	925,042	1,036,585	921,784	1,097,514	1,191,297	807,482
Administrative Information Technology	-	316,334	-	-	-	-	-	-	-	-
Pupil Transportation	336,659	690,731	328,325	370,660	285,832	282,393	243,843	271,816	277,851	348,101
Other Support Services	-	1,118,983	665,861	568,485	622,310	460,924	452,778	464,323	424,039	391,673
Unallocated Employee Benefits	2,344,675	519,745	1,601,160	1,800,104	1,653,480	1,499,538	1,179,249	1,136,914	1,114,666	1,599,649
Unallocated Adjustment to Fixed Assets	-	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	308,465	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	8,188,384	6,877,323	6,667,718	6,915,956	6,388,113	6,201,083	5,774,999	6,155,309	6,182,681	6,224,035
Business-Type Activities:										
Food Service	55,246	40,147	31,717	33,166	8,767	24,853	210,791	202,210	197,893	198,493
Total Business-Type Activities Expense	55,246	40,147	31,717	33,166	8,767	24,853	210,791	202,210	197,893	198,493
Total Government-Wide Expenses	\$ 8,243,630	\$ 6,917,470	\$ 6,699,435	\$ 6,949,122	\$ 6,396,880	\$ 6,225,936	\$ 5,985,790	\$ 6,357,519	\$ 6,380,574	\$ 6,422,528
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 1,310,165	\$ 519,745	\$ 480,840	\$ 518,000	\$ 526,126	\$ 366,337	\$ -	\$ 389,435	\$ 633,565	\$ 468,657
Total Governmental Activities Program Revenues	1,310,165	519,745	480,840	518,000	526,126	366,337	-	389,435	633,565	468,657

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Business-Type Activities:										
Charges for Services	-	-	-	-	-	-	52,432	49,663	45,140	44,452
Operating Grants & Contributions	55,500	39,828	27,996	17,686	-	-	193,031	154,604	162,971	155,394
Total Business-Type Activities Program Revenues	55,500	39,828	27,996	17,686	-	-	245,463	204,267	208,111	199,846
Total Government-Wide Program Revenues	\$ 1,365,665	\$ 559,573	\$ 508,836	\$ 535,686	\$ 526,126	\$ 366,337	\$ 245,463	\$ 593,702	\$ 841,676	\$ 668,503
Net (Expense)/Revenue:										
Governmental Activities	\$ (6,878,219)	\$ (6,357,578)	\$ (6,186,878)	\$ (6,397,956)	\$ (5,861,987)	\$ (5,834,746)	\$ (5,774,999)	\$ (5,765,874)	\$ (5,549,116)	\$ (5,755,378)
Business-Type Activities	254	(319)	(3,721)	(15,480)	(8,767)	(24,853)	34,672	2,057	10,218	1,353
Total Government-Wide Net Expense	\$ (6,877,965)	\$ (6,357,897)	\$ (6,190,599)	\$ (6,413,436)	\$ (5,870,754)	\$ (5,859,599)	\$ (5,740,327)	\$ (5,763,817)	\$ (5,538,898)	\$ (5,754,025)
General Revenues:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 5,073,482	\$ 5,754,105	\$ 5,641,280	\$ 5,530,670	\$ 5,422,226	\$ 5,250,925	\$ 5,250,925	\$ 5,483,732	\$ 5,324,012	\$ 5,172,983
Unrestricted Grants & Contributions	986,455	1,200,876	758,399	586,919	441,032	413,523	185,850	488,696	499,189	476,011
Payments in Lieu of Taxes	-	-	-	448,324	105,241	137,600	194,373	120,644	134,098	140,294
Tuition Received	93,980	81,892	50,436	35,537	21,606	42,950	42,950	18,399	1,000	-
Investment Earnings	2,695	3,222	3,351	4,381	1,288	11,397	-	40,272	80,939	118,683
Miscellaneous Income	37,284	70,272	48,479	33,687	52,666	33,842	26,048	8,619	11,772	16,106
Transfers/Cancellations	-	(39,828)	(27,996)	(17,686)	-	-	381,888	(120,041)	(137,448)	(131,251)
Total Governmental Activities	6,193,896	7,070,539	6,473,949	6,621,832	6,044,059	5,890,237	6,082,034	6,040,321	5,913,562	5,792,826
Business-Type Activities:										
Investment Earnings	4	3	7	-	-	-	-	-	-	-
Total Business-Type Activities	4	3	7	-	-	-	-	-	-	-
Total Government-Wide	\$ 6,193,900	\$ 7,070,542	\$ 6,473,956	\$ 6,621,832	\$ 6,044,059	\$ 5,890,237	\$ 6,082,034	\$ 6,040,321	\$ 5,913,562	\$ 5,792,826
Extraordinary Items:										
Governmental Activities:										
Extraordinary Items - Loss Contingency	(492,174)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	(492,174)	-	-	-	-	-	-	-	-	-
Total Government-Wide	\$ (492,174)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position:										
Governmental Activities	\$ (1,176,497)	\$ 712,961	\$ 287,071	\$ 223,876	\$ 182,072	\$ 55,491	\$ 307,035	\$ 274,447	\$ 364,446	\$ 37,448
Business-Type Activities	258	(316)	(3,714)	(15,480)	(8,767)	(24,853)	34,672	2,057	10,218	1,353
Total Government-Wide	\$ (1,176,239)	\$ 712,645	\$ 283,357	\$ 208,396	\$ 173,305	\$ 30,638	\$ 341,707	\$ 276,504	\$ 374,664	\$ 38,801

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Restricted/Reserved	\$ 1,321,839	1,907,918	2,579,228	2,053,326	1,422,269	878,007	906,057	1,266,419	1,257,155	1,427,497
Committed	55,965	-	-	-	-	-	-	-	-	-
Unassigned/Unreserved	181,958	180,242	196,042	194,708	187,445	244,056	174,693	225,423	229,683	230,972
Total General Fund	\$ 1,559,762	\$ 2,088,160	\$ 2,775,270	\$ 2,248,034	\$ 1,609,714	\$ 1,122,063	\$ 1,080,750	\$ 1,491,842	\$ 1,486,838	\$ 1,658,469
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (722)	\$ (722)	\$ (722)
Capital Projects Fund	181,909	333,745	(30,353)	-	-	174,909	373,105	-	-	-
Total All Other Governmental Funds	\$ 181,909	\$ 333,745	\$ (30,353)	\$ -	\$ -	\$ 174,909	\$ 373,105	\$ (722)	\$ (722)	\$ (722)

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDED JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Tax Levy	\$ 5,073,482	\$ 5,754,105	\$ 5,641,280	\$ 5,530,670	\$ 5,422,226	\$ 5,250,925	\$ 5,250,925	\$ 5,483,732	\$ 5,324,012	\$ 5,172,983
Tuition Charge	93,980	81,892	50,436	35,537	21,606	42,950	42,950	18,399	1,000	-
Interest Earnings	2,695	3,222	3,351	4,357	1,288	11,063	-	40,272	80,939	118,683
Miscellaneous	37,284	70,272	48,479	33,687	52,666	33,842	34,879	12,405	11,772	16,106
State Sources	1,376,113	1,588,895	1,125,965	1,104,953	950,403	786,734	188,976	878,853	1,147,187	959,426
Federal Sources	167,545	131,726	97,158	145,515	121,996	130,726	191,247	119,922	119,665	125,536
Total Revenue	6,751,099	7,630,112	6,966,669	6,854,719	6,570,185	6,256,240	5,708,977	6,553,583	6,684,575	6,392,734
Expenditures:										
Instruction:										
Regular Instruction	2,319,580	2,207,260	2,226,534	2,145,361	1,987,966	2,080,187	2,139,593	2,200,928	2,083,045	1,995,303
Special Education Instruction	290,035	128,832	96,709	141,166	204,556	211,936	212,344	138,342	334,240	280,317
Other Special Education Instruction	158,088	89,259	83,175	108,371	123,611	119,173	119,173	124,018	111,584	87,466
Support Services:										
Tuition	99,458	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	828,203	165,994	159,030	252,107	224,928	182,714	183,526	338,072	267,678	333,947
General Administration Services	195,449	194,795	204,159	150,167	179,597	139,070	134,429	151,480	165,741	145,225
School Administrative Services	74,689	79,832	81,661	108,662	103,610	91,508	91,509	115,850	104,617	113,017
Central Business Administrative Services	123,432	173,693	118,953	76,643	77,181	97,055	96,771	116,052	107,923	121,855
Admin Information Technology	1,046,177	808,659	790,057	583,622	636,304	725,600	722,811	743,859	907,982	671,662
Plant Operations & Maintenance	336,659	316,334	328,325	370,660	290,570	282,393	243,843	271,816	277,851	348,101
Pupil Transportation	-	1,210,476	1,130,585	1,086,485	1,148,436	827,261	452,778	853,758	1,057,058	848,430
Other Support Services	1,665,933	1,125,827	1,183,389	1,202,938	1,143,966	1,223,447	1,223,448	1,064,954	1,099,666	1,066,698
Unallocated Employee Benefits	247,272	911,019	39,213	38,141	75,846	430,779	8,783	258,687	201,373	82,679
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	7,384,975	7,411,980	6,441,790	6,264,323	6,196,571	6,411,123	5,629,008	6,377,816	6,718,758	6,094,700
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(633,876)	218,132	524,879	590,396	373,614	(154,883)	79,969	175,767	(34,183)	298,034
Other Financing Sources/(Uses):										
Loss Contingency	(492,174)	-	-	-	-	-	-	-	-	-
Transfer Out	(55,500)	(39,828)	(27,996)	(17,686)	-	-	-	(120,041)	(137,448)	(131,251)
Total Other Financing Sources/(Uses)	(547,674)	(39,828)	(27,996)	(17,686)	-	-	-	(120,041)	(137,448)	(131,251)
Net Change in Fund Balances	\$ (1,181,550)	\$ 178,304	\$ 496,883	\$ 572,710	\$ 373,614	\$ (154,883)	\$ 79,969	\$ 55,726	\$ (171,631)	\$ 166,783
Debt Service as a Percentage of Noncapital Expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: District records

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	INSURANCE PROCEEDS	RENTALS	PRIOR YEAR REFUNDS	MISCELLANEOUS	TOTAL
2016	\$ 2,695	\$ -	\$ -	\$ 13,647	\$ 23,637	\$ 39,979
2015	-	-	-	-	70,272	70,272
2014	-	-	-	-	-	-
2013	-	-	-	-	-	-
2012	-	22,606	-	-	25,873	48,479
2011	-	-	-	1,803	30,780	32,583
2010	-	-	-	201	7,693	7,894
2009	-	-	-	-	11,941	11,941
2008	131	-	5,354	1,856	1,636	8,977
2007	-	-	-	12,696	15,402	28,098

Source: District records

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
BOROUGH OF SURF CITY**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	NET VALUATION TAXABLE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	TOTAL ASSESSED VALUE	DIRECT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2016	\$ 27,681,500	\$ 1,460,346,700	\$ 78,219,977	\$ -	\$ 1,566,248,177	\$ 50,197,700	\$ -	\$ 1,616,445,877	0.046	\$ 1,688,912,239
2015	27,429,100	1,448,886,900	80,490,500	-	1,556,806,500	50,197,700	-	1,506,608,800	0.040	1,533,093,520
2014	26,178,900	1,441,394,000	79,948,100	-	1,547,521,000	49,753,200	-	1,497,767,800	0.046	1,491,669,073
2013	15,529,600	1,451,038,000	79,932,600	-	1,546,500,200	49,746,000	-	1,496,754,200	0.044	-
2012	16,987,400	1,443,657,500	80,412,000	-	1,541,056,900	49,746,000	-	1,491,310,900	0.043	-
2011	16,776,800	1,437,439,400	80,408,800	-	1,534,625,000	49,746,000	-	1,484,879,000	0.044	-
2010	18,820,400	1,426,680,200	80,440,400	-	1,525,941,000	48,520,100	-	1,477,420,900	0.043	-
2009	14,539,300	1,424,538,400	80,649,900	-	1,519,727,600	48,496,400	-	1,471,231,200	0.045	-
2008	13,625,900	1,410,648,800	81,890,100	-	1,506,164,800	46,036,000	-	1,460,128,800	0.045	-
2007	20,634,500	1,388,038,500	81,718,900	-	1,490,391,900	46,036,000	-	1,444,355,900	0.043	-

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
BOROUGH OF SHIP BOTTOM**

2016	\$ 33,876,200	\$ 983,853,300	\$ 115,437,726	\$ 2,659,900	\$ 1,135,827,126	\$ 54,215,000	\$ -	\$ 1,190,042,126	0.047	\$ 1,258,264,307
2015	41,059,900	961,920,500	114,520,700	2,659,900	1,120,161,000	52,352,100	-	1,067,808,900	0.041	1,150,144,587
2014	35,066,700	950,796,400	115,001,600	2,639,900	1,103,504,600	51,821,300	-	1,051,683,300	0.048	1,068,359,499
2013	23,954,400	961,839,400	115,859,500	2,639,900	1,104,293,200	52,097,800	-	1,052,195,400	0.047	-
2012	21,665,100	970,377,500	121,454,600	2,659,900	1,116,157,100	52,444,000	-	1,063,713,100	0.046	-
2011	22,186,600	964,525,300	121,715,700	2,659,900	1,111,087,500	51,210,800	-	1,059,876,700	0.046	-
2010	24,532,400	958,281,800	122,299,000	2,659,900	1,107,773,100	50,657,100	-	1,057,116,000	0.045	-
2009	22,560,300	951,354,650	122,914,300	2,659,900	1,099,489,150	50,053,500	-	1,049,435,650	0.048	-
2008	23,365,200	943,318,000	120,311,700	2,659,900	1,089,654,800	49,822,100	-	1,039,832,700	0.047	-
2007	26,689,500	918,975,200	118,167,100	4,259,700	1,068,091,500	50,292,700	267,999	1,017,798,800	0.046	-

(r) - Reassessment
Source: County Abstract of Ratables & Municipal Tax Assessor

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
LONG BEACH TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	NET TAXABLE VALUATION	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	TOTAL ASSESSED VALUE	DIRECT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2016	\$ 246,475,000	\$ 7,383,362,865	\$ 145,412,322	\$ 4,953,200	\$ 7,780,203,387	\$ 93,033,700	\$ -	\$ 7,780,203,387	0.047	\$ 8,515,094,321
2015	256,079,600	7,294,718,515	141,317,600	5,015,200	7,697,130,915	93,032,300	-	7,604,098,615	0.041	7,534,365,131
2014	275,901,100	7,186,784,875	145,320,900	5,015,200	7,613,022,075	92,443,600	-	7,520,578,475	0.046	7,281,862,420
2013	169,665,200	7,250,730,685	151,950,700	5,015,200	7,577,361,785	94,179,600	-	7,483,182,185	0.045	-
2012	176,536,165	7,225,634,700	155,483,300	5,015,200	7,562,669,365	92,331,300	-	7,470,338,065	0.044	-
2011	187,947,900	7,183,352,800	156,909,400	5,015,200	7,533,225,300	93,793,400	-	7,439,431,900	0.044	-
2010	165,934,200	7,178,093,700	158,656,500	5,015,200	7,507,699,600	93,788,800	-	7,413,910,800	0.042	-
2009	175,406,200	7,112,752,800	162,314,800	5,015,200	7,455,489,000	94,311,000	-	7,361,178,000	0.044	-
2008	206,968,200	7,015,508,900	158,503,300	7,718,900	7,388,699,300	94,644,700	-	7,294,054,600	0.045	-
2007	246,077,300	6,868,844,500	157,261,400	7,718,900	7,279,902,100	93,353,100	1,960,320	7,184,588,680	0.044	-

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
BOROUGH OF HARVEY CEDARS**

2016	\$ 27,826,900	\$ 1,196,388,500	\$ 14,228,550	-	\$ 1,238,443,950	\$ 43,090,400	\$ -	\$ 1,238,443,950	0.044	\$ 1,281,403,470
2015	18,457,500	1,202,792,400	14,062,600	-	1,235,312,500	43,819,400	-	1,191,493,100	0.038	1,242,433,238
2014	20,466,200	1,199,702,200	14,340,500	-	1,234,508,900	43,819,900	-	1,190,689,000	0.044	1,362,664,038
2013	14,521,800	1,206,769,000	14,340,500	-	1,235,631,300	43,819,900	-	1,191,811,400	0.042	-
2012	16,826,600	1,202,153,700	14,184,500	-	1,233,164,800	43,819,900	-	1,189,344,900	0.041	-
2011	16,734,300	1,205,071,100	14,068,400	-	1,235,873,800	42,537,700	-	1,193,336,100	0.042	-
2010	21,113,700	1,194,429,000	14,646,100	-	1,230,188,800	42,567,700	-	1,187,621,100	0.043	-
2009	31,720,100	1,326,448,600	14,316,900	-	1,372,485,600	45,456,800	-	1,327,028,800	0.038	-
2008	26,646,700	1,326,570,400	14,316,900	-	1,367,534,000	45,459,800	-	1,322,074,200	0.039	-
2007	31,069,300	1,316,938,800	14,316,900	-	1,362,325,000	46,156,800	339,038	1,315,829,162	0.037	-

(r) - Reassessment

Source: County Abstract of Ratables & Municipal Tax Assessor

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
BARNEGAT LIGHT**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	NET VALUATION TAXABLE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	TOTAL ASSESSED VALUE	DIRECT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2016	\$ 33,406,600	\$ 928,665,600	\$ 37,204,437	\$ 1,156,800	\$ 1,000,433,437	\$ 129,937,700	-	\$ 870,495,737	0.044	\$ 1,026,071,122
2015	33,984,200	925,752,300	37,315,700	1,156,800	998,209,000	129,964,000	-	868,245,000	0.038	1,031,438,497
2014	37,240,700	919,616,400	37,246,200	1,156,800	995,260,100	129,954,000	-	865,306,100	0.045	1,129,944,717
2013	31,333,800	926,020,800	37,501,200	1,156,800	996,012,600	129,954,000	-	866,058,600	0.043	-
2012	34,865,800	923,008,400	39,489,200	1,156,800	998,520,200	129,954,000	-	868,566,200	0.043	-
2011	32,457,400	923,358,200	40,433,400	1,156,800	997,405,800	130,734,000	-	866,671,800	0.042	-
2010	34,515,700	920,968,900	39,489,200	1,156,800	996,130,600	130,734,000	-	865,396,600	0.041	-
2009	33,914,600	999,574,100	44,462,400	1,156,800	1,079,107,900	135,023,400	-	944,084,500	0.041	-
2008	34,576,200	991,695,500	44,492,500	1,156,800	1,071,921,000	134,992,300	-	936,928,700	0.043	-
2007	40,850,500	976,830,300	43,455,900	1,156,800	1,062,293,500	137,831,400	334,753	924,127,347	0.04	-

(r) - Reassessment

Source: County Abstract of Ratables & Municipal Tax Assessor

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
BOROUGH OF SURF CITY
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	TOTAL DIRECT	REGIONAL SCHOOL	MUNICIPAL LOCAL PURPOSE	OCEAN COUNTY	
2016	0.046	0.046	0.255	0.267	0.435	1.003
2015	0.040	0.040	0.234	0.260	0.428	0.962
2014	0.046	0.046	0.234	0.252	0.425	0.957
2013	0.044	0.044	0.235	0.244	0.406	0.929
2012	0.043	0.043	0.231	0.230	0.382	0.886
2011	0.044	0.044	0.278	0.228	0.373	0.923
2010	0.043	0.043	0.268	0.228	0.370	0.909
2009	0.045	0.045	0.229	0.228	0.353	0.855
2008	0.045	0.045	0.245	0.231	0.355	0.876
2007	0.043	0.043	0.255	0.221	0.352	0.871

BOROUGH OF SHIP BOTTOM
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	TOTAL DIRECT	REGIONAL SCHOOL	MUNICIPAL LOCAL PURPOSE	OCEAN COUNTY	
2016	0.047	0.047	0.218	0.393	0.449	1.107
2015	0.041	0.041	0.206	0.393	0.440	1.080
2014	0.048	0.048	0.212	0.374	0.445	1.079
2013	0.047	0.047	0.206	0.363	0.429	1.045
2012	0.046	0.046	0.223	0.342	0.410	1.021
2011	0.046	0.046	0.217	0.337	0.391	0.991
2010	0.045	0.045	0.211	0.320	0.388	0.964
2009	0.048	0.048	0.239	0.305	0.379	0.971
2008	0.047	0.047	0.233	0.294	0.368	0.942
2007	0.046	0.046	0.242	0.279	0.368	0.935

(r) Reassessment

Source: Municipal Tax Collector

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
LONG BEACH TOWNSHIP
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	TOTAL DIRECT	REGIONAL SCHOOL	MUNICIPAL LOCAL PURPOSE	OCEAN COUNTY	
2016	0.047	0.047	0.265	0.232	0.442	0.986
2015	0.041	0.041	0.275	0.232	0.437	0.985
2014	0.046	0.046	0.261	0.228	0.426	0.961
2013	0.045	0.045	0.241	0.224	0.414	0.924
2012	0.044	0.044	0.234	0.221	0.393	0.892
2011	0.044	0.044	0.218	0.224	0.378	0.864
2010	0.042	0.042	0.214	0.220	0.362	0.838
2009	0.044	0.044	0.207	0.212	0.348	0.811
2008	0.045	0.045	0.213	0.201	0.350	0.809
2007	0.044	0.044	0.213	0.203	0.359	0.819

BOROUGH OF HARVEY CEDARS
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	TOTAL DIRECT	REGIONAL SCHOOL	MUNICIPAL LOCAL PURPOSE	OCEAN COUNTY	
2016	0.044	0.044	0.278	0.251	0.418	0.991
2015	0.038	0.038	0.292	0.251	0.408	0.989
2014	0.044	0.044	0.258	0.244	0.400	0.946
2013	0.042	0.042	0.257	0.243	0.389	0.931
2012	0.041	0.041	0.175	0.224	0.369	0.809
2011	0.042	0.042	0.200	0.223	0.358	0.823
2010	0.043	0.043	0.222	0.220	0.371	0.856
2009	0.038	0.038	0.170	0.203	0.303	0.714
2008	0.039	0.039	0.173	0.193	0.305	0.710
2007	0.037	0.037	0.178	0.186	0.295	0.696

(r) Reassessment

Source: Municipal Tax Collector

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
BARNEGAT LIGHT
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	TOTAL DIRECT	REGIONAL SCHOOL	MUNICIPAL LOCAL PURPOSE	OCEAN COUNTY	
2016	0.044	0.044	0.183	0.222	0.413	0.862
2015	0.038	0.038	0.162	0.222	0.409	0.831
2014	0.045	0.045	0.244	0.205	0.410	0.904
2013	0.043	0.043	0.192	0.195	0.394	0.824
2012	0.043	0.043	0.218	0.175	0.385	0.821
2011	0.042	0.042	0.201	0.165	0.360	0.768
2010	0.041	0.041	0.218	0.165	0.355	0.779
2009	0.041	0.041	0.227	0.155	0.325	0.748
2008	0.043	0.043	0.224	0.135	0.343	0.745
2007	0.040	0.040	0.233	0.134	0.318	0.725

(r) Reassessment

Source: Municipal Tax Collector

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
BOROUGH OF SURF CITY**

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer 1	N/A	1	N/A	N/A	1	N/A
Taxpayer 2	N/A	2	N/A	N/A	2	N/A
Taxpayer 3	N/A	3	N/A	N/A	3	N/A
Taxpayer 4	N/A	4	N/A	N/A	4	N/A
Taxpayer 5	N/A	5	N/A	N/A	5	N/A
Taxpayer 6	N/A	6	N/A	N/A	6	N/A
Taxpayer 7	N/A	7	N/A	N/A	7	N/A
Taxpayer 8	N/A	8	N/A	N/A	8	N/A
Taxpayer 9	N/A	9	N/A	N/A	9	N/A
Taxpayer 10	N/A	10	N/A	N/A	10	N/A
Total						

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
BOROUGH OF SHIP BOTTOM**

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer 1	N/A	1	N/A	N/A	1	N/A
Taxpayer 2	N/A	2	N/A	N/A	2	N/A
Taxpayer 3	N/A	3	N/A	N/A	3	N/A
Taxpayer 4	N/A	4	N/A	N/A	4	N/A
Taxpayer 5	N/A	5	N/A	N/A	5	N/A
Taxpayer 6	N/A	6	N/A	N/A	6	N/A
Taxpayer 7	N/A	7	N/A	N/A	7	N/A
Taxpayer 8	N/A	8	N/A	N/A	8	N/A
Taxpayer 9	N/A	9	N/A	N/A	9	N/A
Taxpayer 10	N/A	10	N/A	N/A	10	N/A
Total						

Source: Municipal Tax Assessor

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
LONG BEACH TOWNSHIP**

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer 1	N/A	1	N/A	N/A	1	N/A
Taxpayer 2	N/A	2	N/A	N/A	2	N/A
Taxpayer 3	N/A	3	N/A	N/A	3	N/A
Taxpayer 4	N/A	4	N/A	N/A	4	N/A
Taxpayer 5	N/A	5	N/A	N/A	5	N/A
Taxpayer 6	N/A	6	N/A	N/A	6	N/A
Taxpayer 7	N/A	7	N/A	N/A	7	N/A
Taxpayer 8	N/A	8	N/A	N/A	8	N/A
Taxpayer 9	N/A	9	N/A	N/A	9	N/A
Taxpayer 10	N/A	10	N/A	N/A	10	N/A
Total				-		

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
BOROUGH OF HARVEY CEDARS**

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer 1	N/A	1	N/A	N/A	1	N/A
Taxpayer 2	N/A	2	N/A	N/A	2	N/A
Taxpayer 3	N/A	3	N/A	N/A	3	N/A
Taxpayer 4	N/A	4	N/A	N/A	4	N/A
Taxpayer 5	N/A	5	N/A	N/A	5	N/A
Taxpayer 6	N/A	6	N/A	N/A	6	N/A
Taxpayer 7	N/A	7	N/A	N/A	7	N/A
Taxpayer 8	N/A	8	N/A	N/A	8	N/A
Taxpayer 9	N/A	9	N/A	N/A	9	N/A
Taxpayer 10	N/A	10	N/A	N/A	10	N/A
Total						

Source: Municipal Tax Assessor

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
BARNEGAT LIGHT**

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer 1	N/A	1	N/A	N/A	1	N/A
Taxpayer 2	N/A	2	N/A	N/A	2	N/A
Taxpayer 3	N/A	3	N/A	N/A	3	N/A
Taxpayer 4	N/A	4	N/A	N/A	4	N/A
Taxpayer 5	N/A	5	N/A	N/A	5	N/A
Taxpayer 6	N/A	6	N/A	N/A	6	N/A
Taxpayer 7	N/A	7	N/A	N/A	7	N/A
Taxpayer 8	N/A	8	N/A	N/A	8	N/A
Taxpayer 9	N/A	9	N/A	N/A	9	N/A
Taxpayer 10	N/A	10	N/A	N/A	10	N/A
Total						

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
SURF CITY**

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	
2016	\$ 617,531	\$ 617,531	100.00%	\$ -
2015	713,458	713,458	100.00%	-
2014	693,604	693,604	100.00%	-
2013	670,587	670,587	100.00%	-
2012	668,987	668,987	100.00%	-
2011	655,811	655,811	100.00%	-
2010	678,493	678,493	100.00%	-
2009	679,687	679,687	100.00%	-
2008	653,984	653,984	100.00%	-
2007	634,829	634,829	100.00%	-

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
SHIP BOTTOM**

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	
2016	\$ 456,950	\$ 456,950	100.00%	\$ -
2015	533,495	533,495	100.00%	-
2014	524,036	524,036	100.00%	-
2013	520,441	520,441	100.00%	-
2012	506,124	506,124	100.00%	-
2011	500,274	500,274	100.00%	-
2010	526,221	526,221	100.00%	-
2009	509,944	509,944	100.00%	-
2008	490,276	490,276	100.00%	-
2007	475,912	475,912	100.00%	-

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
LONG BEACH TOWNSHIP**

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	
2016	\$ 3,116,857	\$ 3,116,857	100.00%	\$ -
2015	3,552,531	3,552,531	100.00%	-
2014	3,459,316	3,459,316	100.00%	-
2013	3,384,472	3,384,472	100.00%	-
2012	3,312,096	3,312,096	100.00%	-
2011	3,153,465	3,153,465	100.00%	-
2010	3,282,893	3,282,893	100.00%	-
2009	3,296,716	3,296,716	100.00%	-
2008	3,257,111	3,257,111	100.00%	-
2007	3,120,119	3,120,119	100.00%	-

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
HARVEY CEDARS**

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	
2016	\$ 471,465	\$ 471,465	100.00%	\$ -
2015	537,868	537,868	100.00%	-
2014	531,231	531,231	100.00%	-
2013	517,758	517,758	100.00%	-
2012	516,416	516,416	100.00%	-
2011	530,652	530,652	100.00%	-
2010	525,714	525,714	100.00%	-
2009	531,199	531,199	100.00%	-
2008	501,367	501,367	100.00%	-
2007	514,278	514,278	100.00%	-

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
BARNEGAT LIGHT**

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	
2016	\$ 410,680	\$ 410,680	100.00%	\$ -
2015	443,753	443,753	100.00%	-
2014	433,093	433,093	100.00%	-
2013	437,411	437,411	100.00%	-
2012	418,602	418,602	100.00%	-
2011	410,724	410,724	100.00%	-
2010	418,602	418,602	100.00%	-
2009	437,411	437,411	100.00%	-
2008	433,093	433,093	100.00%	-
2007	443,753	443,753	100.00%	-

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE, 30	<u>GOVERNMENTAL ACTIVITIES</u>			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA PERSONAL INCOME
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	GRANT ANTICIPATION NOTES (GANs)			
2016			The District had no general bonded debt			
2015			The District had no general bonded debt			
2014			The District had no general bonded debt			
2013			The District had no general bonded debt			
2012			The District had no general bonded debt			
2011			The District had no general bonded debt			
2010			The District had no general bonded debt			
2009			The District had no general bonded debt			
2008			The District had no general bonded debt			
2007			The District had no general bonded debt			

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
LONG BEACH TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2016		The District had no general bonded debt		
2015		The District had no general bonded debt		
2014		The District had no general bonded debt		
2013		The District had no general bonded debt		
2012		The District had no general bonded debt		
2011		The District had no general bonded debt		
2010		The District had no general bonded debt		
2009		The District had no general bonded debt		
2008		The District had no general bonded debt		
2007		The District had no general bonded debt		

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
HARVEY CEDARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2016		The District had no general bonded debt		
2015		The District had no general bonded debt		
2014		The District had no general bonded debt		
2013		The District had no general bonded debt		
2012		The District had no general bonded debt		
2011		The District had no general bonded debt		
2010		The District had no general bonded debt		
2009		The District had no general bonded debt		
2008		The District had no general bonded debt		
2007		The District had no general bonded debt		

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
SURF CITY**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2016		The District had no general bonded debt		
2015		The District had no general bonded debt		
2014		The District had no general bonded debt		
2013		The District had no general bonded debt		
2012		The District had no general bonded debt		
2011		The District had no general bonded debt		
2010		The District had no general bonded debt		
2009		The District had no general bonded debt		
2008		The District had no general bonded debt		
2007		The District had no general bonded debt		

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
SHIP BOTTOM**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2016		The District had no general bonded debt		
2015		The District had no general bonded debt		
2014		The District had no general bonded debt		
2013		The District had no general bonded debt		
2012		The District had no general bonded debt		
2011		The District had no general bonded debt		
2010		The District had no general bonded debt		
2009		The District had no general bonded debt		
2008		The District had no general bonded debt		
2007		The District had no general bonded debt		

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS
 BARNEGAT LIGHT**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2016		The District had no general bonded debt		
2015		The District had no general bonded debt		
2014		The District had no general bonded debt		
2013		The District had no general bonded debt		
2012		The District had no general bonded debt		
2011		The District had no general bonded debt		
2010		The District had no general bonded debt		
2009		The District had no general bonded debt		
2008		The District had no general bonded debt		
2007		The District had no general bonded debt		

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016
LONG BEACH TOWNSHIP**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 18,413,930.00	62%	\$ 11,337,874
County of Ocean	464,321,009	9%	<u>41,736,936</u>
Subtotal, Overlapping Debt			<u>53,074,810</u>
Local School District Direct Debt	-	100%	<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 53,074,810</u></u>

**AS OF JUNE 30, 2016
HARVEY CEDARS**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 5,913,305.00	9%	\$ 554,071
County of Ocean	464,321,009	1%	<u>6,280,829</u>
Subtotal, Overlapping Debt			<u>6,834,900</u>
Local School District Direct Debt		100%	<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 6,834,900</u></u>

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016
SURF CITY**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 2,745,332	12%	\$ 338,757
County of Ocean	464,321,009	2%	<u>8,278,243</u>
Subtotal, Overlapping Debt			<u>8,617,000</u>
Local School District Direct Debt	-	100%	<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 17,234,000</u></u>

**AS OF JUNE 30, 2016
SHIP BOTTOM**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 14,822,041	9%	\$ 1,352,960
County of Ocean	464,321,009	1%	<u>6,167,412</u>
Subtotal, Overlapping Debt			<u>7,520,372</u>
Local School District Direct Debt	-	100%	<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 7,520,372</u></u>

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016
BARNEGAT LIGHT**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 4,467,682	8%	\$ 339,116
County of Ocean	464,321,009	1%	<u>5,029,312</u>
Subtotal, Overlapping Debt			<u>5,368,428</u>
Local School District Direct Debt	-	100%	<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 10,736,856</u></u>

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
BOROUGH OF HARVEY CEDARS
(Dollars in Thousands)**

	FISCAL YEAR ENDED JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 44,130,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 44,130,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2015	\$ 1,277,865,418.0
2014	1,249,882,454
2013	1,254,830,202
	<u>\$ 3,782,578,074</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,260,859,358</u>
Debt Limit (3.50% of Average Equalization Value)	\$ 44,130,078
Net Bonded School Debt	-
Legal Debt Margin	<u>\$ 44,130,078</u>

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
LONG BEACH TOWNSHIP
(Dollars in Thousands)**

	FISCAL YEAR ENDED JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 289,990,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 289,990,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2015	\$ 8,425,276,603
2014	8,253,493,143
2013	<u>8,177,597,415</u>
	<u>\$24,856,367,161</u>
Average Equalized Valuation of Taxable Property	<u>\$ 8,285,455,720</u>
Debt Limit (3.50% of Average Equalization Value) Net Bonded School Debt	\$ 289,990,950
Legal Debt Margin	<u>\$ 289,990,950</u>

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
SHIP BOTTOM
(Dollars in Thousands)**

	FISCAL YEAR ENDED JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 42,990,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 42,990,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2015	\$ 1,238,678,682
2014	1,203,648,124
2013	<u>1,242,605,491</u>
	<u>\$ 3,684,932,297</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,228,310,766</u>
Debt Limit (3.50% of Average Equalization Value) Net Bonded School Debt	\$ 42,990,877
Legal Debt Margin	<u>\$ 42,990,877</u>

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
SURF CITY
(Dollars in Thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 58,115,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 58,115,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2015	\$ 1,677,593,211
2014	1,642,978,023
2013	<u>1,660,760,524</u>
	<u>\$ 4,981,331,758</u>
Average Equalized Valuation of Taxable Property	\$ 1,660,443,919
Debt Limit (3.5% of Average Equalization Value) Net Bonded School Debt	\$ 58,115,537
Legal Debt Margin	<u>\$ 58,115,537</u>

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
BOROUGH OF BARNEGAT LIGHT
(Dollars in Thousands)

	FISCAL YEAR ENDED JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 35,749,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 35,749,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2015	\$ 1,023,079,840
2014	1,006,431,490
2013	<u>1,034,700,395</u>
	<u>\$ 3,064,211,725</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,021,403,908</u>
Debt Limit (3.5% of Average Equalization Value) Net Bonded School Debt	\$ 35,749,137
Legal Debt Margin	<u>\$ 35,749,137</u>

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
SURF CITY				
2016	1,204	N/A	N/A	N/A
2015	1,200	N/A	N/A	6.0%
2014	1,200	\$ 53,257,200	44,381	8.6%
2013	1,199	51,045,027	42,573	11.7%
2012	1,204	51,168,796	42,499	11.9%
2011	1,205	49,959,300	41,460	11.7%
2010	*	62,523,300	39,900	10.7%
2009	1,559	61,964,014	39,746	6.5%
2008	1,549	64,018,621	41,329	5.0%
2007	1,540	61,664,680	40,042	5.7%
SHIP BOTTOM				
2016	1,135	N/A	N/A	N/A
2015	1,131	N/A	N/A	6.6%
2014	1,145	\$ 50,816,245	44,381	8.9%
2013	1,148	48,873,804	42,573	7.0%
2012	1,152	48,958,848	42,499	9.5%
2011	1,154	47,844,840	41,460	9.3%
2010	*	58,333,800	39,900	8.4%
2009	1,451	57,671,446	39,746	5.1%
2008	1,440	59,513,760	41,329	3.9%
2007	1,426	57,099,892	40,042	4.2%
LONG BEACH TOWNSHIP				
2016	3,027	N/A	N/A	N/A
2015	3,006	N/A	N/A	6.6%
2014	3,022	\$ 134,119,382	44,381	7.5%
2013	3,040	129,421,920	42,573	9.0%
2012	3,053	129,749,447	42,499	14.8%
2011	3,051	126,494,460	41,460	14.5%
2010	*	142,762,200	39,900	13.2%
2009	3,552	141,177,792	39,746	8.1%
2008	3,530	145,891,370	41,329	6.3%
2007	3,493	139,866,706	40,042	6.7%
BOROUGH OF HARVEY CEDARS				
2016	341	N/A	N/A	N/A
2015	342	N/A	N/A	9.7%
2014	341	\$ 15,133,921	44,381	10.5%
2013	340	14,474,820	42,573	12.3%
2012	340	14,449,660	42,499	9.2%
2011	340	14,096,400	41,460	9.0%
2010	*	15,840,300	39,900	9.0%
2009	394	15,659,924	39,746	8.7%
2008	392	16,200,968	41,329	5.1%
2007	389	15,576,338	40,042	3.7%
BOROUGH OF BARNEGAT LIGHT				
2016	576	N/A	N/A	N/A
2015	573	N/A	N/A	6.8%
2014	570	\$ 25,297,170	44,381	10.5%
2013	571	24,309,183	42,573	12.3%
2012	570	24,224,430	42,499	9.2%
2011	574	23,798,040	41,460	9.0%
2010	*	33,755,400	39,900	9.0%
2009	839	33,346,894	39,746	8.7%
2008	834	34,468,386	41,329	5.1%
2007	832	33,314,944	40,042	3.7%

* 2010 Census

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

BOROUGH OF SURF CITY

NOT AVAILABLE

BOROUGH OF SHIP BOTTOM

NOT AVAILABLE

LONG BEACH TOWNSHIP

NOT AVAILABLE

BOROUGH OF HARVEY CEDARS

NOT AVAILABLE

BOROUGH OF BARNEGAT LIGHT

NOT AVAILABLE

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR ENDED JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular	21	19	19	18	18	22	18	22	24	26
Special Education	2	4	4	3	3	2	3	3	4	4
Other Special Education Instruction	3	1	1	1	1	-	1	1	1	2
Other Instruction	2	4	4	3	2	2	2	2	1	4
Support Services:										
Student & Instruction Related Services	6	5	5	6	6	5	6	8	1	8
General Administrative Services	3	2	2	1	1	1	1	2	1	2
School Administrative Services	2	1	1	1	1	1	1	3	1	3
Other Administrative Services	1	1	1	1	1	1	-	-	-	-
Central Services	3	3	3	3	3	2	2	2	1	2
Plant Operations & Maintenance	6	5	5	5	5	6	6	6	6	5
Pupil Transportation	5	7	7	6	6	6	6	7	8	6
Food Service	-	-	-	-	-	5	5	5	5	4
Total	54	52	52	48	47	53	51	61	53	66

Source: District Personnel Records

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

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 SCHOOL					
2016	234	\$7,149,874	30,555	2.56%	32	7:1	234	223	1.34%	95.17%	
2015	229	6,822,421	29,792	7.10%	32	7:1	231	218	0.13%	95.15%	
2014	230	6,398,200	27,818	8.03%	32	7:1	230	218	-6.85%	94.65%	
2013	233	6,000,029	25,751	8.14%	34	7:1	247	233	4.14%	94.33%	
2012	242	5,762,905	23,814	-0.20%	36	7:1	237	225	-0.46%	94.89%	
2011	236	5,631,108	23,861	-6.69%	33	7:1	238	225	4.75%	94.37%	
2010	239	6,111,801	25,572	0.50%	32	7:1	227	215	0.13%	94.50%	
2009	240	6,106,603	25,444	13.53%	32	7:1	227	213	-10.67%	93.83%	
2008	262	5,871,727	22,411	-3.82%	31	8:1	254	240	0.75%	94.37%	
2007	252	7,871,727	23,301	11.86%	31	8:1	252	237	-6.80%	93.97%	

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDED JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
DISTRICT BUILDINGS										
Elementary:										
Ethel Jacobsen School:										
Square Feet	33,135	33,135	33,135	33,135	33,135	33,135	33,135	33,135	33,135	33,135
Capacity (Students)	250	250	250	250	250	250	250	250	250	250
Enrollment	118	107	107	107	125	125	125	125	125	125
Long Beach Island Grade School:										
Square Feet	48,165	48,165	48,165	48,165	48,165	48,165	48,165	48,165	48,165	48,165
Capacity (Students)	256	256	256	256	256	256	256	256	256	256
Enrollment	116	122	123	127	127	127	127	127	127	127
Other Buildings:										
Long Beach Island Bus Garage:										
Square Feet	7,216	7,216	7,216	7,216	7,216	7,216	7,216	7,216	7,216	7,216

Number of Facilities at June 30, 2016:
 Elementary School = 2
 Middle School = 0
 High School = 0
 Other = 1

Source: District Facilities Office

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

* School Facilities Project Numbers	Ethel Jacobson School	Long Beach Island Grade School	Other Facilities Bus Garage	TOTAL
2016	\$ 135,175	\$ 231,730	\$ 19,310	\$ 386,215
2015	32,150	54,952	3,700	90,802
2014	38,533	86,411	3,500	128,444
2013	39,858	53,657	3,700	97,215
2012	17,263	22,760	2,082	42,105
2011	28,427	38,032	2,875	69,334
2010	32,315	43,766	2,737	78,818
2009	48,257	66,386	3,058	117,701
2008	118,469	166,389	4,090	288,948
2007	39,872	83,718	7,212	130,802

**INSURANCE SCHEDULE
JUNE 30, 2016**

COMPANY	TYPE OF COVERAGE	AMOUNT OF COVERAGE	DEDUCTIBLE
Graphic Arts Mutual Insurance Co.	B & G	\$250,000 Per Occurrence	\$2,500 Per Claim
	Property-Auto Physical Damage	250,000 Per Occurrence	\$1,000 Per Claim
	Boiler & Machinery	250,000 Per Occurrence	\$2,500 Per Claim
	Comprehensive General Liability & Auto Liability	10,000,000 Per Occurrence 2,500,000 5,000	\$1,000 Per Claim
	School Leaders Professional Liability	5,000,000 Per Claim 1,000,000 Defense Cost	
	Flood Insurance	500,000 Per Building 500,000 Contents	
	Workers' Compensation	5,000,000 Per Occurrence	

Source: District Records

SINGLE AUDIT SECTION

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

Honorable President and Members
of the Board of Education
Long Beach Island Consolidated School District
County of Ocean
Surf City, New Jersey 08008

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 and business-type activities, each major fund and the aggregate remaining fund information of the Long Beach Island Consolidated School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Long Beach Island Consolidated School District's basic financial statements, and have issued our report thereon dated November 29, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Long Beach Island Consolidated School District'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 Long Beach Island Consolidated School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Long Beach Island Consolidated 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 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. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Long Beach Island Consolidated School District's 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2016-001.

Management's Response to Findings

Long Beach Island Consolidated School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Long Beach Island Consolidated School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 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, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Toms River, New Jersey
November 29, 2016



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT 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
Long Beach Island Consolidated School District
County of Ocean
Surf City, New Jersey 08008

Report on Compliance for Each Major State Program

We have audited Long Beach Island Consolidated School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2016. Long Beach Island Consolidated School District’s major 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 state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Long Beach Island Consolidated School District’s major 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; 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 (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 New Jersey OMB’s 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 state program occurred. An audit includes examining, on a test basis, evidence about Long Beach Island Consolidated School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

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

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the New Jersey OMB's Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major state program is not modified with respect to these matters.

Long Beach Island Consolidated School District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Long Beach Island Consolidated School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Long Beach Island Consolidated School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Long Beach Island Consolidated School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 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 Long Beach Island Consolidated School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 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, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

Long Beach Island Consolidated School District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Long Beach Island Consolidated School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Toms River, New Jersey
November 29, 2016

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**LONG BEACH ISLAND CONSOLIDATED 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	FEDERAL FAIN NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED TO SUB-RECIPIENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	DUE TO GRANTOR AT JUNE 30, 2016
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
Special Revenue Fund:										
Special Education Cluster:										
I.D.E.A. Part B - Basic	84.027	H027A150100	72,884	7/1/15-6/30/16	\$ -	\$ 72,884	\$ (72,884)	\$ -	\$ -	\$ -
I.D.E.A. Part B - Basic	84.027	H027A150100	71,942	7/1/14-6/30/15	(33,988)	33,988	-	-	-	-
I.D.E.A. Part B - Preschool	84.173	H173A150114	4,202	7/1/15-6/30/16	-	4,202	(4,202)	-	-	-
I.D.E.A. Part B - Preschool	84.173	H173A150114	4,153	7/1/14-6/30/15	(3,057)	3,057	-	-	-	-
Total Special Education Cluster					(37,045)	114,131	(77,086)	-	-	-
Title I, Part A	84.010A	S010A150030	60,192	7/1/15-6/30/16	-	60,192	(60,191)	-	-	1
Title I, Part A	84.010A	S010A150030	45,983	7/1/14-6/30/15	(29,637)	29,637	-	-	-	-
Title II-A	84.367A	S367A150029	18,037	7/1/15-6/30/16	-	18,037	(14,264)	-	-	3,773
Title II-A	84.367A	S367A150029	18,108	7/1/14-6/30/15	(1,545)	1,545	-	-	-	-
Total Special Revenue Fund					(68,227)	223,542	(151,541)	-	-	3,774
Total U.S. Department of Education					(68,227)	223,542	(151,541)	-	-	3,774
Total Federal Financial Assistance					<u>\$(68,227)</u>	<u>\$ 223,542</u>	<u>\$(151,541)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,774</u>

**LONG BEACH ISLAND CONSOLIDATED 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	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	UNEARNED REVENUE AT JUNE 30, 2016	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
Categorical Transportation Aid	16-495-034-5120-014	\$ 68,851	7/1/15-6/30/16	\$ -	\$ 68,851	\$ (68,851)	\$ -	\$ -	\$ 6,710	\$ 68,851
Categorical Special Education Aid	16-495-034-5120-089	119,540	7/1/15-6/30/16	-	119,540	(119,540)	-	-	11,650	119,540
Categorical Security Aid	16-495-034-5120-084	23,138	7/1/15-6/30/16	-	23,138	(23,138)	-	-	2,255	23,138
Non-Public Transportation Aid	16-495-034-5120-014	2,436	7/1/15-6/30/16	-	-	(2,436)	-	-	-	2,436
PARCC Readiness Aid	16-495-034-5120-098	2,250	7/1/15-6/30/16	-	2,250	(2,250)	-	-	218	2,250
Per Pupil Growth Aid	16-495-034-5120-097	2,250	7/1/15-6/30/16	-	2,250	(2,250)	-	-	218	2,250
School Choice Aid	16-495-034-5120-068	507,129	7/1/15-6/30/16	-	507,129	(507,129)	-	-	49,427	507,129
Reimbursed TPAF Social Security Contributions	15-495-034-5095-003	182,003	7/1/14-6/30/15	(9,175)	9,175	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	16-495-034-5095-003	176,784	7/1/15-6/30/16	-	176,784	(176,784)	-	-	-	176,784
On-Behalf TPAF Pension Contributions (Nonbudgeted)	16-495-034-5094-002	178,777	7/1/15-6/30/16	-	178,777	(178,777)	-	-	-	178,777
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	16-495-034-5094-001	212,874	7/1/15-6/30/16	-	212,874	(212,874)	-	-	-	212,874
Total General Fund				(9,175)	1,300,768	(1,294,029)	(2,436)	-	70,478	1,294,029
Capital Projects Fund:										
School Development Authority- Ethel Jacobson School Exterior Door	G5-5685	69,079	Open	-	-	(16,068)	-	-	(16,068)	16,068
Ethel Jacobson School Remove and Replace Security System	G5-5684	47,740	Open	-	-	(43,484)	-	-	(43,484)	43,484
Long Beach Island Elementary New Security System	G5-5686	69,020	Open	-	-	(34,488)	-	-	(34,488)	34,488
Total General Fund				-	-	(94,040)	(94,040)	-	(94,040)	94,040
Total State Department of Education				(9,175)	1,300,768	(1,388,069)	(96,476)	-	(23,562)	1,388,069
Total State Financial Assistance				\$ (9,175)	\$ 1,300,768	\$ (1,388,069)	\$ (96,476)	\$ -	\$ (23,562)	\$ 1,388,069
Less: State Financial Assistance Not Subject to Major Program Determination:										
On-Behalf TPAF Pension Contributions (Nonbudgeted)						178,777				
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)						212,874				
Total State Financial Assistance Subject to Major Program Determination						\$ (996,418)				

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2016**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Long Beach Island Consolidated School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance 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 basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Long Beach Island Consolidated School District did not provide any federal or state awards to sub recipients.

The Long Beach Island Consolidated School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

Note 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 (RSI) 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 revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments 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 special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2016**

Note 3. Relationship to Basic Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,181) for the general fund and (\$11,675) for the capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>State</u>	<u>Total</u>
General Fund	\$ 1,292,848	\$ 1,292,848
Capital Projects Fund	83,265	83,265
Total Financial Assistance	<u>\$ 1,376,113</u>	<u>\$ 1,376,113</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

Note 6. Federal and State Loans Outstanding

The Long Beach Island Consolidated School District had no loan balances outstanding at June 30, 2016.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? None Reported

2) Significant deficiencies identified that are not considered to be material weaknesses? Yes

Noncompliance material to basic financial statements noted? None Reported

Federal Awards – NOT APPLICABLE

Internal Control over major programs:

1) Material weakness(es) identified? _____

2) Significant deficiencies identified that are not considered to be material weaknesses? _____

Type of auditor’s report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance? _____

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
NOT APPLICABLE		

Dollar threshold used to distinguish between type A and type B programs: _____

Auditee qualified as low-risk auditee? _____

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular Letter 15-08?	Yes

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
State Aid – Public Cluster:	
495-034-5120-084	Security Aid
495-034-5120-089	Special Educational Categorical Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness
495-034-5120-068	School Choice Aid

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2016-001:

Criteria:

N.J.A.C. 6A:23A-16.10 requires that a Board of Education cannot exceed the amount appropriated in the applicable line item account.

Condition:

One budgetary line account was over-expended for the fiscal year ended June 30, 2016.

Context:

We noted that account 11-000-230-331 was over-expended by \$56,707.

Cause:

The District incurred higher than anticipated legal costs.

Effect:

The budget appropriation was over-expended by \$56,707.

Recommendation:

That the District conservatively budget appropriations to cover legal costs that may potentially cause over-expenditure of a line-item account.

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2017.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section III –State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by New Jersey OMB Circular Letter 15-08, as applicable.

STATE FINANCIAL ASSISTANCE

Information on the State Program: GMIS #'s 16-495-034-5120-084; 16-495-034-5120-089; 16-495-034-5120-097; 16-495-034-5120-098; 16-495-034-5120-068

Finding 2016-001:

Criteria:

N.J.A.C. 6A:23A-16.10 requires that a Board of Education cannot exceed the amount appropriated in the applicable line item account.

Condition:

One budgetary line account was over-expended for the fiscal year ended June 30, 2016.

Questioned Costs:

None noted.

Context:

We noted that account 11-000-230-331 was over-expended by \$56,707.

Cause:

The District incurred higher than anticipated legal costs.

Effect:

The budget appropriation was over-expended by \$56,707.

Recommendation:

That the District conservatively budget appropriations to cover legal costs that may potentially cause over-expenditure of a line-item account.

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2017.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, and New Jersey OMB's Circular Letter 15-08, as applicable.

No Prior Year Findings