

SCHOOL DISTRICT
OF
WEST LONG BRANCH



WEST LONG BRANCH BOARD OF EDUCATION
WEST LONG BRANCH, NEW JERSEY

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**WEST LONG BRANCH
BOARD OF EDUCATION**

WEST LONG BRANCH, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY

**WEST LONG BRANCH BOARD OF EDUCATION
FINANCE DEPARTMENT**

WEST LONG BRANCH SCHOOL DISTRICT

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INTRODUCTORY SECTION



WEST LONG BRANCH PUBLIC SCHOOLS

Administrative Offices

135 Locust Avenue

West Long Branch, New Jersey 07764

(732) 222-5900 Fax (732) 222-9325

1.

Thomas G. Farrell
Superintendent of Schools

Corey J. Lowell, SFO
School Business Administrator

November 22, 2016

Honorable President and
Members of the Board of Education
West Long Branch School District
County of Monmouth
West Long Branch, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the West Long Branch 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, rest with the management of the West Long Branch 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 operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments".

Information related to this single audit, including the auditor's report on the internal 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 West Long Branch School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 as amended by GASB Statement No. 39. All funds and account groups of the District are included in this report. The West Long Branch Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 8. These include regular instruction and special education for handicapped students in and out of district. The District completed the 2015-2016 fiscal year with an enrollment of 579 students, which reflects an increase of 3 students.

The following details the changes in the student enrollment over the last six years:

| Fiscal Year | Students on Roll |
|--------------------|-------------------------|
| 2010-2011 | 619 |
| 2011-2012 | 602 |
| 2012-2013 | 601 |
| 2013-2014 | 603 |
| 2014-2015 | 576 |
| 2015-2016 | 579 |

2. ECONOMIC CONDITION AND OUTLOOK:

West Long Branch is a suburban residential community with large retail stores located at its perimeter on Route 36. Single-family home developments are occurring in the Borough. These developments are not expected to have a significant impact on district enrollments. The most recent large development is Avalon at West Long Branch: a 180 unit, four building development of loft, one bedroom, two bedrooms and three bedrooms apartments, which was completed around 2012. Although marketed to “young professionals”, the units may eventually have an impact on student enrollment.

3. MAJOR INITIATIVES:

We are most pleased that several initiatives were supported through local funding for fiscal year 2016. More specifically, instructional materials and resources, curricula writing stipends, and professional development services encompassed the relative purchases.

At the preschool level, the My Math and Voices programs were implemented, which included consumables and online accounts. Additionally, a grades K-8 textbook series for health was introduced in both hard copy and online format. With respect to grades 5-8, two English language arts textbook series were incorporated into daily reading and writing instruction. Equally as essential, among our assessment purchases was SAGES, designed to be administered for gifted and talented course placement, and dyslexia screening materials.

In conjunction with the purchase of instructional materials and resources, curricula writing was completed for these courses: grades K-8 health, grades K-8 gifted and talented, grades K-8 technology, grades K-4 library/media, and grades 5-8 English language arts. Curricula writing included alignment to content standards and additional New Jersey Department of Education requirements (e.g., differentiation).

Lastly, our professional development emphasis was placed on instructional coaching days and out-of-district presenters for sessions regarding differentiation, instructional technologies, and the Danielson staff evaluation model. Differentiation and instructional technologies were among two of our district goals for fiscal year 2016. Also noteworthy was the district’s participation in two

professional development consortia, Brookdale Education Networks and the Regional Professional Development Academy.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the Borough of West Long Branch School District is responsible for establishing and maintaining an internal control structure to ensure that the assets of the District are protected from loss, theft or misuse 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 the cost of the control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimation and judgments by management.

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

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, when applicable, 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, special revenue fund and debt service fund. Project-length budgets are approved for the capital improvements accounting for 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 purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated as reported as reservations of fund balance at June 30, 2014.

6. ACCOUNTING SYSTEMS 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 the Notes to the Financial Statements.

7. RISK MANAGEMENT

The District carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity.

8. INDEPENDENT AUDIT:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Hulsart and Co. for this task. In addition to meeting the requirement set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984, the related OMB Circular A-133 and State OMB Circular 04-04. The auditor's report on the general-Purpose financial statements and combining and individual fund statements and schedules 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.

9. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the West Long Branch Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the 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 financial and accounting staff.

Respectfully submitted,



Thomas G. Farrell
Superintendent



Corey J. Lowell, SFO
Business Administrator/Board Secretary

WEST LONG BRANCH BOARD OF EDUCATION

WEST LONG BRANCH, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2016

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|--|---------------------|
| Kristin Arvanitis | 2017 |
| Meaghan Cavanaugh | 2017 |
| Paul J. Christopher | 2017 |
| Tracy Cistaro | 2018 |
| Erin K. Hegglin | 2018 |
| Brian Kramer | 2018 |
| Patricia Bambach-McLaughlin | 2016 |
| Beth Sarfaty | 2016 |
| Maureen Butler | 2016 |

Other Officials

Thomas Farrell, Superintendent/Principal

Armen McOmber, Esq., Solicitor

WEST LONG BRANCH BOARD OF EDUCATION

WEST LONG BRANCH, NEW JERSEY

CONSULTANTS AND ADVISORS

JUNE 30, 2016

Audit Firm

Robert A. Hulsart and Company

2807 Hurley Pond Road

Wall, New Jersey 07719

Attorney

McOmber & McOmber, P.C.

54 Shrewsbury Avenue

Red Bank, New Jersey 07701

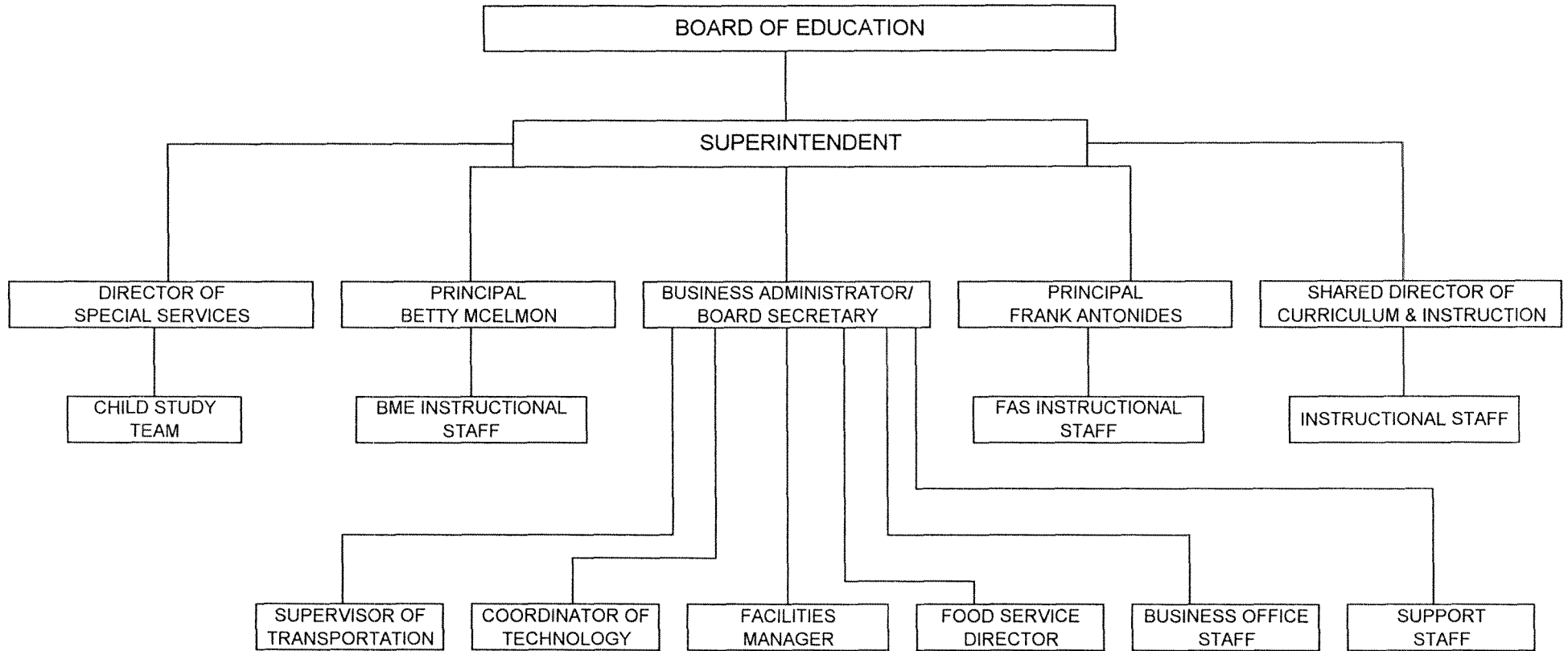
Official Depository

Investors Bank

169 Broadway

Long Branch, NJ 07740

WEST LONG BRANCH BOARD OF EDUCATION
ORGANIZATIONAL CHART



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

8.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
West Long Branch School District
County of Monmouth
West Long Branch, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the West Long Branch School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the 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.

Auditors Responsibility

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

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

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

Opinions

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

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has 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 it.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016 on our consideration of the West Long Branch's Board of Education internal control over financial reporting and 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 the West Long Branch Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

November 22, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

BOROUGH OF WEST LONG BRANCH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

UNAUDITED

The discussion and analysis of West Long Branch 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; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2015-2016 fiscal year is as follows:

- General revenues accounted for \$11,218,043 in revenue or 92% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$851,713 or 8% percent to total revenues.
- Total position of governmental activities decreased by \$1,168,754.
- The School District had \$13,247,779 in expenses; only \$851,713 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,218,043 were adequate to provide for these programs.

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 West Long Branch 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 West Long Branch School District, the General Fund is the most significant fund, with the Special Revenue Fund, Capital Project's Fund and Debt Service Fund also having significance.

Using this Comprehensive Annual Financial Report (CAFR) – (Continued)

The School Board’s auditor has provided assurance in his Independent Auditor’s Report, located immediately preceding this Management’s Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor’s Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

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 the 2015-2016 fiscal year?” 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 begins on exhibit A-1. 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, Special Revenue Fund, Capital Projects Fund and Debt Service 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 Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal years ended 2016 and 2015.

| | Table 1 | |
|---|----------------------|--------------------|
| | Net Position | |
| | <u>2016</u> | <u>2015</u> |
| <u>Assets</u> | | |
| Current and Other Assets | \$ 10,631,887 | 2,359,667 |
| Capital Assets, Net | <u>10,326,496</u> | <u>10,879,664</u> |
| Total Assets | <u>\$ 20,958,383</u> | <u>13,239,331</u> |
| <u>Deferred Outflow of Resources</u> | | |
| Contribution to Pension Plan | <u>\$ 613,755</u> | <u>458,543</u> |
| <u>Deferred Outflow of Resources</u> | | |
| Pension Deferrals | <u>\$ 384,748</u> | <u>135,630</u> |
| <u>Liabilities</u> | | |
| Long-Term Liabilities | \$ 11,551,527 | 3,296,373 |
| Other Liabilities | <u>1,044,052</u> | <u>496,150</u> |
| Total Liabilities | <u>\$ 12,595,579</u> | <u>3,792,523</u> |
| <u>Net Position</u> | | |
| Invested in Capital Assets, Net of Debt | \$ 509,496 | 9,974,834 |
| Restricted | 10,162,326 | 1,976,581 |
| Unrestricted | <u>(2,080,011)</u> | <u>(2,181,694)</u> |
| Total Net Position | <u>\$ 8,591,811</u> | <u>9,769,721</u> |

Table 2 shows the changes in net position for fiscal years ended 2016 and 2015.

Table 2
Changes in Net Position

| | <u>2016</u> | <u>2015</u> |
|--|-----------------------|-------------------|
| <u>Revenues</u> | | |
| Program Revenues | | |
| Charges for Services | \$ 275,875 | 577,223 |
| Operating Grants and Contributions | 575,838 | 406,000 |
| General Revenues | | |
| Property Taxes | 9,738,312 | 9,752,312 |
| Grants and Entitlements | 1,437,186 | 1,247,153 |
| Other | 42,545 | (2,084) |
| Total Revenues | <u>12,069,756</u> | <u>11,980,604</u> |
| <u>Program Expenses</u> | | |
| Instruction | 4,719,444 | 4,803,151 |
| Support Services | | |
| Pupils and Instructional Staff | 1,795,799 | 1,515,854 |
| General Administration, School Administration, Business | 4,187,316 | 3,222,202 |
| Operations and Maintenance of Facilities | 818,519 | 1,518,284 |
| Pupil Transportation | 449,009 | 478,355 |
| Interest on Debt | 260,975 | 64,337 |
| Food Service | 183,103 | 142,847 |
| Capital Outlay | 833,614 | |
| Total Expenses | <u>13,247,779</u> | <u>11,745,030</u> |
| Adjustment | _____ | _____ |
| Increase/Decrease in Net Position | <u>\$ (1,178,023)</u> | <u>235,574</u> |

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 81% percent of revenues for governmental activities for the West Long Branch School District for fiscal year 2016. The District's total revenues were \$11,895,922 for the fiscal year ended June 30, 2016.

Business-Type Activities

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

- Food service expenses exceeded revenues by \$9,412.
- Charges for services represent \$95,552 of revenue. This represents amount paid by patrons for daily food services.
- Federal and state reimbursements for food service was \$78,139.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

School Board Funds

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

As the School Board completed the fiscal year ended June 30, 2016, it reported a combined net position balance of \$8,591,811. The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net position.

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

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

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

Capital Assets

At June 30, 2016, the School Board had approximately \$19,105,128 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2016 fiscal year.

| | <u>Governmental Activities</u> | <u>Business Type Activities</u> |
|---------------------------------|---|--|
| Table II | | |
| Capital Assets at June 30, 2016 | | |
| Land | \$ 82,140 | |
| Site Improvements | 262,757 | |
| Buildings | 9,269,382 | |
| Machinery and Equipment | <u>705,311</u> | <u>6,906</u> |
| Total | <u>\$ 10,319,590</u> | <u>6,906</u> |

Debt Administration

At June 30, 2016 the School District had \$12,259,478 as outstanding debt. Of this amount \$119,860 is for compensated absences, \$86,831 is capital leases; \$2,235,787 is for pension liability; and the balance of \$9,817,000 is for bonds for school construction.

Economic Factors and Next Year's Budget

The West Long Branch School District is in good financial condition presently. Future finances are not without challenges as state funding is decreased.

The Borough of West Long Branch is primarily a residential community. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections.

The \$(2,080,011) is unrestricted net position for all governmental activities represent the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a deficit of \$(2,080,011).

At this time, the most important factor affecting the budget is the unsettled situation with State Aid. While State aid may be frozen, the District may experience growth in student population. The tax levy will be the area that will need to absorb any increase in budget obligations.

In conclusion, the West Long Branch School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

FY 2016 – Grades Pre-K – 8 Program Overview

We are most pleased that several initiatives were supported through local funding for fiscal year 2016. More specifically, instructional materials and resources, curricula writing stipends, and professional development services encompassed the relative purchases.

At the preschool level, the My Math and Voices programs were implemented, which included consumables and online accounts. Additionally, a grades K-8 textbook series for health was introduced in both hard copy and online format. With respect to grades 5-8, two English language arts textbook series were incorporated into daily reading and writing instruction. Equally as essential, among our assessment purchases was SAGES, designed to be administered for gifted and talented course placement, and dyslexia screening materials.

In conjunction with the purchase of instructional materials and resources, curricula writing was completed for these courses: grades K-8 health, grades K-8 gifted and talented, grades K-8 technology, grades K-4 library/media, and grades 5-8 English language arts. Curricula writing included alignment to content standards and additional New Jersey Department of Education requirements (e.g., differentiation).

FY 2016 – Grades Pre-K – 8 Program Overview (Continued)

Lastly, our professional development emphasis was placed on instructional coaching days and out-of-district presenters for sessions regarding differentiation, instructional technologies, and the Danielson staff evaluation model. Differentiation and instructional technologies were among two of our district goals for fiscal year 2016. Also noteworthy was the District's participation in two professional development consortia, Brookdale Education Networks and the Regional Professional Development Academy.

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 Corey J. Lowell, School Finance Officer/School Business Administrator/Board Secretary at West Long Branch Board of Education, 135 Locust Avenue, West Long Branch, New Jersey 07764.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

WEST LONG BRANCH SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2016

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|--------------------|
| <u>Assets</u> | | | |
| Cash and Cash Equivalents | \$ - | 47,146 | 47,146 |
| Receivables, Net | 281,645 | 6,270 | 287,915 |
| Inventory | | 3,406 | 3,406 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 10,293,420 | | 10,293,420 |
| Capital Assets, Not Being Depreciated | 82,140 | | 82,140 |
| Capital Assets, Net | <u>10,237,450</u> | <u>6,906</u> | <u>10,244,356</u> |
| Total Assets | <u>\$ 20,894,655</u> | <u>63,728</u> | <u>20,958,383</u> |
| <u>Deferred Outflow of Resources</u> | | | |
| Contribution to Pension Plan | <u>\$ 613,755</u> | | <u>613,755</u> |
| <u>Deferred Inflow of Resources</u> | | | |
| Pension Deferrals | <u>\$ 384,748</u> | | <u>384,748</u> |
| <u>Liabilities</u> | | | |
| Accounts Payable | \$ 93,337 | 7,877 | 101,214 |
| Deferred Revenue | 14,999 | | 14,999 |
| Accrued Interest | 219,888 | | 219,888 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 707,951 | | 707,951 |
| Due Beyond One Year | <u>11,551,527</u> | | <u>11,551,527</u> |
| Total Liabilities | <u>\$ 12,587,702</u> | <u>7,877</u> | <u>12,595,579</u> |
| <u>Net Position</u> | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 502,590 | 6,906 | 509,496 |
| Restricted For: | | | |
| Other Purposes | 10,162,326 | | 10,162,326 |
| Unrestricted | <u>(2,128,956)</u> | <u>48,945</u> | <u>(2,080,011)</u> |
| Total Net Position | <u>\$ 8,535,960</u> | <u>55,851</u> | <u>8,591,811</u> |

The accompanying notes to financial statements are an integral part of this statement.

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position</u> | | | |
|---|-------------------------|---------------------------------|--|------------------------------------|-------------------------------------|---------------------|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
| <u>Functions/Programs</u> | | | | | | |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 3,166,145 | | | (3,166,145) | | (3,166,145) |
| Special Education | 1,116,136 | | 350,671 | (765,465) | | (765,465) |
| Other Instruction | 437,163 | | | (437,163) | | (437,163) |
| Support Services: | | | | | | |
| Tuition | 363,452 | 180,323 | | (183,129) | | (183,129) |
| Student & Instruction Related Services | 1,415,882 | | 147,028 | (1,268,854) | | (1,268,854) |
| School Administrative Services | 398,862 | | | (398,862) | | (398,862) |
| General and Business Administrative Services | 455,922 | | | (455,922) | | (455,922) |
| Plant Operations and Maintenance | 818,519 | | | (818,519) | | (818,519) |
| Pupil Transportation | 449,009 | | | (449,009) | | (449,009) |
| Capital Outlay | 833,614 | | | (833,614) | | (833,614) |
| Unallocated Benefits | 2,705,167 | | | (2,705,167) | | (2,705,167) |
| Interest on Long-Term Debt | 260,975 | | | (260,975) | | (260,975) |
| Unallocated Depreciation | 627,365 | | | (627,365) | | (627,365) |
| Summer School | 16,465 | | | (16,465) | | (16,465) |
| Total Government Activities | <u>13,064,676</u> | <u>180,323</u> | <u>497,699</u> | <u>(12,386,654)</u> | <u>-</u> | <u>(12,386,654)</u> |
| Business-Type Activities: | | | | | | |
| Food Service | 183,103 | 95,552 | 78,139 | | (9,412) | (9,412) |
| Total Business-Type Activities | <u>183,103</u> | <u>95,552</u> | <u>78,139</u> | <u>-</u> | <u>(9,412)</u> | <u>(9,412)</u> |
| Total Primary Government | <u>13,247,779</u> | <u>275,875</u> | <u>575,838</u> | <u>(12,386,654)</u> | <u>(9,412)</u> | <u>(12,396,066)</u> |

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position</u> | | |
|---|---------------------------------|---|--|-------------------------------------|-------------------|
| | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes, Levied for General Purpose, Net | | | \$ 9,282,312 | | 9,282,312 |
| Property Taxes, Levied for Debt Service | | | 456,000 | | 456,000 |
| Federal and State Aid Not Restricted | | | 1,437,186 | | 1,437,186 |
| Miscellaneous | | | 3,759 | | 3,759 |
| Interest Earned | | | 10,730 | 143 | 10,873 |
| Other Financing Uses | | | 27,913 | | 27,913 |
| Total General Revenues, Special Items, Extraordinary Items and Transfers | | | <u>11,217,900</u> | <u>143</u> | <u>11,218,043</u> |
| Change in Net Position | | | (1,168,754) | (9,269) | (1,178,023) |
| Net Position - Beginning | | | <u>9,704,714</u> | <u>65,120</u> | <u>9,769,834</u> |
| Net Position - Ending | | | <u>\$ 8,535,960</u> | <u>55,851</u> | <u>8,591,811</u> |

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

FUND FINANCIAL STATEMENTS – B

WEST LONG BRANCH SCHOOL DISTRICTBALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2016

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| <u>Assets</u> | | | | | |
| Cash and Cash Equivalents | \$ 2,005,807 | | 8,287,037 | 576 | 10,293,420 |
| Interfund Receivable | 66,716 | | | | 66,716 |
| Accounts Receivable | 77 | | | | 77 |
| Receivables from Other Governments | 112,410 | 142,222 | | 26,936 | 281,568 |
| Total Assets | <u>\$ 2,185,010</u> | <u>142,222</u> | <u>8,287,037</u> | <u>27,512</u> | <u>10,641,781</u> |
| <u>Liabilities and Fund Balance</u> | | | | | |
| Liabilities: | | | | | |
| Deferred Revenue | \$ - | 14,999 | | | 14,999 |
| Accounts Payable | 3,255 | 60,507 | 29,575 | | 93,337 |
| Interfund Payable | | 66,716 | | | 66,716 |
| Total Liabilities | <u>3,255</u> | <u>142,222</u> | <u>29,575</u> | <u>-</u> | <u>175,052</u> |
| Fund Balance: | | | | | |
| Restricted for: | | | | | |
| Excess Surplus-Current Year | 400,146 | | | | 400,146 |
| Excess Surplus-Designated for Subsequent Years Expenditures | 513,854 | | | | 513,854 |
| Maintenance Reserve | 71,249 | | | | 71,249 |
| Capital Reserve Account | 303,225 | | | | 303,225 |
| Emergency Reserve | 101,052 | | | | 101,052 |
| Committed To: | | | | | |
| Other Purposes | 426,481 | | 7,834,787 | | 8,261,268 |
| Assigned To: | | | | | |
| Designed by the BOE for subsequent Years Expenditures | 61,345 | | | | 61,345 |
| Unassigned: | | | | | |
| General Fund | 304,403 | | | | 304,403 |
| Capital Projects Fund | | | 422,675 | | 422,675 |
| Debt Service Fund | | | | 27,512 | 27,512 |
| Total Fund Balances | <u>2,181,755</u> | <u>-</u> | <u>8,257,462</u> | <u>27,512</u> | <u>10,466,729</u> |
| Total Liabilities and Fund Balance | <u>\$ 2,185,010</u> | <u>142,222</u> | <u>8,287,037</u> | <u>27,512</u> | |

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

| | |
|---|---------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$19,105,128 and the accumulated depreciation is \$8,785,538. | 10,319,590 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. | (12,259,478) |
| Deferred outflow of resources - contributions to the pension plan | 613,755 |
| Deferred inflow of resources - acquisition of assets applicable to future reporting periods | (384,748) |
| Accrued Interest | (219,888) |
| Net position of governmental activities | <u>\$ 8,535,960</u> |

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

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| <u>Revenues</u> | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 9,282,312 | | | 456,000 | 9,738,312 |
| Tuition | 180,323 | | | | 180,323 |
| Interest Earned | 10,730 | | | | 10,730 |
| Miscellaneous | 3,759 | 9,057 | | | 12,816 |
| Total Local Sources | <u>9,477,124</u> | <u>9,057</u> | - | <u>456,000</u> | <u>9,942,181</u> |
| State Sources | 1,437,186 | 199,567 | | | 1,636,753 |
| Federal Sources | | 289,075 | | | 289,075 |
| Total Revenues | <u>10,914,310</u> | <u>497,699</u> | - | <u>456,000</u> | <u>11,868,009</u> |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| Regular Instruction | 3,161,945 | | | | 3,161,945 |
| Special Education Instruction | 765,465 | 350,671 | | | 1,116,136 |
| Other Instruction | 437,163 | | | | 437,163 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 363,452 | | | | 363,452 |
| Student and Instruction Related Services | 1,268,854 | 147,028 | | | 1,415,882 |
| School Administrative Services | 398,862 | | | | 398,862 |
| Other Administrative Services | 455,922 | | | | 455,922 |
| Plant Operations and Maintenance | 818,519 | | | | 818,519 |
| Pupil Transportation | 449,009 | | | | 449,009 |
| Unallocated Benefits | 2,651,357 | | | | 2,651,357 |
| Debt Service: | | | | | |
| Principal | | | | 410,000 | 410,000 |
| Interest and Other Charges | | | | 45,537 | 45,537 |
| Summer School | 16,465 | | | | 16,465 |
| Capital Outlay | 209,735 | | 742,438 | | 952,173 |
| Total Expenditures | <u>10,996,748</u> | <u>497,699</u> | <u>742,438</u> | <u>455,537</u> | <u>12,692,422</u> |

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

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit B-2
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | <u>(82,438)</u> | <u>-</u> | <u>(742,438)</u> | <u>463</u> | <u>(824,413)</u> |
| Other Financing Sources (Uses): | | | | | |
| Sale of Bonds | | | 9,026,913 | | 9,026,913 |
| Transfer from Capital Projects to Debt Service | | | (26,936) | 26,936 | - |
| Transfer from Capital Projects to General Fund | <u>77</u> | | <u>(77)</u> | | <u>-</u> |
| Total Financing Sources (Uses) | <u>77</u> | <u>-</u> | <u>8,999,900</u> | <u>26,936</u> | <u>9,026,913</u> |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses) | <u>(82,361)</u> | <u>-</u> | <u>8,257,462</u> | <u>27,399</u> | <u>8,202,500</u> |
| Net Change in Fund Balances | (82,361) | - | 8,257,462 | 27,399 | 8,202,500 |
| Fund Balance - July 1 | <u>2,264,116</u> | | | <u>113</u> | <u>2,264,229</u> |
| Fund Balance - June 30 | <u>\$ 2,181,755</u> | <u>-</u> | <u>8,257,462</u> | <u>27,512</u> | <u>10,466,729</u> |

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

WEST LONG BRANCH SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2016

| | | |
|--|----------------|------------------------------|
| Total Net Change in Fund Balances - Governmental Funds (From B-2) | | \$ 8,202,500 |
| 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 | (627,365) | |
| Capital Outlay | <u>118,559</u> | (508,806) |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. | | 410,000 |
| Issuance of Bonds | | (8,999,000) |
| Compensated Absences | | (4,200) |
| Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position | | 155,212 |
| Pension Related Deferrals | | (249,118) |
| Net Pension Liability | | 40,096 |
| In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. | | <u>(215,438)</u> |
| Change in Net Position of Governmental Activities | | <u><u>\$ (1,168,754)</u></u> |

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

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2016

| | <u>Enterprise Fund</u> |
|--------------------------------|----------------------------|
| <u>Assets</u> | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 47,146 |
| Accounts Receivable: | |
| Federal | 2,911 |
| State | 104 |
| Other | 3,255 |
| Inventories | 3,406 |
| Total Current Assets | <u>56,822</u> |
| Noncurrent Assets: | |
| Equipment | 77,030 |
| Less: Accumulated Depreciation | <u>(70,124)</u> |
| Total Noncurrent Assets | <u>6,906</u> |
| Total Assets | <u><u>\$ 63,728</u></u> |
| <u>Liabilities</u> | |
| Accounts Payable | <u><u>\$ 7,877</u></u> |
| <u>Net Position</u> | |
| Investment in Capital Assets | \$ 6,906 |
| Unrestricted | <u>48,945</u> |
| Total Net Position | <u><u>\$ 55,851</u></u> |

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

WEST LONG BRANCH SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2016

| | <u>Enterprise Fund</u> |
|-------------------------------------|----------------------------|
| Operating Revenues: | |
| Local Sources: | |
| Daily Sales | \$ 95,320 |
| Special Functions and Miscellaneous | 232 |
| Total Operating Revenue | <u>95,552</u> |
| Operating Expenses: | |
| Cost of Sales | 74,120 |
| Salaries & Benefits | 70,677 |
| Management Fee | 8,585 |
| Supplies | 2,768 |
| Miscellaneous | 24,633 |
| Depreciation | 2,320 |
| Total Operating Expenses | <u>183,103</u> |
| Operating (Loss)/Profit | (87,551) |
| Non-Operating Revenues: | |
| Interest Revenue | 143 |
| State Sources: | |
| State Lunch Program | 1,356 |
| Federal Sources: | |
| Federal Lunch Program | 36,052 |
| Federal HHFKA Lunch Program | 1,739 |
| Commodities | 38,992 |
| Total Non-Operating Revenues | <u>78,282</u> |
| Change in Net Position | (9,269) |
| Net Position, July 1 | <u>65,120</u> |
| Net Position, June 30 | <u>\$ 55,851</u> |

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

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2016

| | <u>Enterprise Fund</u> |
|---|----------------------------|
| Cash Flows from Operating Activities: | |
| Receipts from Daily Sales | \$ 95,552 |
| Payments to Suppliers | (145,500) |
| Net Cash Used by Operating Activities | <u>(49,948)</u> |
| Cash Flows from Noncapital Financing Activities: | |
| Federal and State Sources | 39,147 |
| Net Cash Provided by Noncapital Financing Activities | <u>39,147</u> |
| Cash Flows from Investing Activities: | |
| Interest Received | 143 |
| Net Cash Provided by Investing Activities: | <u>143</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (10,658) |
| Cash and Cash Equivalents July 1 | <u>57,804</u> |
| Cash and Cash Equivalents June 30 | <u>\$ 47,146</u> |
| Cash Flows from Operating Activities: | |
| Operating (Loss)/Profit | \$ (87,551) |
| Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities: | |
| Depreciation | 2,320 |
| Commodities | 38,992 |
| Changes in Assets and Liabilities: | |
| Increase/(Decrease) in Accounts Payables | (1,941) |
| (Increase)/Decrease in Inventories | (2,121) |
| (Increase)/Decrease in Accounts Receivable | 353 |
| Net Cash Used by Operating Activities | <u>\$ (49,948)</u> |

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

WEST LONG BRANCH SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2016

| | <u>Private Purpose Scholarship Fund</u> | <u>Unemployment Compensation Trust</u> |
|---|---|--|
| Assets: | | |
| Cash and Cash Equivalents | \$ 10,496 | 1,719 |
| Total Assets | <u>\$ 10,496</u> | <u>1,719</u> |
| Net Position: | | |
| Held in Trust for Unemployment Claims and Other Purposes | \$ 10,496 | 1,719 |
| Total Net Position | <u>\$ 10,496</u> | <u>1,719</u> |

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

WEST LONG BRANCH SCHOOL DISTRICTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDSJUNE 30, 2016

| | <u>Private Purpose Scholarship Fund</u> | <u>Unemployment Compensation Trust</u> |
|----------------------------------|---|--|
| Additions: | | |
| Local Sources: | | |
| Investment Earnings: | | |
| Contributions | \$ 500 | 21,777 |
| Interest | 27 | 14 |
| Net Investments Earnings | <u>527</u> | <u>21,791</u> |
| Total Additions | <u>527</u> | <u>21,791</u> |
| Deductions: | | |
| Scholarship Awards | 500 | |
| Unemployment Claims | <u>-</u> | <u>22,817</u> |
| Total Deductions | <u>500</u> | <u>22,817</u> |
| Change in Net Position | 27 | (1,026) |
| Net Position - Beginning of Year | <u>10,469</u> | <u>2,745</u> |
| Net Position - End of the Year | <u>\$ 10,496</u> | <u>1,719</u> |

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
WEST LONG BRANCH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The West Long Branch School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government 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

B. Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

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

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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

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

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

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

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

E. Basis of Accounting:

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2016 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

G. Encumbrances:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Short-Term Interfund Receivables/Payables:

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

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

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

J. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2015-2016 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2016, fiscal year 2016 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

| | |
|----------------------------|---------|
| Buildings and Improvements | 20 – 50 |
| Equipment and Vehicles | 5 – 20 |
| Furniture and Fixtures | 5 – 20 |

The District is currently in the process of obtaining and installing software that will maintain proper capital asset and depreciation records.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)J. Capital Assets and Depreciation (Continued)

| | <u>Balance July 1, 2015</u> | <u>Additions</u> | <u>Adjustments</u> | <u>Balance June 30, 2016</u> |
|--|---------------------------------|------------------|--------------------|----------------------------------|
| Governmental Activities: | | | | |
| Capital Assets that are Not Being Depreciated: | | | | |
| Land | \$ 82,140 | _____ | _____ | 82,140 |
| Total Capital Assets Not Being Depreciated | <u>82,140</u> | _____ | _____ | <u>82,140</u> |
| Depreciable Assets: | | | | |
| Site Improvements | 576,538 | 3,300 | | 579,838 |
| Buildings | 15,913,385 | 31,280 | | 15,944,665 |
| Equipment | <u>2,456,548</u> | <u>41,937</u> | | <u>2,498,485</u> |
| Totals at Historical Cost | <u>18,946,471</u> | <u>76,517</u> | _____ | <u>19,022,988</u> |
| Less: Accumulated Depreciation for: | | | | |
| Site Improvements | (296,976) | (20,105) | | (317,081) |
| Buildings | (6,204,849) | (470,043) | (391) | (6,675,283) |
| Equipment | <u>(1,656,348)</u> | <u>(136,597)</u> | <u>(229)</u> | <u>(1,793,174)</u> |
| Total Accumulated Depreciation | <u>(8,158,173)</u> | <u>(626,745)</u> | <u>(620)</u> | <u>(8,785,538)</u> |
| Net Depreciable Assets | <u>10,788,298</u> | <u>(550,228)</u> | <u>(620)</u> | <u>10,237,450</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 10,870,438</u> | <u>(550,228)</u> | <u>(620)</u> | <u>10,319,590</u> |
| Business-Type Activities: | | | | |
| Equipment | \$ 77,030 | | | 77,030 |
| Less: Accumulated Depreciation for: | | | | |
| Equipment | <u>(67,804)</u> | <u>(2,320)</u> | | <u>(70,124)</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 9,226</u> | <u>(2,320)</u> | | <u>6,906</u> |
| Depreciation expense was charged to governmental functions as follows: | | | | |
| Unallocated | | | | <u>\$ 627,365</u> |

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. 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.

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

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. The current portion of the compensated absence balance is not considered material to the applicable fund total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

L. Deferred Revenue

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

M. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

N. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Grants, entitlements, or shared revenues which are restricted for the acquisition or construction of capital assets are also recorded as contributed capital. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

O. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

P. Tuition Payable

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

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost or amortized cost, which approximates market. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank of Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

| | |
|-------|----------------------|
| FDIC | \$ 250,000 |
| GUPDA | <u>10,223,732</u> |
| | <u>\$ 10,473,732</u> |

NOTE 2: Cash and Cash Equivalents and Investments (Continued)

As of June 30, 2016, cash and cash equivalents and investments of the District consisted of the following:

| | |
|------------------------------------|--------------------------------------|
| | Cash and Cash Equivalents |
| Interest Bearing Checking Accounts | <u>\$ 10,384,067</u> |

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2016 was \$10,384,067 and the bank balance was \$10,473,732. Of the bank balance \$250,000 was covered by federal depository insurance and \$10,223,732 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the general long-term debt account group:

| | <u>Balance June 30, 2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2016</u> | <u>Long-Term Portion</u> | <u>2016-2017 Payment</u> |
|--|----------------------------------|------------------|------------------|----------------------------------|------------------------------|------------------------------|
| Pension Liability Compensated Absences Payable | \$ 2,275,883 | | (40,096) | 2,235,787 | 2,235,787 | |
| Capital Leases | 115,660 | 4,200 | | 119,860 | 119,860 | |
| Bonds Payable | <u>1,228,000</u> | <u>8,999,000</u> | <u>(410,000)</u> | <u>9,817,000</u> | <u>9,152,000</u> | <u>665,000</u> |
| | <u>\$ 3,748,416</u> | <u>9,003,200</u> | <u>(492,138)</u> | <u>12,259,478</u> | <u>11,551,527</u> | <u>707,951</u> |

A. Bonds Payable

| Year Ending June 30, | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|---------------------|------------------|-------------------|
| 2016/2017 | \$ 665,000 | 387,468 | 1,052,468 |
| 2016/2018 | 778,000 | 251,971 | 1,029,971 |
| 2018/2019 | 375,000 | 229,221 | 604,221 |
| 2019-2020 | 380,000 | 221,671 | 601,671 |
| 2020/2021 | 390,000 | 213,972 | 603,972 |
| 2022/2026 | 2,075,000 | 946,197 | 3,021,197 |
| 2027/2031 | 2,375,000 | 655,763 | 3,030,763 |
| 2032/2036 | <u>2,779,000</u> | <u>247,085</u> | <u>3,026,085</u> |
| | <u>\$ 9,817,000</u> | <u>3,153,348</u> | <u>12,970,348</u> |

Bonds issued 11/15/03 for \$5,538,000 at interest from 3.375% to 3.750% maturing 6/30/18 with a balance of \$818,000 at June 30, 2016.

Bonds issued 7/16/15 for \$8,999,000 at interest from 2.000% to 3.500% maturing 7/15/35 with a balance of \$8,999,000 at June 30, 2016.

NOTE 3: General Long-Term Debt (Continued)**B. Bonds Authorized But Not Issued**

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

C. Capital Leases

2013 buses @ 2.4% interest for 5 years maturing 12/1/17 with a balance of \$86,831 at June 30, 2016.

Future Minimum Lease Payments

| | |
|----------------|------------------|
| 2016-2017 | \$ 44,828 |
| 2017-2018 | <u>44,827</u> |
| | 89,655 |
| Less: Interest | <u>(2,824)</u> |
| Lease Payments | <u>\$ 86,831</u> |

NOTE 4: Pension Plans

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

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

NOTE 4: Pension Plans (Continued)

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

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.6% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

NOTE 4: Pension Plans (Continued)Three-Year Trend Information for PERS

| <u>Year</u> <u>Funding</u> | <u>Annual</u> <u>Pension</u> <u>Cost (APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | <u>Net</u> <u>Pension</u> <u>Obligation</u> |
|-------------------------------|--|--|---|
| 6/30/16 | \$ 86,256 | 100% | 0 |
| 6/30/15 | 100,210 | 100% | 0 |
| 6/30/14 | 80,446 | 100% | 0 |

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

| <u>Year</u> <u>Funding</u> | <u>Annual</u> <u>Pension</u> <u>Cost (APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | <u>Net</u> <u>Pension</u> <u>Obligation</u> |
|-------------------------------|--|--|---|
| 6/30/16 | \$ 743,103 | 100% | 0 |
| 6/30/15 | 574,600 | 100% | 0 |
| 6/30/14 | 424,685 | 100% | 0 |

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$743,103 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$339,275 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

Pension Expense Deferred Outflows/Inflows – PERS

For the year ended June 30, 2016, the District recognized pension expense of \$86,256. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred</u> <u>Outflows</u> <u>of Resources</u> | <u>Deferred</u> <u>Inflows</u> <u>of Resources</u> |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 53,338 | |
| Changes of Assumptions | 240,106 | |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | | 35,947 |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | 234,055 | 348,801 |
| District Contributions Subsequent to the Measurement Date | <u>86,256</u> | <u> </u> |
| Total | <u>\$ 613,755</u> | <u>384,748</u> |

NOTE 4: Pension Plans (Continued)

\$613,755 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at December 31, 2014 and 2015 are as follows:

| | <u>Dec. 31, 2015</u> | <u>Dec. 31, 2014</u> |
|---|-----------------------------|-----------------------------|
| Collective Deferred Outflows of Resources | \$ 613,755 | 458,543 |
| Collective Deferred Inflows of Resources | 384,748 | 135,630 |
| Collective Net Pension Liability | 2,235,787 | 2,275,883 |
| District's Proportion | .00996% | .01216% |

Components of Net Pension Liability

The components of the net pension liability of the participating employers for PERS as of June 30, 2015 and 2014 are as follows:

| | 2015 | | |
|--|--------------------------|-----------------------|-----------------------|
| | <u>State</u> | <u>Local</u> | <u>Total</u> |
| Total Pension Liability | \$ 31,614,118,524 | 43,109,580,038 | 74,723,698,562 |
| Plan Fiduciary Net Position | <u>7,891,982,987</u> | <u>20,661,583,919</u> | <u>28,553,566,906</u> |
| Net Pension Liability | <u>\$ 23,722,135,537</u> | <u>22,447,996,119</u> | <u>46,170,131,656</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 24.96% | 47.93% | 38.21% |
| | 2014 | | |
| | <u>State</u> | <u>Local</u> | <u>Total</u> |
| Total Pension Liability | \$ 28,777,950,141 | 39,071,470,586 | 67,849,420,727 |
| Plan Fiduciary Net Position | <u>8,650,846,191</u> | <u>20,348,735,583</u> | <u>28,999,581,774</u> |
| Net Pension Liability | <u>\$ 20,127,103,950</u> | <u>18,722,735,003</u> | <u>38,849,838,953</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 30.06% | 52.08% | 42.74% |

NOTE 4: Pension Plans (Continued)

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | |
|---------------------------|----------------------------|
| Inflation Rate | 3.04% |
| Salary Increases: | |
| 2012-2021 | 2.15% - 4.40% Based on Age |
| Thereafter | 3.15% – 5.40% Based on Age |
| Investment Rate of Return | 7.90% |

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The 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.

Long-Term Expected Rate of Return

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

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

NOTE 4: Pension Plans (Continued)**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 2015 | | |
|-------|-----------------------------------|---|-----------------------------------|
| | At 1% Decrease (3.90%) | At Current Discount Rate (4.90%) | At 1% Increase (5.90%) |
| State | \$ 27,802,122,942 | 23,722,135,537 | 20,314,768,782 |
| Local | <u>27,900,112,533</u> | <u>22,447,996,119</u> | <u>17,876,981,108</u> |
| Total | <u>\$ 55,702,235,475</u> | <u>46,170,131,656</u> | <u>38,191,749,890</u> |
| | 2014 | | |
| | At 1% Decrease (4.39%) | At Current Discount Rate (5.39%) | At 1% Increase (6.39%) |
| State | \$ 23,772,450,916 | 20,127,103,950 | 17,069,920,644 |
| Local | <u>23,553,838,159</u> | <u>18,722,735,003</u> | <u>14,665,837,859</u> |
| Total | <u>\$ 47,326,289,075</u> | <u>38,849,838,953</u> | <u>31,735,758,503</u> |

NOTE 4: Pension Plans (Continued)**Teachers Pensions and Annuity Fund (TPAF)****Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2015 and 2014 are as follows:

| | <u>2015</u> | <u>2014</u> |
|--|--------------------------|-----------------------|
| Total Pension Liability | \$ 89,182,662,000 | 81,095,320,000 |
| Plan Fiduciary Net Position | <u>25,604,797,560</u> | <u>27,282,252,461</u> |
| Net Pension Liability | <u>\$ 63,577,864,440</u> | <u>53,813,067,539</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 28.71% | 33.64% |

State Proportionate Share of Net Pension Liability Attributable to District

| | <u>2015</u> | <u>2014</u> |
|-----------------------|----------------------|-------------------|
| District's Liability | <u>\$ 25,961,214</u> | <u>20,326,536</u> |
| District's Proportion | .04083% | .03777% |

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

| | |
|---------------------------|----------------------------|
| Inflation Rate | 2.50% |
| Salary Increases: | |
| 2012-2021 | Varies Based on Experience |
| Thereafter | Varies Based on Experience |
| Investment Rate of Return | 7.90% |

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 improvements. 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.

NOTE 4: Pension Plans (Continued)**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF'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> |
|------------------------------|---------------------------------|--|
| 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 Markets Equity | 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% |

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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. 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.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | <u>At 1% Decrease</u> | <u>At Current Discount Rate</u> | <u>At 1% Increase</u> |
|----------------------------|-----------------------|-------------------------------------|-----------------------|
| 2015 (3.13%, 4.13%, 5.13%) | \$ 75,559,915,440 | 63,577,864,440 | 53,254,610,440 |
| 2014 (3.68%, 4.68%, 5.68%) | 64,722,984,539 | 53,813,067,539 | 44,738,870,539 |

NOTE 5: 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 prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) 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 6: Contingent Liabilities

It is the opinion of the school board officials that there is no litigation threatened or pending that would materially affect the financial position of the school district.

NOTE 7: Equity Balance

At June 30, 2016, the General Fund equity balance was as follows:

| | | |
|--|----|---------------------|
| Restricted For: | | |
| Capital Reserve | \$ | 303,225 |
| Emergency Reserve | | 101,052 |
| Maintenance Reserve | | 71,249 |
| Excess Surplus – Current Year | | 400,146 |
| Excess Surplus – Designated for Subsequent Years | | |
| Expenditures | | 513,854 |
| Assigned to: | | |
| Year-End Encumbrances | | 426,481 |
| Designated for Subsequent Year’s Expenditures | | 61,345 |
| Unassigned: | | |
| General Fund | | <u>305,520</u> |
| | | <u>\$ 2,182,872</u> |

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2016-2017 budget and expended therefrom.

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget.

2% Calculation of Excess Surplus

| | |
|--|---------------------|
| 2015-16 Total General Fund Expenditures Per the CAFR | \$ 10,996,748 |
| Decreased by: | |
| On-Behalf TPAF Pension & Social Security | <u>(1,082,378)</u> |
| Adjusted 2015-16 General Fund Expenditures | <u>\$ 9,914,370</u> |
| 2% of Adjusted 2015-16 General Fund Expenditures | <u>\$ 198,287</u> |
| Enter Above or \$250,000 Whichever is Greater | \$ 250,000 |
| Increased by: Allowable Adjustment | <u>55,520</u> |
| Maximum Unassigned Fund Balance | <u>\$ 305,520</u> |

NOTE 7: Equity Balance**Section 2**

| | |
|---|-------------------|
| Total General Fund – Fund Balance @ 6-30-16 | \$ 2,182,872 |
| Decreased by: | |
| Reserve for Encumbrances | (426,481) |
| Designated for Subsequent Years Expenditures – Excess Surplus | (513,854) |
| Designated for Subsequent Years Expenditures | (61,345) |
| Other Reserves | <u>(475,526)</u> |
| Total Unassigned Fund Balance | <u>\$ 705,666</u> |
| Reserve Fund Balance – Excess Surplus | <u>\$ 400,146</u> |

Section 3

| | |
|---|-------------------|
| Reserved Fund Balance – Excess Surplus – Designated For Subsequent Years Expenditures | \$ 513,854 |
| Excess Surplus | <u>400,146</u> |
| | <u>\$ 914,000</u> |

Detail of Allowable Adjustments

| | |
|---------------------------|------------------|
| Extraordinary Aid | \$ 46,284 |
| Non Public Transportation | <u>9,236</u> |
| | <u>\$ 55,520</u> |

Detail of Other Reserved Fund Balance

| | |
|--|-------------------|
| Emergency Reserve | \$ 101,052 |
| Maintenance Reserve | 71,249 |
| Capital Reserve | <u>303,225</u> |
| Total Other Restricted/Reserved Fund Balance | <u>\$ 475,526</u> |

NOTE 8: 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.

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 the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current year:

NOTE 8: Risk Management (Continued)

| <u>Fiscal Year</u> | <u>Employee Contributions</u> | <u>Interest</u> | <u>Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-------------------------------|-----------------|-------------------|-----------------------|
| 2013-2014 | \$ 18,488 | 15 | 9,544 | 11,943 |
| 2014-2015 | 7,096 | 14 | 16,309 | 2,745 |
| 2015-2016 | 21,777 | 14 | 22,817 | 1,719 |

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

The following interfunds existed at June 30, 2016:

| | <u>Due To</u> | <u>Due From</u> |
|----------------------|------------------|-----------------|
| General Fund | \$ 66,617 | |
| Special Revenue Fund | _____ | <u>66,617</u> |
| Totals | <u>\$ 66,617</u> | <u>66,617</u> |

NOTE 10: CAPITAL RESERVE ACCOUNT

A Capital Reserve account was established by the Borough of West Long Branch Board of Education on September 1, 2000 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.

Fund 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. 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 to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

| | |
|-----------------------|-------------------|
| Balance July 1, 2015 | \$ 302,455 |
| Interest Earned | <u>770</u> |
| Balance June 30, 2016 | <u>\$ 303,225</u> |

NOTE 11: FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the West Long Branch Board of Education in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

NOTE 12: FUND BALANCE APPROPRIATED

General Fund – Of the \$2,182,872 General Fund fund balance at June 30, 2016, \$426,481 is year-end encumbrances; \$303,225 has been reserved in the Capital Reserve Account; \$101,052 has been reserved as Emergency Reserve, \$71,249 is reserved for Maintenance Reserve; \$513,854 is excess surplus designated for subsequent years expenditures; \$61,345 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$400,146 is excess surplus – current year; and \$305,520 is unreserved and undesignated.

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, may have an effect on the District's programs and activities.

NOTE 14: RECENT ACCOUNTING PRONOUNCEMENTS

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2016. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2016 through November 22, 2016.

NOTE 15: SUBSEQUENT EVENT

During preparation of the 2016-2017 budget, the District inadvertently did not budget for a new debt issue relating to improvements to the Frank Antonides and Betty McElmon Elementary Schools.

The Monmouth County Superintendent approved a plan submitted by the District to resolve the budget shortfall by borrowing from available funds, as follows:

| | |
|--------------------------|-----------------------|
| Capital Reserve Account | \$ 302,455 |
| Maintenance Reserve | 71,068 |
| Emergency | <u>100,796</u> |
| | 474,319 |
| Excess Surplus – 6-30-16 | <u>137,473</u> |
| Total | <u>\$ 611,792</u> |

The reserves will be restored to their original levels at the close of the 2017-18 fiscal year when the levy has been fully collected.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 9,282,312 | | 9,282,312 | 9,282,312 | - |
| Tuition | 340,000 | | 340,000 | 180,323 | (159,677) |
| Interest | | | - | 10,730 | 10,730 |
| Miscellaneous | 15,000 | | 15,000 | 3,759 | (11,241) |
| Total Local Sources | <u>9,637,312</u> | <u>-</u> | <u>9,637,312</u> | <u>9,477,124</u> | <u>(160,188)</u> |
| State Sources: | | | | | |
| Transportation Aid | 14,171 | | 14,171 | 14,171 | - |
| Special Education Aid | 240,707 | | 240,707 | 240,707 | - |
| Security Aid | 10,616 | | 10,616 | 10,616 | - |
| Adjustment Aid | 1 | | 1 | 1 | - |
| PARCC Readiness Aid | 5,550 | | 5,550 | 5,550 | - |
| Per Pupil Growth Aid | 5,550 | | 5,550 | 5,550 | - |
| Extraordinary Aid | | | - | 46,284 | 46,284 |
| Non Public Transportation Aid | | | - | 9,236 | 9,236 |
| TPAF Pension Contribution (On-Behalf) | | | | 743,103 | 743,103 |
| TPAF Social Security Contribution (Reimbursed) | | | | 339,275 | 339,275 |
| | <u>276,595</u> | <u>-</u> | <u>276,595</u> | <u>1,414,493</u> | <u>1,137,898</u> |
| Total Revenues | <u>9,913,907</u> | <u>-</u> | <u>9,913,907</u> | <u>10,891,617</u> | <u>977,710</u> |

WEST LONG BRANCH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|------------------|---|
| Distributed Expenditures: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Preschool-Salaries of Teachers | 60,505 | 209 | 60,714 | 60,485 | 229 |
| Kindergarten - Salaries of Teachers | 257,842 | (27,619) | 230,223 | 228,880 | 1,343 |
| Grades 1-5 - Salaries of Teachers | 1,282,211 | 66,641 | 1,348,852 | 1,342,278 | 6,574 |
| Grades 6-8 - Salaries of Teachers | 1,072,576 | 14,555 | 1,087,131 | 1,085,500 | 1,631 |
| Subtotal | <u>2,673,134</u> | <u>53,786</u> | <u>2,726,920</u> | <u>2,717,143</u> | <u>9,777</u> |
| Regular Programs - Other: | | | | | |
| Salaries of Teachers-Home Instruction | 3,000 | 11,058 | 14,058 | 14,058 | - |
| Purchased Professional Educational Services | <u>1,500</u> | <u>9,275</u> | <u>10,775</u> | <u>8,125</u> | <u>2,650</u> |
| Subtotal | <u>4,500</u> | <u>20,333</u> | <u>24,833</u> | <u>22,183</u> | <u>2,650</u> |
| Regular Programs - Undistributed Instruction: | | | | | |
| Other Salaries For Instruction | 33,961 | | 33,961 | 31,748 | 2,213 |
| Purchased Technical Services | 50,271 | | 50,271 | 41,447 | 8,824 |
| Other Purchased Services | 21,595 | 2,205 | 23,800 | 10,079 | 13,721 |
| General Supplies | 290,025 | 7,360 | 297,385 | 246,713 | 50,672 |
| Textbooks | 113,754 | 2,739 | 116,493 | 91,747 | 24,746 |
| Other Objects | <u>3,660</u> | <u>478</u> | <u>4,138</u> | <u>885</u> | <u>3,253</u> |
| Subtotal | <u>513,266</u> | <u>12,782</u> | <u>526,048</u> | <u>422,619</u> | <u>103,429</u> |
| Total Regular Programs - Instruction | <u>3,190,900</u> | <u>86,901</u> | <u>3,277,801</u> | <u>3,161,945</u> | <u>115,856</u> |
| Visual Impairments | | | | | |
| Purchased Professional Educational Services | <u>3,600</u> | <u>2,800</u> | <u>6,400</u> | <u>6,400</u> | <u>-</u> |
| Total Visual Impairments | <u>3,600</u> | <u>2,800</u> | <u>6,400</u> | <u>6,400</u> | <u>-</u> |

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|----------------|---|
| Resource Room/Center: | | | | | |
| Salaries of Teachers | 753,106 | (17,893) | 735,213 | 730,213 | 5,000 |
| Other Salaries for Instruction | 38,623 | | 38,623 | 24,333 | 14,290 |
| General Supplies | 4,530 | 1,007 | 5,537 | 4,519 | 1,018 |
| Total Resource Room/Center | <u>796,259</u> | <u>(16,886)</u> | <u>779,373</u> | <u>759,065</u> | <u>20,308</u> |
| Total Special Education - Instruction | <u>799,859</u> | <u>(14,086)</u> | <u>785,773</u> | <u>765,465</u> | <u>20,308</u> |
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | 179,200 | (500) | 178,700 | 176,700 | 2,000 |
| General Supplies | 1,700 | | 1,700 | 187 | 1,513 |
| Total Basic Skills/Remedial - Instruction | <u>180,900</u> | <u>(500)</u> | <u>180,400</u> | <u>176,887</u> | <u>3,513</u> |
| Bilingual Education-Instruction | | | | | |
| Salaries of Teachers | 70,285 | 1,000 | 71,285 | 70,785 | 500 |
| Supplies | 500 | | 500 | 20 | 480 |
| Total Bilingual Instruction | <u>70,785</u> | <u>1,000</u> | <u>71,785</u> | <u>70,805</u> | <u>980</u> |
| School Sponsored Co-Curricular Activities - Instruction: | | | | | |
| Salaries | 59,635 | (579) | 59,056 | 59,056 | - |
| General Supplies | 4,202 | (1,413) | 2,789 | 2,296 | 493 |
| Other Objects | 7,533 | 2,735 | 10,268 | 6,316 | 3,952 |
| Total School Sponsored Co-Curricular | <u>71,370</u> | <u>743</u> | <u>72,113</u> | <u>67,668</u> | <u>4,445</u> |

WEST LONG BRANCH SCHOOL DISTRICT

**Exhibit C-1
Sheet 4 of 12**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|------------------|---|
| School Sponsored Athletics - Instruction: | | | | | |
| Salaries | 30,766 | 1,934 | 32,700 | 32,700 | - |
| Purchased Services | 7,072 | 13,900 | 20,972 | 18,503 | 2,469 |
| Supplies and Materials | 17,368 | (7,495) | 9,873 | 8,647 | 1,226 |
| Other Objects | 1,000 | (43) | 957 | - | 957 |
| Total School Sponsored Athletics - Instruction | <u>56,206</u> | <u>8,296</u> | <u>64,502</u> | <u>59,850</u> | <u>4,652</u> |
| School Sponsored-Academic Talent | | | | | |
| Salaries | 59,825 | | 59,825 | 59,825 | - |
| Other Objects | 2,500 | 250 | 2,750 | 2,128 | 622 |
| Total Academic Talent | <u>62,325</u> | <u>250</u> | <u>62,575</u> | <u>61,953</u> | <u>622</u> |
| Total Distributed Expenditures | <u>4,432,345</u> | <u>82,604</u> | <u>4,514,949</u> | <u>4,364,573</u> | <u>150,376</u> |
| Tuition: | | | | | |
| Tuition to Other LEA's Within State - Special | 180,000 | (19,461) | 160,539 | 125,426 | 35,113 |
| Tuition to Private Schools for the Handicapped Within State | 294,234 | (46,037) | 248,197 | 238,026 | 10,171 |
| Total Tuition | <u>474,234</u> | <u>(65,498)</u> | <u>408,736</u> | <u>363,452</u> | <u>45,284</u> |
| Attendance & Social Work | | | | | |
| Salaries | 31,131 | (21,479) | 9,652 | 115 | 9,537 |
| Total Attendance & Social Work | <u>31,131</u> | <u>(21,479)</u> | <u>9,652</u> | <u>115</u> | <u>9,537</u> |
| Health Services: | | | | | |
| Salaries | 72,485 | 782 | 73,267 | 73,192 | 75 |
| Purchased Professional/Technical Services | 6,250 | | 6,250 | 4,125 | 2,125 |
| Supplies and Materials | 3,795 | (791) | 3,004 | 2,069 | 935 |
| Other Objects | 410 | 791 | 1,201 | 1,196 | 5 |
| Total Health Services | <u>82,940</u> | <u>782</u> | <u>83,722</u> | <u>80,582</u> | <u>3,140</u> |

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------|---|
| Other Support Services Students - Related: | | | | | |
| Salaries | 54,000 | 697 | 54,697 | 54,564 | 133 |
| Purchased Professional/Educational Services | 115,000 | 39,733 | 154,733 | 153,163 | 1,570 |
| Supplies and Materials | 443 | 3 | 446 | 446 | - |
| Total Other Support Services Students - Related | <u>169,443</u> | <u>40,433</u> | <u>209,876</u> | <u>208,173</u> | <u>1,703</u> |
| Other Support Services Students-Extraordinary: | | | | | |
| Salaries | 122,300 | 54,052 | 176,352 | 173,832 | 2,520 |
| Purchased Professional/Educational Services | 91,220 | (9,462) | 81,758 | 44,971 | 36,787 |
| Total Other Support Services Students - Extraordinary | <u>213,520</u> | <u>44,590</u> | <u>258,110</u> | <u>218,803</u> | <u>39,307</u> |
| Other Support Services Students - Regular | | | | | |
| Salaries of Other Professional Staff | 53,375 | 3,125 | 56,500 | 56,500 | - |
| Salaries of Secretarial & Clerical | 34,735 | 3,324 | 38,059 | 38,059 | - |
| Purchased Professional/Educational Services | 4,000 | (3,316) | 684 | 684 | - |
| Supplies and Materials | 3,519 | 8,380 | 11,899 | 11,899 | - |
| Total Other Support Services Students - Regular | <u>95,629</u> | <u>11,513</u> | <u>107,142</u> | <u>107,142</u> | <u>-</u> |
| Other Support Services Students - Special: | | | | | |
| Salaries of Other Professional Staff | 358,050 | 19,100 | 377,150 | 370,135 | 7,015 |
| Salaries of Secretarial & Clerical | 41,409 | (6,808) | 34,601 | 34,232 | 369 |
| Purchased Professional/Educational Services | 30,000 | 12,086 | 42,086 | 39,196 | 2,890 |
| Purchased Professional /Technical And Educational | 750 | 73 | 823 | 756 | 67 |
| Supplies and Materials | 6,000 | (575) | 5,425 | 4,544 | 881 |
| Other Objects | 1,200 | | 1,200 | 920 | 280 |
| Total Other Support Services Students - Special | <u>437,409</u> | <u>23,876</u> | <u>461,285</u> | <u>449,783</u> | <u>11,502</u> |

WEST LONG BRANCH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------|---|
| Improvement of Instruction Services: | | | | | |
| Salaries of Other Professional Staff | 39,446 | (12,797) | 26,649 | 20,943 | 5,706 |
| Purchased Professional/Educational Services | 35,767 | 33 | 35,800 | 35,800 | - |
| Total Improvement of Instruction Services | <u>75,213</u> | <u>(12,764)</u> | <u>62,449</u> | <u>56,743</u> | <u>5,706</u> |
| Educational Media/Library: | | | | | |
| Salaries | 76,505 | | 76,505 | 73,985 | 2,520 |
| General Supplies | 14,182 | | 14,182 | 12,935 | 1,247 |
| Total Educational Media/Library | <u>90,687</u> | <u>-</u> | <u>90,687</u> | <u>86,920</u> | <u>3,767</u> |
| Staff Training: | | | | | |
| Salaries | | 33,333 | 33,333 | 33,333 | - |
| Other Purchased Services | 31,105 | (4,510) | 26,595 | 26,160 | 435 |
| Other Objects | | 1,100 | 1,100 | 1,100 | - |
| Total Staff Training | <u>31,105</u> | <u>29,923</u> | <u>61,028</u> | <u>60,593</u> | <u>435</u> |
| Support Services - General Administration: | | | | | |
| Salaries | 51,379 | (426) | 50,953 | 50,554 | 399 |
| Legal Services | 80,000 | 1,757 | 81,757 | 13,697 | 68,060 |
| Audit Fees | 15,500 | | 15,500 | 15,000 | 500 |
| Other Purchased Professional Services | 72,884 | 6,758 | 79,642 | 61,752 | 17,890 |
| Communications/Telephone | 34,660 | 4,629 | 39,289 | 31,293 | 7,996 |
| Miscellaneous Purchased Services | 2,100 | (411) | 1,689 | 834 | 855 |
| General Supplies | 3,000 | (793) | 2,207 | 1,846 | 361 |
| BOE In-House Training/Meeting Supplies | 4,550 | (828) | 3,722 | 3,523 | 199 |
| Miscellaneous Expenditures | 1,300 | 1,136 | 2,436 | 2,436 | - |
| BOE Membership Dues and Fees | 6,150 | 597 | 6,747 | 6,747 | - |
| Total Support Services - General Administration | <u>271,523</u> | <u>12,419</u> | <u>283,942</u> | <u>187,682</u> | <u>96,260</u> |

WEST LONG BRANCH SCHOOL DISTRICT

**Exhibit C-1
Sheet 7 of 12**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|-----------------------------------|------------------------------------|--------------------------------|----------------------|--|
| Support Services - School Administration: | | | | | |
| Salaries of Principals/Vice Principals | 243,100 | (4,658) | 238,442 | 238,442 | - |
| Salaries of Secretarial & Clerical Assistants | 130,805 | 16,727 | 147,532 | 139,034 | 8,498 |
| Other Purchased Services | 15,160 | (3,104) | 12,056 | 9,812 | 2,244 |
| General Supplies | 13,200 | (2,339) | 10,861 | 9,155 | 1,706 |
| Other Objects | 2,114 | 305 | 2,419 | 2,419 | - |
| Total Support Services - School Administration | <u>404,379</u> | <u>6,931</u> | <u>411,310</u> | <u>398,862</u> | <u>12,448</u> |
| Central Services: | | | | | |
| Salaries | 147,481 | 1,700 | 149,181 | 140,232 | 8,949 |
| Purchased Professional Services | 40,362 | (1,315) | 39,047 | 38,787 | 260 |
| Miscellaneous Purchased Services | 2,150 | | 2,150 | 1,769 | 381 |
| Supplies and Materials | 9,500 | (2,876) | 6,624 | 4,155 | 2,469 |
| Miscellaneous Expenditures | 4,350 | 459 | 4,809 | 4,744 | 65 |
| Total Central Services | <u>203,843</u> | <u>(2,032)</u> | <u>201,811</u> | <u>189,687</u> | <u>12,124</u> |
| Admin. Information Technology | | | | | |
| Salaries | 73,615 | 4,938 | 78,553 | 78,553 | - |
| Other Purchased Services | 5,344 | (475) | 4,869 | | 4,869 |
| Total Admin. Information Technology | <u>78,959</u> | <u>4,463</u> | <u>83,422</u> | <u>78,553</u> | <u>4,869</u> |
| Required Maintenance for School Facilities: | | | | | |
| Cleaning Repair & Maintenance | 263,500 | 33,379 | 296,879 | 239,599 | 57,280 |
| General Supplies | 10,251 | (9,257) | 994 | 794 | 200 |
| Other Objects | 1,500 | 4,298 | 5,798 | 5,643 | 155 |
| Total Required Maintenance for School Facilities | <u>275,251</u> | <u>28,420</u> | <u>303,671</u> | <u>246,036</u> | <u>57,635</u> |

WEST LONG BRANCH SCHOOL DISTRICT

**Exhibit C-1
Sheet 8 of 12**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------|---|
| Other Operations & Maintenance: | | | | | |
| Salaries | 31,062 | (991) | 30,071 | 29,612 | 459 |
| Salaries of Non-Instructional Aides | 36,350 | 41,263 | 77,613 | 77,571 | 42 |
| Purchased Professional And Technical Services | 10,100 | 3,646 | 13,746 | 13,746 | - |
| Cleaning, Repair & Maintenance Services | 36,350 | (13,218) | 23,132 | 16,693 | 6,439 |
| Other Purchased Property Services | 72,136 | 4,808 | 76,944 | 75,770 | 1,174 |
| Insurance | 117,000 | (25,999) | 91,001 | 83,031 | 7,970 |
| Energy (Electricity) | 140,000 | 23,141 | 163,141 | 114,389 | 48,752 |
| Other Objects | 500 | 46 | 546 | 364 | 182 |
| Energy (Natural Gas) | 73,000 | | 73,000 | 52,988 | 20,012 |
| Total Other Operations & Maintenance | <u>516,498</u> | <u>32,696</u> | <u>549,194</u> | <u>464,164</u> | <u>85,030</u> |
| Care And Upkeep of Grounds | | | | | |
| Salaries | 21,430 | | 21,430 | 21,428 | 2 |
| Purchased Professional And Technical Services | 17,800 | 7,280 | 25,080 | 23,580 | 1,500 |
| Cleaning, Repair & Maintenance Services | 14,500 | (7,144) | 7,356 | 2,070 | 5,286 |
| General Supplies | 14,000 | (5,628) | 8,372 | 5,567 | 2,805 |
| Total Care And Upkeep of Grounds | <u>67,730</u> | <u>(5,492)</u> | <u>62,238</u> | <u>52,645</u> | <u>9,593</u> |
| Security | | | | | |
| Salaries | 43,200 | 10,856 | 54,056 | 54,056 | - |
| Purchased Professional And Technical Services | 4,000 | (1,939) | 2,061 | 1,188 | 873 |
| General Supplies | 500 | 180 | 680 | 430 | 250 |
| Total Security | <u>47,700</u> | <u>9,097</u> | <u>56,797</u> | <u>55,674</u> | <u>1,123</u> |
| Total Operations & Maintenance | <u>907,179</u> | <u>64,721</u> | <u>971,900</u> | <u>818,519</u> | <u>153,381</u> |

WEST LONG BRANCH SCHOOL DISTRICT

**Exhibit C-1
Sheet 9 of 12**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------|---|
| Student Transportation: | | | | | |
| Salaries (Between Home & School Regular) | 112,683 | (22,167) | 90,516 | 4,467 | 86,049 |
| Salaries (Between Home & School Special Education) | 29,172 | (9,348) | 19,824 | | 19,824 |
| Salaries (Other Than Between Home & School) | 46,000 | (19,000) | 27,000 | 3,105 | 23,895 |
| Purchased Professional And Technical Services | 53,837 | 863 | 54,700 | 30,779 | 23,921 |
| Cleaning Repair & Maintenance Services | 40,000 | 331 | 40,331 | 32,540 | 7,791 |
| Lease Rental-School Buses | 44,828 | | 44,828 | 44,828 | - |
| Contracted Services (Aid in Lieu Non Public) | 20,000 | 20,000 | 40,000 | 25,017 | 14,983 |
| Contracted Services (Special Ed.) Vendors | 15,000 | | 15,000 | | 15,000 |
| Contracted Services (Regular Students)ESC&CTSAs | 114,000 | 32,093 | 146,093 | 133,878 | 12,215 |
| Contracted Services (Special Ed Students) ESC's & CTSAs | 113,000 | 30,436 | 143,436 | 110,868 | 32,568 |
| Miscellaneous Purchased Services | 18,000 | | 18,000 | 15,706 | 2,294 |
| General Supplies | 28,500 | 2,938 | 31,438 | 19,089 | 12,349 |
| Total Student Transportation | <u>635,020</u> | <u>36,146</u> | <u>671,166</u> | <u>420,277</u> | <u>250,889</u> |
| Student Transportation: | | | | | |
| Social Security | 15,500 | | 15,500 | 10,019 | 5,481 |
| Health Benefits | 123,500 | (542) | 122,958 | 18,713 | 104,245 |
| Total Student Transportation | <u>139,000</u> | <u>(542)</u> | <u>138,458</u> | <u>28,732</u> | <u>109,726</u> |

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|-------------------|---|
| Undistributed Expenditures-Employee Benefits: | | | | | |
| Other Retirement Contrib. - Social Security | 92,000 | 1,193 | 93,193 | 93,193 | - |
| Retirement Contributions-PERS | 92,000 | (4,793) | 87,207 | 86,256 | 951 |
| Retirement Contributions-Regular | 6,000 | 3,098 | 9,098 | 8,448 | 650 |
| Unemployment Compensation | 10,000 | (1,480) | 8,520 | | 8,520 |
| Workman's Compensation | 78,200 | (15,657) | 62,543 | 49,622 | 12,921 |
| Health Benefits | 1,377,795 | (22) | 1,377,773 | 1,298,566 | 79,207 |
| Tuition Reimbursements | 25,000 | 12,468 | 37,468 | 29,977 | 7,491 |
| Other Employee Benefits | 17,000 | (1,407) | 15,593 | 2,917 | 12,676 |
| Total Unallocated Benefits | <u>1,697,995</u> | <u>(6,600)</u> | <u>1,691,395</u> | <u>1,568,979</u> | <u>122,416</u> |
| Total Employee Benefits | <u>1,836,995</u> | <u>(7,142)</u> | <u>1,829,853</u> | <u>1,597,711</u> | <u>232,142</u> |
| TPAF Pension Contribution (On-Behalf) | | - | | 743,103 | (743,103) |
| TPAF Social Security Contribution (Reimbursed) | | - | | 339,275 | (339,275) |
| Total Undistributed Expenditures | <u>6,039,209</u> | <u>166,882</u> | <u>6,206,091</u> | <u>6,405,975</u> | <u>(199,884)</u> |
| Total General Current Expense | <u>10,471,554</u> | <u>249,486</u> | <u>10,721,040</u> | <u>10,770,548</u> | <u>(49,508)</u> |

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|-------------------|---|
| Equipment: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Athletic | | 29,580 | 29,580 | 29,580 | - |
| Infrastructure | 26,800 | (26,800) | - | | - |
| Maintenance | 30,000 | (23,997) | 6,003 | 6,003 | - |
| General Administration | | 52,945 | 52,945 | 42,945 | 10,000 |
| Care of Grounds | 25,351 | (14,976) | 10,375 | 10,375 | - |
| School Buses-Regular | | 97,585 | 97,585 | 97,585 | - |
| Total Regular Programs - Instruction | <u>82,151</u> | <u>114,337</u> | <u>196,488</u> | <u>186,488</u> | <u>10,000</u> |
| Facilities, Acquisition and Construction Services: | | | | | |
| Purchased Professional and Technical Services | 24,000 | (23,000) | 1,000 | 1,000 | - |
| Construction Services | 40,000 | (13,090) | 26,910 | 1,720 | 25,190 |
| Other Objects | 20,527 | | 20,527 | 20,527 | - |
| Total Facilities, Acquisition and Construction Services | <u>84,527</u> | <u>(36,090)</u> | <u>48,437</u> | <u>23,247</u> | <u>25,190</u> |
| Total Capital Outlay | <u>166,678</u> | <u>78,247</u> | <u>244,925</u> | <u>209,735</u> | <u>35,190</u> |
| Summer School | | | | | |
| Salaries of Teachers | 17,105 | | 17,105 | 16,465 | 640 |
| Supplies | 150 | | 150 | | 150 |
| Total Summer School | <u>17,255</u> | <u>-</u> | <u>17,255</u> | <u>16,465</u> | <u>790</u> |
| Total Current Expense, Capital Outlay and Summer School | <u>10,655,487</u> | <u>327,733</u> | <u>10,983,220</u> | <u>10,996,748</u> | <u>(13,528)</u> |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | <u>(741,580)</u> | <u>(327,733)</u> | <u>(1,069,313)</u> | <u>(105,131)</u> | <u>964,182</u> |

WEST LONG BRANCH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|---------------------|---|
| Other Financing Sources (Uses): | | | | | |
| Transfer From Capital Projects to General Fund | | | | 77 | |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>77</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses) | (741,580) | (327,733) | (1,069,313) | (105,054) | 964,182 |
| Fund Balance July 1 | <u>2,287,926</u> | | <u>2,287,926</u> | <u>2,287,926</u> | <u>-</u> |
| Fund Balance June 30 | <u>\$ 1,546,346</u> | <u>(327,733)</u> | <u>1,218,613</u> | <u>2,182,872</u> | <u>964,182</u> |
| Recapitulation of Fund Balance: | | | | | |
| Restricted Fund Balance: | | | | | |
| Reserved For Excess Surplus - Current Year | | | | \$ 400,146 | |
| Excess Surplus - Designated for Subsequent Years Expenditures | | | | 513,854 | |
| Maintenance Reserve | | | | 71,249 | |
| Capital Reserve | | | | 303,225 | |
| Emergency Reserve | | | | 101,052 | |
| Committed Fund Balance: | | | | | |
| Year End Encumbrances | | | | 426,481 | |
| Assigned Fund Balance: | | | | | |
| Designated for Subsequent Year's Expenditures | | | | 61,345 | |
| Unassigned Fund Balance | | | | <u>305,520</u> | |
| | | | | 2,182,872 | |
| Reconciliation to Governmental Funds Statement (GAAP): | | | | | |
| Final State Audit Payments not Recognized on GAAP Basis | | | | <u>(1,117)</u> | |
| Fund Balance Per Governmental Funds (GAAP) | | | | <u>\$ 2,181,755</u> | |

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---------------------------------|----------------------------|-----------------------------|-------------------------|----------------|---|
| Revenues: | | | | | |
| Local Sources | \$ - | 11,723 | 11,723 | 9,057 | 2,666 |
| Federal Sources | 303,201 | 8,425 | 311,626 | 284,457 | 27,169 |
| State Sources | 276,640 | (28,175) | 248,465 | 187,958 | 60,507 |
| Total Revenues | <u>\$ 579,841</u> | <u>(8,027)</u> | <u>571,814</u> | <u>481,472</u> | <u>90,342</u> |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | \$ 25,020 | (1,420) | 23,600 | 13,596 | 10,004 |
| Purchased Professional Services | 39,788 | | 39,788 | 39,604 | 184 |
| Other Purchased Services | 10,350 | 178,741 | 189,091 | 129,229 | 59,862 |
| Instruction Supplies | 38,834 | 15,648 | 54,482 | 47,890 | 6,592 |
| Textbooks | 19,586 | | 19,586 | 19,125 | 461 |
| Tuition | 85,000 | | 85,000 | 85,000 | |
| Total Instruction | <u>218,578</u> | <u>192,969</u> | <u>411,547</u> | <u>334,444</u> | <u>77,103</u> |
| Support Services: | | | | | |
| General Supplies | | 34 | 34 | | 34 |
| Employee Benefits | 1,805 | | 1,805 | 976 | 829 |
| Purchased Professional Services | 139,438 | 4,466 | 143,904 | 131,994 | 11,910 |
| Other Purchased Services | 220,020 | (205,496) | 14,524 | 14,058 | 466 |
| Total Support Services | <u>361,263</u> | <u>(200,996)</u> | <u>160,267</u> | <u>147,028</u> | <u>13,239</u> |
| Total Expenditures | <u>\$ 579,841</u> | <u>(8,027)</u> | <u>571,814</u> | <u>481,472</u> | <u>90,342</u> |

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

BUDGET TO GAAP RECONCILIATION

NOTE TO RSI

JUNE 30, 2016

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|--|-------------------------|-------------------------------------|
| <u>Sources/Inflows of Resources</u> | | |
| Actual amounts (budgetary) "revenues" from the budgetary comparison schedules | \$ 10,891,617 | 481,472 |
| Difference - budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | 4,618 |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 23,810 | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | <u>(1,117)</u> | |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | <u>\$ 10,914,310</u> | <u>486,090</u> |
| <u>Uses/Outflows of Resources</u> | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | \$ 10,996,748 | 481,472 |
| Differences - budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | 4,618 |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. | <u>\$ 10,996,748</u> | <u>486,090</u> |

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB 68) - L**

WEST LONG BRANCH SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - PERS

Exhibit L-1

LAST THREE FISCAL YEARS

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|------------------|------------------|
| District's Proportion of the Net Pension Liability (Asset) | 100.000% | 100.000% | 100.000% |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$ 2,235,787 | 2,275,883 | 1,983,718 |
| State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 2,235,787</u> | <u>2,275,883</u> | <u>1,983,718</u> |
| District's Covered-Employee Payroll | \$ 685,634 | 755,528 | 781,995 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll | 30.67% | 33.20% | 39.42% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 38.21% | 42.74% | 40.71% |

WEST LONG BRANCH SCHOOL DISTRICTSCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST THREE FISCAL YEARS

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|----------------|---------------|---------------|
| Contractually Required Contribution | \$ 100,210 | 80,446 | 98,278 |
| Contributions in Relation to the Contractually Required Contribution | <u>100,210</u> | <u>80,446</u> | <u>98,278</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>-</u> | <u>-</u> |
| District's Covered-Employee Payroll | \$ 685,634 | 755,528 | 781,995 |
| Contributions as a Percentage of Covered-Employee Payroll | 14.62% | 10.65% | 12.57% |

WEST LONG BRANCH SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - TPAF

Exhibit L-3

LAST THREE FISCAL YEARS

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|-------------------|-------------------|
| District's Proportion of the Net Pension Liability (Asset) | 0.000% | 0.000% | 0.000% |
| District's Proportionate Share of the Net Pension Liability (Asset) | \$ - | - | - |
| State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District | <u>25,961,214</u> | <u>20,326,536</u> | <u>20,794,392</u> |
| Total | <u>\$25,961,214</u> | <u>20,326,536</u> | <u>20,794,392</u> |
| District's Covered-Employee Payroll | \$ 4,257,834 | 4,226,385 | 3,922,160 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll | 16.40% | 20.79% | 18.86% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 28.71% | 33.64% | 33.76% |

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

WEST LONG BRANCH SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1
Sheet 1 of 2

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>192</u> | | | | | | | |
|---------------------------------|------------------|------------------|--------------------------|------------------|------------------------------|--|--|--------------------------------------|
| | <u>Title I</u> | <u>Title IIA</u> | <u>I.D.E.A. - Part B</u> | | <u>Foundation Grants</u> | <u>Non-Public Compensatory Education</u> | <u>Non-Public English as a Second Language</u> | <u>Non-Public Transportation</u> |
| | | | <u>Basic</u> | <u>Preschool</u> | | | | |
| Revenues: | | | | | | | | |
| State Sources | \$ - | | | | | 50,762 | 3,451 | 11,900 |
| Federal Sources | 53,405 | 13,383 | 205,153 | 12,516 | | | | |
| Local Sources | | | | | 9,057 | | | |
| Total Revenues | \$ 53,405 | 13,383 | 205,153 | 12,516 | 9,057 | 50,762 | 3,451 | 11,900 |
| Expenditures: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | 13,596 | | | | | | | |
| Purchased Professional Services | | | | | | 50,762 | 3,451 | 11,900 |
| Other Purchased Services | | | | | 9,057 | | | |
| Instructional Supplies | 38,833 | | | | | | | |
| Tuition | | | 85,000 | | | | | |
| Textbooks | | | | | | | | |
| Total Instruction | 52,429 | - | 85,000 | - | 9,057 | 50,762 | 3,451 | 11,900 |
| Support Services: | | | | | | | | |
| Employee Benefits | 976 | | | | | | | |
| Purchased Professional Services | | | 119,478 | 12,516 | | | | |
| Other Purchased Services | | 13,383 | 675 | | | | | |
| Total Support Services | 976 | 13,383 | 120,153 | 12,516 | - | - | - | - |
| Total Expenditures | \$ 53,405 | 13,383 | 205,153 | 12,516 | 9,057 | 50,762 | 3,451 | 11,900 |

WEST LONG BRANCH SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1
Sheet 2 of 2

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | 193 | | | | | | | Totals | |
|---------------------------------|--|---|---|--|----------------------------------|---------------------------------|------------------------------------|-----------------------------|----------------|
| | <u>Non-Public Examination & Classification</u> | <u>Non-Public Corrective Speech</u> | <u>Non-Public Supplementary Instruction</u> | <u>Non-Public Nursing Services</u> | <u>Non-Public Technology</u> | <u>Non-Public Textbooks</u> | <u>Non-Public Security Aid</u> | <u>Home Instruction</u> | <u>2016</u> |
| Revenues: | | | | | | | | | |
| State Sources | 27,275 | 15,049 | 20,792 | 30,714 | 8,890 | 19,125 | 10,190 | 1,419 | 199,567 |
| Federal Sources | | | | | | | | | 284,457 |
| Local Sources | | | | | | | | | 9,057 |
| Total Revenues | <u>27,275</u> | <u>15,049</u> | <u>20,792</u> | <u>30,714</u> | <u>8,890</u> | <u>19,125</u> | <u>10,190</u> | <u>1,419</u> | <u>493,081</u> |
| Expenditures: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Salaries of Teachers | | | | | | | | 1,419 | 15,015 |
| Purchased Professional Services | | | | 30,714 | 8,890 | | | | 39,604 |
| Other Purchased Services | 27,275 | 15,049 | 20,792 | | | | 10,190 | | 139,419 |
| Instructional Supplies | | | | | | | | | 47,890 |
| Tuition | | | | | | | | | 85,000 |
| Textbooks | | | | | | 19,125 | | | 19,125 |
| Total Instruction | <u>27,275</u> | <u>15,049</u> | <u>20,792</u> | <u>30,714</u> | <u>8,890</u> | <u>19,125</u> | <u>10,190</u> | <u>1,419</u> | <u>346,053</u> |
| Support Services: | | | | | | | | | |
| Employee Benefits | | | | | | | | | 976 |
| Purchased Professional Services | | | | | | | | | 131,994 |
| Other Purchased Services | | | | | | | | | 14,058 |
| Total Support Services | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>147,028</u> |
| Total Expenditures | <u>27,275</u> | <u>15,049</u> | <u>20,792</u> | <u>30,714</u> | <u>8,890</u> | <u>19,125</u> | <u>10,190</u> | <u>1,419</u> | <u>493,081</u> |

CAPITAL PROJECTS FUND – F

WEST LONG BRANCH SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

| | |
|--------------------------------------|-----------------------------|
| Expenditures: | |
| Purchased Professional Services | \$ 676,319 |
| Construction | 63,557 |
| Other | <u>2,562</u> |
| Total Expenditures | <u>742,438</u> |
| | |
| Other Financing Sources/(Uses): | |
| Sale of Bonds | 9,026,913 |
| Interest to Debt Service | (26,936) |
| Premium to General Fund | <u>(77)</u> |
| Total Other Financing Sources/(Uses) | <u>8,999,900</u> |
| | |
| Fund Balance - Beginning | <u> </u> |
| | |
| Fund Balance - Ending | <u>\$ 8,257,462</u> |

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISADDITION TO THE ELEMENTARY SCHOOLSFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|--|--------------------------|---------------------------------------|------------------|--|
| <u>Revenues and Other Financing Sources</u> | | | | |
| Bond Proceeds and Transfers | \$ - | 8,999,900 | 8,999,900 | 8,999,900 |
| Total Revenues | <u>-</u> | <u>8,999,900</u> | <u>8,999,900</u> | <u>8,999,900</u> |
| <u>Expenditures and Other Financing Uses</u> | | | | |
| Purchased Professional and Technical Services | | 676,319 | 676,319 | 1,080,025 |
| Other | | 2,562 | 2,562 | 4,100 |
| Construction Services | | 63,557 | 63,557 | 7,915,775 |
| Total Expenditures | <u>-</u> | <u>742,438</u> | <u>742,438</u> | <u>8,999,900</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>8,257,462</u> | <u>8,257,462</u> | <u>-</u> |
| <u>Additional Project Information</u> | | | | |
| Project Number's | | 5640-050-15-1000/ 5640-080-15-1000 | | |
| Grant Date | | N/A | | |
| Bond Authorization Date | | 7/15/15 | | |
| Bonds Authorized | | \$ 8,999,900 | | |
| Bonds Issued | | \$ 8,999,900 | | |
| Original Authorized Cost | | \$ 8,999,900 | | |
| Additional Authorized Cost | | | | |
| Revised Authorized Cost | | \$ 8,999,900 | | |
| Percentage Increase Over Original Authorized Cost | | 0 | | |
| Percentage Completion | | 95% | | |
| Original Target Completion Date | | 9/30/2016 | | |
| Revised Target Completion Date | | 9/30/2016 | | |

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

WEST LONG BRANCH SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2016

| | <u>Agency</u> | | <u>Expendable Trusts</u> | | <u>Totals</u> |
|------------------------------------|-----------------------------|---------------------------|------------------------------|--------------------------------------|---------------|
| | <u>Student Activity</u> | <u>Agency Account</u> | <u>Scholarship Fund</u> | <u>Unemployment Compensation</u> | |
| Assets: | | | | | |
| Cash and Cash Equivalents | \$ 24,366 | 6,920 | 10,496 | 1,719 | 43,501 |
| Total Assets | <u>\$ 24,366</u> | <u>6,920</u> | <u>10,496</u> | <u>1,719</u> | <u>43,501</u> |
| Liabilities and Net Position: | | | | | |
| Liabilities: | | | | | |
| Due to Student Groups | \$ 24,366 | | | | 24,366 |
| Payroll Withholdings & Deductions | | 6,920 | | | 6,920 |
| Total Liabilities | <u>24,366</u> | <u>6,920</u> | <u>-</u> | <u>-</u> | <u>31,286</u> |
| Net Position: | | | | | |
| Unreserved | | | 10,496 | 1,719 | 12,215 |
| Total Net Position | <u>-</u> | <u>-</u> | <u>10,496</u> | <u>1,719</u> | <u>12,215</u> |
| Total Liabilities and Net Position | <u>\$ 24,366</u> | <u>6,920</u> | <u>10,496</u> | <u>1,719</u> | <u>43,501</u> |

WEST LONG BRANCH SCHOOL DISTRICTEXPENDABLE TRUST FUNDS

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITIONFOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Unemployment Compensation Insurance Trust Fund</u> | <u>Scholarship Trust Fund</u> | <u>Total</u> |
|-------------------------|---|-----------------------------------|---------------|
| Additions: | | | |
| Local Sources: | | | |
| Contributions | \$ 21,777 | 500 | 22,277 |
| Interest on Investments | 14 | 27 | 41 |
| Total Additions | <u>21,791</u> | <u>527</u> | <u>22,318</u> |
| Deductions: | | | |
| Scholarship Awards | | 500 | 500 |
| Unemployment Claims | 22,817 | | 22,817 |
| Total Deductions | <u>22,817</u> | <u>500</u> | <u>23,317</u> |
| Change in Net Position | (1,026) | 27 | (999) |
| Net Position, July 1 | <u>2,745</u> | <u>10,469</u> | <u>13,214</u> |
| Net Position, June 30 | <u>\$ 1,719</u> | <u>10,496</u> | <u>12,215</u> |

WEST LONG BRANCH SCHOOL DISTRICTSTUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Balance</u> <u>July 1, 2015</u> | <u>Cash</u> <u>Receipts</u> | <u>Cash</u> <u>Disbursements</u> | <u>Balance</u> <u>June 30, 2016</u> |
|--------------------------|---------------------------------------|--------------------------------|-------------------------------------|--|
| Elementary Schools: | | | | |
| Frank Antonides School | \$ 15,763 | 23,394 | 20,526 | 18,631 |
| Betty McElmon School | <u>4,207</u> | <u>6,035</u> | <u>4,507</u> | <u>5,735</u> |
| Total Elementary Schools | <u>\$ 19,970</u> | <u>29,429</u> | <u>25,033</u> | <u>24,366</u> |

WEST LONG BRANCH SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Balance</u> <u>July 1, 2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2016</u> |
|-------------------------------------|---------------------------------------|------------------|------------------|--|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 13,308 | 2,911,741 | 2,918,129 | 6,920 |
| Total Assets | <u>\$ 13,308</u> | <u>2,911,741</u> | <u>2,918,129</u> | <u>6,920</u> |
| Liabilities: | | | | |
| Payroll Deductions and Withholdings | \$ 13,308 | 2,911,741 | 2,918,129 | 6,920 |
| Total Liabilities | <u>\$ 13,308</u> | <u>2,911,741</u> | <u>2,918,129</u> | <u>6,920</u> |

LONG-TERM DEBT – 1

WEST LONG BRANCH SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-1

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2016

| <u>Issue</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Annual Maturities</u> | | <u>Interest Rate</u> | <u>Balance July 1, 2015</u> | <u>Issue</u> | <u>Retired</u> | <u>Balance June 30, 2016</u> |
|---|----------------------|-----------------------|--------------------------|---------------|----------------------|-----------------------------|------------------|----------------|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | | | | |
| Additions & Renovations of Betty McElmon Elementary School | 11/15/2003 | \$ 5,538,000 | 6/30/2017 | \$ 410,000 | 3.750% | \$ 1,228,000 | | 410,000 | 818,000 |
| | | | 6/30/2018 | 408,000 | | | | | |
| 2015 Issue | 7/16/2015 | 8,999,000 | 7/15/2016 | 255,000 | 2.000% | | 8,999,000 | | 8,999,000 |
| | | | 7/15/2017 | 370,000 | | | | | |
| | | | 7/15/2018 | 375,000 | | | | | |
| | | | 7/15/2019 | 380,000 | | | | | |
| | | | 7/15/2020 | 390,000 | | | | | |
| | | | 7/15/2021 | 395,000 | | | | | |
| | | | 7/15/2022 | 405,000 | | | | | |
| | | | 7/15/2023 | 415,000 | | | | | |
| | | | 7/15/2024 | 425,000 | | | | | |
| | | | 7/15/2025 | 435,000 | | | | | |
| | | | 7/15/2026 | 445,000 | | | | | |
| | | | 7/15/2027 | 460,000 | | | | | |
| | | | 7/15/2028 | 475,000 | | | | | |
| | | | 7/15/2029 | 490,000 | | | | | |
| | | | 7/15/2030 | 505,000 | | | | | |
| | | | 7/15/2031 | 520,000 | | | | | |
| | | | 7/15/2032 | 535,000 | | | | | |
| 7/15/2033 | 555,000 | | | | | | | | |
| 7/15/2034 | 575,000 | | | | | | | | |
| 7/15/2035 | 594,000 | | | | | | | | |
| | | | | | | | | | |
| | | | | | | <u>\$ 1,228,000</u> | <u>8,999,000</u> | <u>410,000</u> | <u>9,817,000</u> |

WEST LONG BRANCH SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-2

STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2016

| <u>Series</u> | <u>Amount of Original Issue</u> | <u>Balance July 1, 2015</u> | <u>Retired</u> | <u>Balance June 30, 2016</u> |
|-----------------|---|---------------------------------|----------------|----------------------------------|
| Passenger Buses | \$ 200,819 | <u>\$ 128,873</u> | <u>42,042</u> | <u>86,831</u> |
| | | <u>\$ 128,873</u> | <u>42,042</u> | <u>86,831</u> |

WEST LONG BRANCH SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Fund to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|----------------|--|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 456,000 | | 456,000 | 456,000 | |
| Total Revenues | <u>456,000</u> | <u>-</u> | <u>456,000</u> | <u>456,000</u> | <u>-</u> |
| Expenditures: | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 46,000 | | 46,000 | 45,537 | 463 |
| Redemption of Principal | 410,000 | | 410,000 | 410,000 | - |
| Total Expenditures | <u>456,000</u> | <u>-</u> | <u>456,000</u> | <u>455,537</u> | <u>463</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | 463 | 463 |
| Other Financing Sources/(Uses): | | | | | |
| Transfer from Capital Projects | | | | 26,936 | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources/(Uses) | - | - | - | 27,399 | 463 |
| Fund Balance July 1 | <u>113</u> | <u></u> | <u>113</u> | <u>113</u> | <u></u> |
| Fund Balance June 30 | <u>\$ 113</u> | <u>-</u> | <u>113</u> | <u>27,512</u> | <u>463</u> |

STATISTICAL SECTION

(Unaudited)

WEST LONG BRANCH SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
Accrual Basis of Accounting
Unaudited

| | June 30, 2016 | June 30, 2015 | June 30, 2014 | June 30, 2013 | June 30, 2012 | June 30, 2011 | June 30, 2010 | June 30, 2009 | June 30, 2008 | June 30, 2007 |
|--|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 502,590 | \$ 9,965,608 | \$ 9,357,256 | \$ 7,547,084 | \$ 7,116,976 | \$ 6,548,006 | \$ 6,463,455 | \$ 5,308,580 | \$ 4,772,195 | \$ 4,076,420 |
| Restricted | 10,162,326 | 1,976,581 | 2,011,636 | 2,478,352 | 2,485,916 | 2,422,915 | 1,711,843 | 1,340,990 | 1,060,817 | 416,034 |
| Unrestricted | (2,127,956) | (2,237,588) | 353,021 | 106,166 | 156,908 | 139,316 | 71,003 | 10,381 | 140,114 | 642,705 |
| Total governmental activities net position | \$ 8,536,960 | \$ 9,704,601 | \$ 11,721,913 | \$ 10,131,602 | \$ 9,759,800 | \$ 9,110,237 | \$ 8,246,301 | \$ 6,659,951 | \$ 5,973,126 | \$ 5,135,159 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 6,906 | \$ 9,226 | \$ 8,644 | \$ 17,937 | \$ 21,728 | \$ 25,917 | \$ 1,600 | \$ 2,765 | \$ 3,996 | \$ 5,390 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | 48,945 | 55,894 | 44,237 | 41,502 | 30,392 | 34,516 | 48,486 | 16,757 | 4,427 | 21,298 |
| Total business-type activities net position | \$ 55,851 | \$ 65,120 | \$ 52,881 | \$ 59,439 | \$ 52,120 | \$ 60,433 | \$ 50,086 | \$ 19,522 | \$ 8,423 | \$ 26,688 |
| District-wide | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 509,496 | \$ 9,974,834 | \$ 9,365,900 | \$ 7,565,021 | \$ 7,138,704 | \$ 6,573,923 | \$ 6,465,055 | \$ 5,311,345 | \$ 4,776,191 | \$ 4,081,810 |
| Restricted | 10,162,326 | 1,976,581 | 2,011,636 | 2,478,352 | 2,485,916 | 2,422,915 | 1,711,843 | 1,340,990 | 1,060,817 | 416,034 |
| Unrestricted | (2,080,011) | (2,181,694) | 397,258 | 147,668 | 187,300 | 173,832 | 119,489 | 27,138 | 144,541 | 664,003 |
| Total district-wide net position | \$ 8,591,811 | \$ 9,769,721 | \$ 11,774,794 | \$ 10,191,041 | \$ 9,811,920 | \$ 9,170,670 | \$ 8,296,387 | \$ 6,679,473 | \$ 5,981,549 | \$ 5,161,847 |

Source: District records

Note: Net position as of and prior to June 30, 2013, is restated to reflect the implementation of GASB Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position"

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting
Unaudited

| | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> | <u>June 30, 2013</u> | <u>June 30, 2012</u> | <u>June 30, 2011</u> | <u>June 30, 2010</u> | <u>June 30, 2009</u> | <u>June 30, 2008</u> | <u>June 30, 2007</u> |
|--|------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 3,166,145 | \$ 3,270,755 | \$ 3,248,440 | \$ 4,917,566 | \$ 4,611,668 | \$ 4,527,973 | \$ 4,534,616 | \$ 4,469,709 | \$ 4,553,586 | \$ 4,480,911 |
| Special education | 1,116,136 | 1,114,606 | 560,747 | 90,822 | 888,005 | 742,089 | 651,830 | 793,679 | 886,182 | 789,271 |
| Other special education | | - | - | - | - | - | - | - | - | - |
| Other instruction | 437,163 | 417,790 | 372,594 | 463,905 | 602,393 | 587,988 | 533,885 | 271,530 | 220,229 | 177,982 |
| Support Services | | | | | | | | | | |
| Instruction | 363,452 | 298,058 | 410,752 | 534,477 | 391,241 | 365,302 | 263,105 | 452,371 | 476,225 | 398,835 |
| Student & instruction related services | 1,415,882 | 1,217,796 | 784,450 | 1,411,709 | 1,226,308 | 1,114,672 | 1,250,458 | 1,285,058 | 1,245,389 | 1,145,497 |
| School administrative services | 398,862 | 378,670 | 369,074 | 501,393 | 364,867 | 421,025 | 548,042 | 511,660 | 553,046 | 525,182 |
| General and business administrative services | 455,922 | 538,550 | 62,859 | 438,210 | 354,448 | 391,427 | 360,662 | 327,026 | 509,682 | 421,373 |
| Central services and administrative information tech | 4,166,146 | 2,938,576 | 252,623 | 368,014 | 369,615 | 382,478 | 353,768 | 309,362 | 296,768 | 280,827 |
| Plant operations and maintenance | 818,519 | 870,614 | 929,839 | 1,026,509 | 1,107,375 | 966,294 | 1,086,021 | 1,197,769 | 1,109,530 | 1,058,368 |
| Pupil transportation | 449,009 | 478,355 | 600,793 | 639,934 | 638,553 | 541,939 | 569,270 | 720,539 | 706,680 | 669,977 |
| Special Schools | 16,465 | 14,076 | 7,623 | 5,000 | 4,988 | 3,150 | 11,738 | 19,984 | 22,803 | 6,300 |
| Interest on long-term debt | 260,975 | 64,337 | 73,725 | 87,050 | 100,212 | 111,913 | 147,064 | 174,055 | 196,139 | 216,210 |
| Total governmental activities expenses | <u>13,064,676</u> | <u>11,602,183</u> | <u>7,673,519</u> | <u>10,484,589</u> | <u>10,659,673</u> | <u>10,156,250</u> | <u>10,310,459</u> | <u>10,532,742</u> | <u>10,776,259</u> | <u>10,170,733</u> |
| Business-type activities | | | | | | | | | | |
| Food service | 183,103 | 142,847 | 129,116 | 165,665 | 172,425 | 123,577 | 137,109 | 167,560 | 182,319 | 155,923 |
| Total business-type activities expense | <u>183,103</u> | <u>142,847</u> | <u>129,116</u> | <u>165,665</u> | <u>172,425</u> | <u>123,577</u> | <u>137,109</u> | <u>167,560</u> | <u>182,319</u> | <u>155,923</u> |
| Total district expenses | <u>\$ 13,247,779</u> | <u>\$ 11,745,030</u> | <u>\$ 7,802,635</u> | <u>\$ 10,650,254</u> | <u>\$ 10,832,098</u> | <u>\$ 10,279,827</u> | <u>\$ 10,447,568</u> | <u>\$ 10,700,302</u> | <u>\$ 10,958,578</u> | <u>\$ 10,326,656</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Instruction (tuition) | \$ 180,323 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 775 |
| Operating grants and contributions | 497,699 | 831,625 | 1,413,417 | 1,413,417 | 1,284,864 | 1,142,380 | 1,172,048 | 1,090,202 | 1,415,424 | - |
| Total governmental activities program revenues | <u>678,022</u> | <u>831,625</u> | <u>1,413,417</u> | <u>1,413,417</u> | <u>1,284,864</u> | <u>1,142,380</u> | <u>1,172,048</u> | <u>1,090,202</u> | <u>1,415,424</u> | <u>775</u> |
| Business-type activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food service | 95,552 | 107,942 | 129,116 | 124,062 | 122,346 | 127,603 | 137,383 | 136,909 | 126,809 | 119,061 |
| Operating grants and contributions | 78,139 | 43,656 | 48,922 | 48,922 | 41,766 | 37,493 | 34,355 | 41,578 | 36,336 | 29,311 |
| Total business-type activities program revenues | <u>173,691</u> | <u>151,598</u> | <u>178,038</u> | <u>172,984</u> | <u>164,112</u> | <u>165,096</u> | <u>171,738</u> | <u>178,487</u> | <u>163,145</u> | <u>148,372</u> |
| Total district program revenues | <u>\$ 851,713</u> | <u>\$ 983,223</u> | <u>\$ 1,591,455</u> | <u>\$ 1,586,401</u> | <u>\$ 1,448,976</u> | <u>\$ 1,307,476</u> | <u>\$ 1,343,786</u> | <u>\$ 1,268,689</u> | <u>\$ 1,578,569</u> | <u>\$ 149,147</u> |
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental activities | \$ (12,386,654) | \$ (10,770,558) | \$ (6,260,102) | \$ (9,071,172) | \$ (9,374,809) | \$ (9,013,870) | \$ (9,138,411) | \$ (9,442,540) | \$ (9,360,835) | \$ (10,169,958) |
| Business-type activities | (9,412) | 8,751 | 48,922 | 7,319 | (8,313) | 41,519 | 34,629 | 10,927 | (19,174) | (7,551) |
| Total district-wide net expenses | <u>\$ (12,396,066)</u> | <u>\$ (10,761,807)</u> | <u>\$ (6,211,180)</u> | <u>\$ (9,063,853)</u> | <u>\$ (9,383,122)</u> | <u>\$ (8,972,351)</u> | <u>\$ (9,103,782)</u> | <u>\$ (9,431,613)</u> | <u>\$ (9,380,009)</u> | <u>\$ (10,177,509)</u> |

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting
Unaudited

| | June 30, 2016 | June 30, 2015 | June 30, 2014 | June 30, 2013 | June 30, 2012 | June 30, 2011 | June 30, 2010 | June 30, 2009 | June 30, 2008 | June 30, 2007 |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 9,282,312 | \$ 9,282,312 | \$ 9,766,036 | \$ 9,190,408 | \$ 9,010,204 | \$ 9,193,149 | \$ 8,969,374 | \$ 8,744,590 | \$ 8,485,037 | \$ 8,201,959 |
| Taxes levied for debt service | 456,000 | 470,000 | 483,724 | 497,050 | 505,212 | 501,913 | 1,070,636 | 1,000,353 | 1,077,688 | 1,037,688 |
| Federal and state aid not restricted | 1,437,186 | 1,247,153 | 242,744 | 287,027 | 276,009 | 136,751 | 610,696 | 467,815 | 550,581 | 1,849,117 |
| Investment earnings | 37,809 | - | 592 | 338 | 1,892 | 2,836 | 7,633 | 21,530 | 72,987 | 99,998 |
| Asset revaluation adjustment | - | - | - | - | - | - | - | (138,525) | - | - |
| Transfers | - | (17,226) | - | - | - | 31,195 | 4,170 | - | - | - |
| Miscellaneous income | 4,736 | 15,142 | 11,063 | 64,797 | 231,056 | 11,962 | 62,252 | 33,602 | 12,508 | 45,883 |
| Transfers from defeased bond escrow account | - | - | - | - | - | - | - | - | - | - |
| Total governmental activities | 11,218,043 | 10,997,381 | 10,504,159 | 10,039,620 | 10,024,373 | 9,877,806 | 10,724,761 | 10,129,365 | 10,198,801 | 11,234,645 |
| Business-type activities | | | | | | | | | | |
| Investment earnings | 143 | - | - | - | - | 23 | 105 | 172 | 909 | 2,075 |
| Transfers | - | - | - | - | - | (31,195) | (4,170) | - | - | - |
| Total business-type activities | 143 | - | - | - | - | (31,172) | (4,065) | 172 | 909 | 2,075 |
| Total district-wide | \$ 11,218,186 | \$ 10,997,381 | \$ 10,504,159 | \$ 10,039,620 | \$ 10,024,373 | \$ 9,846,634 | \$ 10,720,696 | \$ 10,129,537 | \$ 10,199,710 | \$ 11,236,720 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | (1,168,754) | 226,823 | 4,244,057 | 968,448 | \$ 649,564 | \$ 863,936 | \$ 1,586,350 | \$ 686,825 | \$ 837,966 | \$ 1,064,687 |
| Business-type activities | (9,269) | 8,751 | 48,922 | 7,319 | (8,313) | 10,347 | 30,564 | 11,099 | (18,265) | (5,476) |
| Total district | \$ (1,178,023) | \$ 235,574 | \$ 4,292,979 | \$ 975,767 | \$ 641,251 | \$ 874,283 | \$ 1,616,914 | \$ 697,924 | \$ 819,701 | \$ 1,059,211 |

Source: District records

Note: Central services and administrative technology account classifications were added beginning with year ended June 30, 2005.

Prior to June 30, 2005, central services and administrative information technology were combined in general and business administrative services.

WEST LONG BRANCH SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

| | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> | <u>June 30, 2013</u> | <u>June 30, 2012</u> | <u>June 30, 2011</u> | <u>June 30, 2010</u> | <u>June 30, 2009</u> | <u>June 30, 2008</u> | <u>June 30, 2007</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 1,877,352 | \$ 1,973,581 | \$ 2,011,636 | \$ 2,478,351 | \$ 9,485,915 | \$ 2,188,839 | \$ 1,379,678 | \$ 475,028 | \$ 865,455 | \$ 832,944 |
| Unreserved | 304,403 | 287,535 | 220,325 | 220,325 | 231,985 | 239,542 | 186,153 | 975,365 | 326,417 | 226,551 |
| Total general fund | <u>\$ 2,181,755</u> | <u>\$ 2,261,116</u> | <u>\$ 2,231,961</u> | <u>\$ 2,698,676</u> | <u>\$ 9,717,900</u> | <u>\$ 2,428,381</u> | <u>\$ 1,565,831</u> | <u>\$ 1,450,393</u> | <u>\$ 1,191,872</u> | <u>\$ 1,059,495</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 234,075 | \$ - | \$ - | \$ - | \$ - |
| Unreserved | | | | | | | | | | |
| Special revenue fund | - | - | - | - | - | - | - | - | - | - |
| Capital projects fund | 8,257,462 | - | - | - | - | - | 332,164 | - | 95,360 | 95,360 |
| Debt service fund | 27,512 | - | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 1 |
| Permanent fund | - | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 8,284,974</u> | <u>\$ -</u> | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ 234,076</u> | <u>\$ 332,165</u> | <u>\$ 2</u> | <u>\$ 95,362</u> | <u>\$ 95,361</u> |

Source: District records

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

| | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> | <u>June 30, 2013</u> | <u>June 30, 2012</u> | <u>June 30, 2011</u> | <u>June 30, 2010</u> | <u>June 30, 2009</u> | <u>June 30, 2008</u> | <u>June 30, 2007</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues | | | | | | | | | | |
| Tax levy | \$ 9,738,312 | \$ 9,752,312 | \$ 9,766,036 | \$ 9,687,458 | \$ 9,515,416 | \$ 9,695,062 | \$ 10,040,010 | \$ 9,744,943 | \$ 9,562,725 | \$ 9,239,647 |
| Tuition charges | 180,323 | 305,404 | 120,584 | - | - | - | - | - | - | 775 |
| Interest earnings | 10,730 | 7,544 | 2,919 | 338 | 1,892 | 2,836 | 7,633 | 21,530 | 72,987 | 99,998 |
| Contributions | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 12,816 | 10,512 | 24,006 | 287,087 | 231,056 | 22,843 | 62,252 | 41,152 | 12,508 | 45,883 |
| State sources | 1,636,753 | 1,475,773 | 529,484 | 1,420,529 | 1,232,006 | 919,546 | 1,487,266 | 1,329,021 | 1,728,199 | 1,613,968 |
| Federal sources | 289,075 | 294,687 | 135,907 | 270,979 | 328,867 | 348,704 | 295,478 | 221,446 | 237,806 | 235,149 |
| Total revenues | 11,868,009 | 11,846,232 | 10,578,936 | 11,666,391 | 11,309,237 | 10,988,991 | 11,892,639 | 11,358,092 | 11,614,225 | 11,235,420 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular instruction | 3,161,945 | 3,270,755 | 3,248,440 | 3,337,290 | 3,200,325 | 3,217,070 | 3,337,898 | 3,290,615 | 3,230,358 | 3,258,086 |
| Special education instruction | 1,116,136 | 1,114,606 | 560,747 | 497,069 | 586,896 | 506,732 | 451,707 | 383,690 | 619,456 | 581,024 |
| Other special instruction | - | - | - | - | - | - | - | - | - | - |
| Other instruction | 437,163 | 417,790 | 372,594 | 385,555 | 405,122 | 402,064 | 389,340 | 365,378 | 135,332 | 141,848 |
| Support Services | | | | | | | | | | |
| Instruction | 363,452 | 298,058 | 410,752 | 534,477 | 391,241 | 365,302 | 263,105 | 452,371 | 476,225 | 398,835 |
| Student & instruction related services | 1,415,882 | 1,217,796 | 784,450 | 992,880 | 851,496 | 789,387 | 902,991 | 987,643 | 931,492 | 870,747 |
| School administrative services | 398,862 | 378,670 | 369,074 | 362,225 | 333,344 | 282,354 | 368,614 | 354,127 | 368,621 | 354,652 |
| General & business administrative services | 187,682 | 538,550 | - | 405,017 | 236,534 | 305,563 | 275,325 | 285,119 | 376,655 | 264,283 |
| Central services | 189,687 | - | 252,623 | - | 223,076 | 209,573 | 233,022 | 261,259 | 232,555 | 218,853 |
| Administrative technology information | 78,553 | 62,859 | 289,805 | 108,090 | 69,132 | 69,441 | 524 | 64,213 | 61,974 | |
| Plant operations and maintenance | 818,519 | 870,614 | 929,839 | 835,460 | 934,280 | 813,760 | 920,005 | 999,750 | 931,100 | 895,821 |
| Pupil transportation | 449,009 | 478,355 | 600,793 | 521,486 | 481,623 | 450,482 | 470,934 | 596,805 | 598,875 | 569,623 |
| Unallocated benefits | 2,651,357 | 2,628,739 | 1,675,854 | 2,560,772 | 2,409,331 | 2,247,651 | 2,058,258 | 1,979,132 | 2,284,998 | 2,060,073 |
| Special Schools | 16,465 | 14,076 | 7,523 | 5,000 | 4,988 | 3,150 | 11,738 | 19,984 | 22,803 | 6,300 |
| Capital Outlay | 952,173 | 231,538 | 330,111 | 662,348 | 700,801 | 91,592 | 626,193 | 122,821 | 131,477 | 285,075 |
| Debt Service | | | | | | | | | | |
| Principal | 410,000 | 410,000 | 410,000 | 410,000 | 405,000 | 390,000 | 930,000 | 930,000 | 890,000 | 830,000 |
| Interest and other charges | 45,537 | 59,887 | 73,725 | 87,050 | 100,212 | 111,913 | 140,637 | 165,713 | 187,688 | 207,688 |
| Total Expenditures | 12,692,422 | 11,929,434 | 10,089,484 | 11,886,434 | 11,372,359 | 10,255,725 | 11,449,208 | 11,194,931 | 11,481,848 | 11,004,882 |
| Excess (deficiency) of revenues over (under) expenditures | (824,413) | (83,202) | 489,452 | (220,043) | (63,122) | 733,266 | 443,431 | 163,161 | 132,377 | 230,538 |

WEST LONG BRANCH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

| | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> | <u>June 30, 2013</u> | <u>June 30, 2012</u> | <u>June 30, 2011</u> | <u>June 30, 2010</u> | <u>June 30, 2009</u> | <u>June 30, 2008</u> | <u>June 30, 2007</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Capital leases (non-budgeted) | | | \$ 200,819 | \$ 200,819 | \$ 118,566 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Adjustments | \$ - | \$ (17,226) | | | | | | | | |
| Proceeds from refunding | - | - | - | - | - | - | - | - | - | - |
| Sale of Bonds | 9,026,913 | - | - | - | - | - | - | - | - | - |
| Payments to escrow agent | - | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | 135,516 | 652,220 | 676,886 | 95,737 | 1,468 | 3,210 |
| Transfers out | - | - | - | - | (135,516) | (621,025) | (672,716) | (95,737) | (1,468) | (3,210) |
| Total other financing sources (uses) | <u>9,026,913</u> | <u>(17,226)</u> | <u>200,819</u> | <u>200,819</u> | <u>118,566</u> | <u>31,195</u> | <u>4,170</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ 8,202,500</u> | <u>\$ (100,428)</u> | <u>\$ 690,271</u> | <u>\$ (19,224)</u> | <u>\$ 55,444</u> | <u>\$ 764,461</u> | <u>\$ 447,601</u> | <u>\$ 163,161</u> | <u>\$ 132,377</u> | <u>\$ 230,538</u> |
| Debt service as a percentage of noncapital expenditures | <u>3.08%</u> | <u>4.02%</u> | <u>4.96%</u> | <u>4.43%</u> | <u>4.73%</u> | <u>4.94%</u> | <u>9.89%</u> | <u>9.90%</u> | <u>9.49%</u> | <u>9.68%</u> |

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.
 Central services and administrative information technology accounts classifications were added beginning with year ended June 30, 2005.
 Prior to June 30, 2005, central services and administrative information technology were combined in general and business administrative services.

WEST LONG BRANCH SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Modified Accrual Basis of Accounting
Unaudited

| <u>Description</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|----------------------------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Donations | \$ - | \$ - | \$ 12,943 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 32,150 |
| Interest | 10,730 | 7,544 | 2,919 | 338 | 1,892 | 2,475 | 6,694 | 21,153 | 71,522 | 96,733 |
| Prior year miscellaneous refunds | 3,759 | 252 | 43,546 | 64,798 | 15,085 | 11,962 | 54,962 | 33,602 | 12,508 | 13,732 |
| | <u>\$ 14,489</u> | <u>\$ 7,796</u> | <u>\$ 46,464</u> | <u>\$ 65,136</u> | <u>\$ 16,977</u> | <u>\$ 14,437</u> | <u>\$ 61,656</u> | <u>\$ 54,755</u> | <u>\$ 84,030</u> | <u>\$ 142,615</u> |

Source: District records

WEST LONG BRANCH SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

| <u>Fiscal Year Ended June 30,</u> | <u>Vacant Land</u> | <u>Residential</u> | <u>Farm Reg.</u> | <u>Qualified Farm</u> | <u>Commercial</u> | <u>Industrial</u> |
|---------------------------------------|--------------------|--------------------|------------------|---------------------------|-------------------|-------------------|
| 2007 | 12,951,100 | 1,075,993,300 | 1,625,900 | 17,600 | 262,126,700 | 3,254,900 |
| 2008 | 11,834,400 | 1,081,943,400 | 1,625,900 | 17,600 | 254,243,700 | 3,254,900 |
| 2009 | 14,361,500 | 1,080,916,700 | 1,625,900 | 17,600 | 254,648,500 | 3,254,900 |
| 2010 | 18,132,300 | 1,082,524,800 | 1,625,900 | 17,600 | 247,955,700 | 3,254,900 |
| 2011 | 16,116,200 | 1,075,233,300 | 1,625,900 | 17,600 | 239,584,400 | 3,254,900 |
| 2012 | 15,459,600 | 1,068,747,000 | 1,625,900 | 17,600 | 235,078,900 | 3,254,900 |
| 2013 | 11,948,000 | 870,940,000 | 1,398,700 | 6,900 | 203,367,000 | 2,730,800 |
| 2014 | 12,010,700 | 869,108,400 | 1,398,700 | 6,900 | 203,181,800 | 2,730,800 |
| 2015 | 14,306,000 | 940,896,800 | 1,473,000 | 6,900 | 206,439,600 | 2,845,500 |
| 2016 | 13,573,600 | 957,892,100 | 1,490,200 | 7,100 | 205,934,300 | 2,857,400 |

Source: New Jersey's Monmouth County Board of Taxation Website

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

| <u>Apartment</u> | <u>Total Assessed Value</u> | <u>Less Tax Exempt Property</u> | <u>Public Utilities ^a</u> | <u>Net Valuation Taxable</u> | <u>Estimated Actual (County Equalized) Value</u> | <u>Total Direct School Tax Rate ^b</u> |
|------------------|-----------------------------|---------------------------------|--------------------------------------|------------------------------|--|--|
| 1,907,600 | 1,357,877,100 | - | 1,104,472 | 1,358,981,572 | 1,423,756,655 | 1.013 |
| 1,907,600 | 1,354,827,500 | - | 1,121,950 | 1,355,949,450 | 1,463,073,787 | 1.013 |
| 1,907,600 | 1,356,732,700 | - | 1,213,791 | 1,357,946,491 | 1,431,169,976 | 1.049 |
| 1,907,600 | 1,355,418,800 | - | 1,260,759 | 1,356,679,559 | 1,378,188,012 | 1.100 |
| 8,013,700 | 1,343,846,000 | - | 1,052,134 | 1,344,898,134 | 1,329,061,308 | 1.103 |
| 28,007,600 | 1,352,191,500 | - | 1,009,980 | 1,353,201,480 | 1,235,297,174 | 1.096 |
| 31,318,600 | 1,121,710,000 | - | 929,005 | 1,122,639,005 | 1,286,974,317 | 1.295 |
| 31,318,600 | 1,119,755,900 | - | 597,090 | 1,120,352,990 | 1,246,166,572 | 1.294 |
| 29,177,600 | 1,195,145,400 | - | 714,980 | 1,195,860,380 | 1,249,907,428 | 1.294 |
| 31,595,500 | 1,213,350,200 | - | 725,533 | 1,214,075,733 | 1,238,330,325 | 1.200 |

WEST LONG BRANCH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Rate Per \$100 of Assessed Valuation
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | West Long Branch School District Direct Rate | | | Overlapping Rates | | Total Direct and Overlapping Tax Rate |
|----------------------------|--|--|------------------------------|-----------------------------|-----------------|---|
| | Basic Rate ^a | General Obligation Debt Service ^b | Total Direct School Tax Rate | Borough of West Long Branch | Monmouth County | |
| 2007 | 0.902 | 0.111 | 1.013 | 0.384 | 0.284 | 1.681 |
| 2008 | 0.909 | 0.104 | 1.013 | 0.384 | 0.284 | 1.681 |
| 2009 | 0.937 | 0.112 | 1.049 | 0.404 | 0.275 | 1.728 |
| 2010 | 0.979 | 0.121 | 1.100 | 0.469 | 0.280 | 1.849 |
| 2011 | 1.046 | 0.057 | 1.103 | 0.502 | 0.275 | 1.880 |
| 2012 | 1.038 | 0.058 | 1.096 | 0.524 | 0.267 | 1.887 |
| 2013 | 1.228 | 0.067 | 1.295 | 0.669 | 0.347 | 2.311 |
| 2014 | 1.228 | 0.066 | 1.294 | 0.692 | 0.345 | 2.331 |
| 2015 | | | | | | - Data Not Available At Time of CAFR Completion - |
| 2016 | | | | | | - Data Not Available At Time of CAFR Completion - |

Source: Borough Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- b** Rates for debt service are based on each year's requirements. At the time of the CAFR completion, this data was not available.

WEST LONG BRANCH SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Ten Years Ago
Unaudited

| | 2016 | |
|--------------------------------------|-------------------------------|---|
| | Taxable Assessed Value | % of Total District Net Assessed Value |
| BG Monmouth, LLC | N/A | N/A |
| Avalon West Long Branch, LLC | N/A | N/A |
| WLB of New Jersey, LLC | N/A | N/A |
| 185 Monmouth Parkway Associates | N/A | N/A |
| 136 Monmouth Road Holding, LLC | N/A | N/A |
| West long Branch Shopping Center | N/A | N/A |
| West Long Branch Lodging Realty, LLC | N/A | N/A |
| WLB Empire, LLC | N/A | N/A |
| WEP Investments, LLC | N/A | N/A |
| Cedar Village Group, LLC | N/A | N/A |
| TOTAL | \$ - | 0.00% |

| | 2006 | |
|--------------------------------------|-------------------------------|---|
| | Taxable Assessed Value | % of Total District Net Assessed Value |
| BG Monmouth, LLC | \$ 50,854,000 | 3.84% |
| WLB of New Jersey | 24,679,000 | 1.82% |
| 185 Monmouth Parkway Associates | 24,494,300 | 1.80% |
| WLB Center, LLC | 15,105,600 | 1.17% |
| West Long Branch Shopping Center | 6,651,000 | 0.49% |
| Newport WLB, LLC | 5,732,200 | 0.42% |
| Esplanade West Long Branch, LLC | 5,553,300 | 0.41% |
| Schneider-Nelson Realty, LLC | 5,186,200 | 0.38% |
| WEP Investments, LLC | 4,538,300 | 0.33% |
| West Long Branch Lodging Realty, LLC | 4,297,100 | 0.32% |
| TOTAL | \$ 147,091,000 | 10.98% |

N/A: At the time of the CAFR completion, this data was not yet available

Source: Municipal Tax Assessor

WEST LONG BRANCH SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years
Unaudited

| <u>Year Ended December 31,</u> | <u>Total Tax Levy for the Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy ^a</u> | | <u>Collections in Subsequent Years</u> |
|------------------------------------|---|--|---------------------------|--|
| | | <u>Amount</u> | <u>Percentage of Levy</u> | |
| 2006 | 21,718,651 | 21,375,133 | 98.42% | 269,012 |
| 2007 | 22,941,062 | 22,559,849 | 98.34% | 280,393 |
| 2008 | 23,481,959 | 23,083,958 | 98.31% | 313,116 |
| 2009 | 24,395,876 | 24,015,382 | 98.44% | 309,047 |
| 2010 | 25,133,408 | 24,522,944 | 97.57% | 365,363 |
| 2011 | 25,780,638 | 25,121,932 | 97.44% | 390,851 |
| 2012 | 25,563,538 | 25,011,447 | 97.83% | 267,203 |
| 2013 | 25,945,164 | 25,549,674 | 98.48% | 267,203 |
| 2014 | 25,999,177 | 25,999,177 | 99.99% | 267,203 |
| 2015 | 35,861,822 | 35,861,822 | 99.99% | - |
| 2016 | | | | |

Data Not Available at the time of CAFR completion

Source: Borough Tax Collector

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

WEST LONG BRANCH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

| Year Ended June 30, | Governmental Activities | | Business-Type Activities | Total District Debt | Percentage of Personal Income ^a | Per Capita ^a |
|---------------------|-------------------------|----------------|--------------------------|---------------------|--|-------------------------|
| | Serial Bonds | Capital Leases | Capital Leases | | | |
| 2007 | 6,003,000 | 63,323 | - | 6,066,323 | 1.26% | 725 |
| 2008 | 5,113,000 | 25,198 | - | 5,138,198 | 1.04% | 615 |
| 2009 | 4,183,000 | - | - | 4,183,000 | 0.89% | 497 |
| 2010 | 3,253,000 | - | - | 3,253,000 | 0.71% | 402 |
| 2011 | 2,863,000 | - | - | 2,863,000 | 0.61% | 359 |
| 2012 | 2,458,000 | 78,566 | - | 2,536,566 | 0.50% | 317 |
| 2013 | 2,048,000 | 70,838 | - | 2,118,838 | 0.42% | 249 |
| 2014 | 1,638,000 | 257,747 | - | 1,895,747 | 0.36% | 223 |
| 2015 | 1,638,000 | 193,310 | - | 1,831,310 | N/A | 219 |
| 2016 | 9,169,721 | 102,748 | - | 9272468.68 | N/A | 1,110 |

Sources: District records

N/A: At the time of the CAFR completion, the data was not yet available

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

WEST LONG BRANCH SCHOOL DISTRICT
Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

| Year Ended June 30, | General Bonded Debt Outstanding | | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value of Property ^a | Net Bonded Debt Per Capita ^b |
|------------------------|---------------------------------|------------|---|--|---|
| | Serial Bonds | Deductions | | | |
| 2007 | 6,003,000 | - | 6,003,000 | 0.442% | 717 |
| 2008 | 5,113,000 | - | 5,113,000 | 0.377% | 612 |
| 2009 | 4,183,000 | - | 4,183,000 | 0.308% | 497 |
| 2010 | 3,253,000 | - | 3,253,000 | 0.240% | 402 |
| 2011 | 2,863,000 | - | 2,863,000 | 0.213% | 359 |
| 2012 | 2,458,000 | - | 2,458,000 | 0.182% | 307 |
| 2013 | 2,048,000 | - | 2,048,000 | 0.182% | 240 |
| 2014 | 1,638,000 | - | 1,638,000 | 0.146% | 192 |
| 2015 | 1,638,000 | - | 1,638,000 | 0.137% | 196 |
| 2016 | 9,169,721 | - | 9,169,721 | 0.755% | 1,098 |

Sources: Assessed valuations were provided by the Abstract of Ratables, Monmouth County Board of Taxation. School district population data was provided by school district officials.

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

- a** See Exhibit J-6 for property tax data
- b** Population data can be found in Exhibit J-14

WEST LONG BRANCH SCHOOL DISTRICT
Direct and Overlapping Government Activities Debt
For the Year Ended December 31, 2016
Unaudited

| | Debt Outstanding | Estimated Percentage Applicable ^a | Estimated Share of Overlapping Debt |
|--|-------------------------|---|--|
| Debt repaid with property taxes | | | |
| Borough of West Long Branch | \$ 11,413,015 | 100.00% | \$ 11,413,015 |
| Monmouth County General Obligation Debt | 438,937,488 | 1.14% | 4,991,048 |
| Other debt | | | |
| | - | - | - |
| Subtotal overlapping debt | | | 16,404,063 |
| West Long Branch School District Direct Debt | | | 9,169,721 |
| Total Direct and Overlapping Debt | | | \$ 25,573,784 |

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of West Long Branch. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

WEST LONG BRANCH SCHOOL DISTRICT
Legal Debt Margin Information
For the Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized valuation basis

| | |
|------|-------------------------|
| 2016 | 1,238,330,325 |
| 2015 | \$ 1,225,860,984 |
| 2014 | \$ 1,245,237,567 |
| | <u>\$ 2,471,098,551</u> |

Average equalized valuation of taxable property

\$ 823,699,517

Debt limit (3 % of average equalization value)

24,710,986

Total Net Debt Applicable to Limit

9,169,721

Legal debt margin

\$ 15,541,265

| | Fiscal Year | | | | | Fiscal Year | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Debt limit | \$ 24,710,986 | \$ 35,836,025 | \$ 38,752,285 | \$ 38,752,285 | \$ 39,583,833 | \$ 41,542,561 | \$ 42,724,318 | \$ 43,180,004 | \$ 40,964,853 | \$ 36,989,582 |
| Total net debt applicable to limit | <u>9,169,721</u> | <u>1,638,000</u> | <u>2,429,771</u> | <u>2,048,000</u> | <u>2,458,000</u> | <u>2,863,000</u> | <u>3,253,000</u> | <u>4,183,000</u> | <u>5,113,000</u> | <u>6,003,000</u> |
| Legal debt margin | <u>\$ 15,541,265</u> | <u>\$ 34,198,025</u> | <u>\$ 36,322,514</u> | <u>\$ 36,704,285</u> | <u>\$ 37,125,833</u> | <u>\$ 38,679,561</u> | <u>\$ 39,471,318</u> | <u>\$ 38,997,004</u> | <u>\$ 35,851,853</u> | <u>\$ 30,986,582</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 37.11% | 4.57% | 6.27% | 5.28% | 6.21% | 6.89% | 7.61% | 9.69% | 12.48% | 16.23% |

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation as posted on the Monmouth County Board of Taxation Website

a Limit set by NJSA 18A:24-19 for a K through 8 district; other percentage limits would be applicable for other district types.

WEST LONG BRANCH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Years
Unaudited

| Year | Population ^a | Personal Income ^b | Per Capita Personal Income ^c | Unemployment Rate ^d |
|------|-------------------------|---------------------------------|---|-----------------------------------|
| 2007 | 8,370 | 482,865,300 | 57,690 | 4.00% |
| 2008 | 8,353 | 495,616,902 | 59,334 | 5.20% |
| 2009 | 8,416 | 469,309,824 | 55,764 | 8.50% |
| 2010 | 8,093 | 460,936,815 | 56,955 | 8.60% |
| 2011 | 7,985 | 465,964,675 | 58,355 | 8.70% |
| 2012 | 8,000 | 504,008,000 | 63,001 | 9.10% |
| 2013 | 7,991 | 503,968,397 | 63,067 | 9.50% |
| 2014 | 7,880 | 520,229,720 | 66,019 | 8.80% |
| 2015 | 7,994 | N/A | N/A | 6.50% |
| 2016 | N/A | N/A | N/A | 5.20% |

Sources:

- a** Population information provided by the NJ Dept of Labor and Workforce Development. Estimate is based on July 1 of the audit year.
- b** Personal income has been estimated based upon the municipal population and per capita personal income presented.
- c** Per Capita Income by Municipality information not available at the time of the CAFR completion. Per capita estimates presented are for Monmouth County provided by the State of New Jersey, Department of Education, Division of Finance.
- d** Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A: At the time of the CAFR completion, the data was not yet available.

WEST LONG BRANCH SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

| <u>Employer</u> | <u>2016</u> | | <u>2006</u> | |
|--------------------------------|------------------|---|------------------|---|
| | <u>Employees</u> | <u>Percentage of Total Municipal Employment</u> | <u>Employees</u> | <u>Percentage of Total Municipal Employment</u> |
| Monmouth University | 1,000 | 30.05% | | |
| Tanon Manufacturing, Inc | 429 | 12.89% | n/a | N/A |
| Advanced Urethane Technologies | 408 | 12.26% | n/a | N/A |
| Foxtons, Inc. | 300 | 9.01% | n/a | N/A |
| BJ Builders of NJ, Inc | 250 | 7.51% | n/a | N/A |
| Gowad Legacy, Inc | 231 | 6.94% | n/a | N/A |
| Diversant, LLC | 230 | 6.91% | n/a | N/A |
| Meridian Health Resources, Inc | 178 | 5.35% | n/a | N/A |
| Systems Technologies, Inc | 134 | 4.03% | n/a | N/A |

Source: Borough of West Long Branch Tax Assessor

N/A: At the time of the CAFR completion, this data was not yet available

WEST LONG BRANCH SCHOOL DISTRICT
time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

| Function/Program | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction: | | | | | | | | | | |
| Regular | 41 | 41 | 47 | 44 | 50 | 54 | 60 | 58 | 55 | 55 |
| Special education | 19 | 10 | 13 | 13 | 11 | 10 | 8 | 6 | 6 | 6 |
| Other special education | 3 | 6 | 6 | 6 | 7 | - | - | - | - | - |
| Vocational | - | - | - | - | - | - | - | - | - | - |
| Other instruction | - | 4 | 4 | 2 | - | - | - | - | - | - |
| Nonpublic school programs | - | - | - | - | - | - | - | - | - | - |
| Adult/continuing education programs | - | - | - | - | - | - | - | - | - | - |
| Support Services: | | | | | | | | | | |
| Student and instruction related services | 12 | 10 | 9 | 9 | 9 | 1 | 8 | 7 | 8 | 8 |
| General Administration | 1 | 4 | 4 | 4 | 5 | 2 | 2 | 2 | 2 | 2 |
| School administration services | 3 | 2 | 1 | 2 | 2 | 7 | 11 | 6 | 6 | 6 |
| Other administration services | - | 1 | - | - | - | - | - | - | - | - |
| Central services | 3 | 5 | 4 | 4 | 4 | 2 | 2 | 3 | 3 | 3 |
| Administrative Information Technology | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Plant operations and maintenance | 1 | 1 | 5 | 6 | 6 | 6 | 6 | 6 | 7 | 7 |
| Pupil transportation | - | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | - |
| Other support services | - | - | 12 | 12 | 6 | - | - | - | - | - |
| Special Schools | - | - | - | - | - | - | - | - | - | - |
| Food Service | - | - | - | - | - | - | - | - | - | - |
| Child Care | - | - | - | - | - | - | - | - | - | - |
| Total | 84 | 90 | 111 | 110 | 107 | 89 | 104 | 95 | 94 | 88 |

Source: District records

WEST LONG BRANCH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

| Fiscal Year | Enrollment | Operating Expenditures ^a | Cost Per Pupil | Percentage Change | Pupil/Teacher Ratio | | | Average Daily Enrollment (ADE) ^c | Average Daily Attendance (ADA) ^c | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---------------------------------|------------------------|---|---|--------------------------------------|-------------------------------|
| | | | | | Teaching Staff ^b | Betty McElmon Elementary School | Frank Antonides School | | | | |
| 2007 | 709 | 9,682,119 | 13,656 | #DIV/0! | 61 | 18:1 | 24:1 | 699 | 667 | | 95.42% |
| 2008 | 695 | 10,272,683 | 14,781 | 8.24% | 64 | 17:1 | 20:1 | 681 | 654 | -2.58% | 96.04% |
| 2009 | 652 | 9,976,397 | 15,301 | 3.52% | 64 | 10:1 | 10:1 | 641 | 624 | -5.87% | 97.35% |
| 2010 | 604 | 9,752,378 | 16,146 | 5.52% | 68 | 8:1 | 10:1 | 604 | 577 | -5.77% | 95.53% |
| 2011 | 587 | 9,662,220 | 16,460 | 1.94% | 64 | 8:1 | 10:1 | 587 | 572 | -2.81% | 97.44% |
| 2012 | 600 | 10,166,346 | 16,944 | 2.94% | 61 | 10:1 | 10.3:1 | 602 | 576 | 2.56% | 95.68% |
| 2013 | 600 | 10,727,036 | 17,878 | 5.52% | 57 | 9:1 | 8.5:1 | 600 | 571 | -0.28% | 95.09% |
| 2014 | 596 | 9,984,316 | 16,752 | -6.30% | 68 | 9:1 | 8.75:1 | 600 | 570 | -0.05% | 95.00% |
| 2015 | 596 | 10,240,700 | 17,182 | 2.57% | 64 | 8.75:1 | 9.5:1 | 585 | 557 | -2.50% | 95.21% |
| 2016 | 579 | 10,996,748 | 18,993 | 10.54% | 63 | 9:1 | 9:1 | 579 | 594 | -1.03% | 102.59% |

Source: 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 BRANCH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| District Building | | | | | | | | | | |
| Elementary | | | | | | | | | | |
| Betty McElmon Elementary School | | | | | | | | | | |
| Square feet | 38,700 | 30,858 | 30,858 | 30,858 | 30,858 | 30,858 | 30,858 | 30,858 | 30,858 | 30,858 |
| Capacity (students) | 320 | 320 | 320 | 320 | 320 | 320 | 320 | 320 | 320 | 320 |
| Enrollment | 308 | 249 | 247 | 249 | 241 | 265 | 260 | 286 | 291 | 291 |
| Frank Antonides School | | | | | | | | | | |
| Square feet | 68,451 | 63,388 | 63,388 | 63,388 | 63,388 | 63,388 | 63,388 | 63,388 | 63,388 | 63,388 |
| Capacity (students) | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 | 510 |
| Enrollment | 271 | 347 | 349 | 351 | 359 | 350 | 344 | 366 | 404 | 418 |

Number of Schools at June 30, 2015

Elementary = 2

Source: District records.

Note: The District completed renovations on the conjoined schools in 2006. As part of the renovations, shared areas were realigned to each school.

Enrollment is based on the annual October district counts.

WEST LONG BRANCH SCHOOL DISTRICT
General Fund
of Allowable Maintenance Expenditures by School Facilities
For the Fiscal Year Ended June 30, 2015
Unaudited

Undistributed Expenditures - Required
Maintenance for School Facilities
11-000-261-XXX

| | Gross Square Footage | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---------------------------------|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| School Facilities * | | | | | | | | | | | |
| Betty McElmon Elementary School | 38,700 | \$ 146,085 | \$ 40,922 | \$ 34,890 | \$ 58,179 | \$ 64,308 | \$ 48,584 | \$ 45,245 | \$ 96,744 | \$ 142,386 | \$ 51,348 |
| Frank Antonides School | 68,451 | 157,307 | 105,741 | 87,756 | 94,924 | 132,131 | 74,626 | 99,392 | 140,083 | 48,019 | 110,698 |
| Total School Facilities | | <u>303,392</u> | <u>146,663</u> | <u>122,646</u> | <u>153,103</u> | <u>196,439</u> | <u>123,210</u> | <u>144,637</u> | <u>236,827</u> | <u>190,405</u> | <u>162,046</u> |
| Other Facilities | | | | | | | | | | | |
| Grand Total | | <u>\$ 303,392</u> | <u>\$ 146,663</u> | <u>\$ 122,646</u> | <u>\$ 153,103</u> | <u>\$ 196,439</u> | <u>\$ 123,210</u> | <u>\$ 144,637</u> | <u>\$ 236,827</u> | <u>\$ 190,405</u> | <u>\$ 162,046</u> |

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

Source: District records

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2016
Unaudited

| | Coverage | Deductible |
|--|-----------------|-------------------|
| Coverage Provided By: New Jersey School Boards Association Insurance Group | | |
| Monmouth Ocean County Shared Services Insurance Fund | | |
| Property | | |
| Blanket Real and Personal Property, per occurrence | \$ 400,000,000 | \$ 5,000 |
| Blanket Extra Expense | 50,000,000 | 5,000 |
| Blanket Valuable Papers and Records, per occurrence | 10,000,000 | 5,000 |
| Demolition and Increased Cost of Construction, per occurrence | 25,000,000 | |
| Fire Department Service Charge | 10,000 | |
| Arson Reward | 10,000 | |
| Pollutant Cleanup and Removal | 250,000 | |
| Sublimits | | |
| Flood Zones (SFHA), per occurrence | 20,000,000 | |
| NJSBAIG annual aggregate | 20,000,000 | |
| Accounts receivable, per occurrence | 250,000 | |
| All other flood zones, per occurrence/NJSBAIG annual aggregate | 75,000,000 | |
| Deductible, per member/per occurrence | | 10,000 |
| Deductibles, Zones Prefix A & V | | |
| Per Building | | 500,000 |
| Per Building Contents | | 500,000 |
| Earthquake | | |
| Per Occurrence | 50,000,000 | |
| NJSBAIG annual aggregate | 50,000,000 | |
| Terrorism | | |
| Per Occurrence | 1,000,000 | |
| NJSBAIG annual aggregate | 1,000,000 | |
| Electronic Data Processing | | |
| Blanket Hardware/Software, per occurrence | 600,000 | 1,000 |
| Coverage Extensions | | |
| Transit | 25,000 | |
| Loss of income | 10,000 | |
| Flood, per occurrence | 500,000 | |
| Zones A & V, per building contents | 500,000 | 500,000 |
| All Other Flood Zones, per member/per occurrence | 10,000 | 10,000 |
| Equipment Breakdown | | |
| Combined Single Limit per Accident for Property Damage and Business Income | 100,000,000 | |
| Sublimits | | |
| Off Premises Property Damage | 100,000 | 5,000 |
| Extra Expense | 10,000,000 | |
| Service Interruption | 10,000,000 | |
| Perishable Goods | 500,000 | |
| Data Restoration | 100,000 | |
| Contingent Business Income | 100,000 | |
| Demolition | 1,000,000 | |
| Ordinance or Law | 1,000,000 | |
| Expediting Expenses | 500,000 | |
| Hazardous Substances | 500,000 | |
| Newly Acquired Locations (60 days notice) | 250,000 | |
| Crime and Fidelity | | |
| Public Employee Dishonesty with Faithful Performance | 250,000 | 1,000 |
| Theft, Disappearance and Destruction - Loss of Money & Security On or Off Premises | 50,000 | 500 |
| Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency | 50,000 | 500 |
| Forgery or Alteration | 50,000 | 500 |
| Computer Fraud | 100,000 | 1,000 |

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2016
Unaudited

| | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| Coverage Provided By: New Jersey School Boards Association Insurance Group | | |
| Monmouth Ocean County Shared Services Insurance Fund | | |
| Comprehensive General Liability | | |
| Bodily Injury and Property Damage, Combined Single Limit | \$ 11,000,000 | |
| Bodily Injury from Products and Completed Operations, annual aggregate | 11,000,000 | |
| Sexual Abuse | | |
| Per occurrence | 11,000,000 | |
| Annual pool aggregate | 17,000,000 | |
| Personal Injury and Advertising Injury, per occurrence/annual aggregate | 11,000,000 | |
| Employee Benefits Liability, per occurrence/annual aggregate | 11,000,000 | |
| Each claim | | \$ 1,000 |
| Premise Medical Payments, per accident | 10,000 | |
| Limit per person | | 5,000 |
| Terrorism, per occurrence/annual NJSBAIG aggregate | 1,000,000 | |
| Automobiles | | |
| Liability | | |
| Combined Single Limit for Bodily Injury and Personal Damage, per accident | 11,000,000 | |
| Symbol 6 Uninsured/Underinsured Motorists - Private Passenger Auto, combined single lin | 1,000,000 | |
| Symbol 6 Uninsured/Underinsured Motorists - All other vehicles | | |
| Bodily Injury per Person | 15,000 | |
| Bodily Injury per Accident | 30,000 | |
| Property Damage per Accident | 5,000 | |
| Symbol 5 Personal Injury Protection (including pedestrians) | 250,000 | |
| Medical Payments | | |
| Private Passenger Vehicles | 10,000 | |
| All other vehicles | 5,000 | |
| Terrorism, per occurrence/NJSBAIG annual aggregate | 1,000,000 | |
| Physical Damage (Scheduled vehicles only) | | |
| Symbol 7 Comprehensive | | 1,000 |
| Symbol 7 Collision | | 1,000 |
| Symbol 7 Hired Car Physical Damage, \$115,000 limit | | 1,000 |
| Symbol 7 Replacement Cost | | 1,000 |
| School Leaders Errors & Omissions Liability Policy | | |
| Coverage A | | |
| Limit of Liability, each policy period | 1,000,000 | |
| Deductible, each claim | | 5,000 |
| Coverage B, Limit of Liability | | |
| Each Claim | 100,000 | 5,000 |
| Each policy period | 300,000 | |
| Workers' Compensation and Employers' Liability Declarations | | |
| Estimated Professional and Clerical | 5,493,000 | |
| Estimated Non-Professional and Driver | 451,000 | |
| Limits | | |
| Bodily injury by accident, each accident | 2,000,000 | |
| Bodily injury by disease, each employee | 2,000,000 | |
| Bodily injury by disease, aggregate limit | 2,000,000 | |
| Coverage Provided By: Selective Insurance Company of America | | |
| Fidelity Bond | | |
| Treasurer of School Monies | 250,000 | |
| Board Secretary | 250,000 | |

(continued)

WEST LONG BRANCH SCHOOL DISTRICT
Insurance Schedule
June 30, 2016
Unaudited

| | Coverage | Deductible |
|---|-----------------|-------------------|
| Coverage provided by: Monumental Life Insurance Company | | |
| Student Accident Insurance, Benefit Blanket Coverage including Interscholastic Athletics Except Football | | |
| Maximum Benefit | \$ 500,000 | |
| Round the Clock Voluntary Student Coverage, excluding school sponsored athletics and activities | | |
| Maximum Benefit | 500,000 | |
| Coverage provided by: ACE American Insurance Company | | |
| Public/Education Entity Pollution Liability Insurance Policy | | |
| Limits of liability, per pollution condition | 2,000,000 | |
| Limits of liability, all pollution conditions | 11,000,000 | |
| Limits of liability, total policy aggregate | 11,000,000 | |
| | | \$ 10,000 |

Source: District records

SINGLE AUDIT SECTION

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.
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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
West Long Branch School District
County of Monmouth
West Long Branch, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the West Long Branch Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the West Long Branch Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated November 22, 2016.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the West Long Branch Board of Education, County of Monmouth, State of New Jersey's financial statements are free from material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

Licensed Public School Accountant

No. 322

Robert A. Hulsart and Company

Wall Township, New Jersey

November 22, 2016

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
 PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
 BY THE UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE
 FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
 of the Board of Education
 West Long Branch School District
 County of Monmouth
 West Long Branch, New Jersey

Report on Compliance for Each Major State Program

We have audited the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *U.S Office of Management and Budget (OMB) Compliance Supplement* and the *New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's major state programs for the year ended June 30, 2016. The Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey'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 the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey'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; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and U.S. 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 the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey'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 the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's compliance.

Opinion on Each Major State Program

In our opinion, the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's, 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.

Report on Internal Control Over Compliance

Management of the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey's 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 the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey'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 U.S. Uniform Guidance and New Jersey OMB 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 the Board of Education of the West Long Branch School District, County of Monmouth, State of New Jersey'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 a 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 was for the limited purposes 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

November 22, 2016

WEST LONG BRANCH SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Schedule A
K-3

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal C.F.D.A. Number | Grant Period | Program or Award Amount | Balance June 30, 2015 | Carryover (Walkover) Amount | Cash Received | Budgetary Expenditures | Repayment of Prior Years Balances | Adjustment | Balance at June 30, 2016 | | |
|--|-------------------------------|-------------------|-------------------------------|--------------------------|-----------------------------------|------------------|---------------------------|---|------------|--------------------------|---------------------|-------------------|
| | | | | | | | | | | (Accounts Receivable) | Deferred Revenue | Due to Grantor |
| U.S. Department of Agriculture | | | | | | | | | | | | |
| Passed Through State Department of Education: | | | | | | | | | | | | |
| National School Lunch Program | 10.555 | 9-1-15 to 6-30-16 | \$ 36,052 | \$ - | | 33,279 | (36,052) | | | | (2,773) | |
| National School Lunch Program | 10.555 | 9-1-14 to 6-30-15 | 30,868 | (3,063) | | 3,063 | | | | | | |
| National School HFFKA Lunch Program | 10.555 | 9-1-15 to 6-30-16 | 1,739 | | | 1,601 | (1,739) | | | | (138) | |
| National School HFFKA Lunch Program | 10.555 | 9-1-14 to 6-30-15 | 1,830 | (175) | | 175 | | | | | | |
| Food Distribution | 10.550 | 9-1-15 to 6-30-16 | 38,992 | | | 38,992 | (38,992) | | | | | |
| Total U.S. Department of Agriculture | | | | (3,238) | - | 77,110 | (76,783) | - | - | | (2,911) | - |
| U.S. Department of Education: | | | | | | | | | | | | |
| Passed Through State Department of Education: | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | |
| Title I | 84.010 | 7-1-14 to 6-30-15 | 44,386 | (12,155) | | 3,924 | | | | | (8,231) | |
| Title I | 84.010 | 7-1-15 to 6-30-16 | 64,239 | | | 52,908 | (53,405) | | | | (497) | |
| Title IIA | 84.367A | 7-1-15 to 6-30-16 | 13,849 | | | 4,976 | (13,383) | | | | (8,407) | |
| Title IIA | 84.367A | 7-1-14 to 6-30-15 | 19,174 | (2,186) | | 2,186 | | | | | | |
| I.D.E.A. Basic | 84.027 | 7-1-14 to 6-30-15 | 199,158 | (37,308) | | 8,523 | | | 4,540 | | (24,245) | |
| I.D.E.A. Basic | 84.027 | 7-1-15 to 6-30-16 | 212,923 | | | 165,609 | (205,153) | | | | (39,544) | |
| I.D.E.A. Preschool | 84.173 | 7-1-15 to 6-30-16 | 12,190 | | | 11,265 | (12,190) | | | | (925) | |
| I.D.E.A. Preschool | 84.173 | 9-1-14 to 6-30-15 | 11,825 | (404) | | 704 | (326) | | | | (26) | |
| Total Special Revenue Fund | | | | (52,053) | - | 250,095 | (284,457) | - | 4,540 | | (81,875) | - |
| Total U.S. Department of Education | | | | (52,053) | - | 250,095 | (284,457) | - | 4,540 | | (81,875) | - |
| Total Federal Financial Assistance | | | | \$ (55,291) | - | 327,205 | (361,240) | - | 4,540 | | (84,786) | - |

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

WEST LONG BRANCH SCHOOL DISTRICT

Schedule B
K-4

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| State Grantor/Program Title State Department of Education | Grant or State Project Number | Program or Award Amount | Grant Period From To | | Balance at June 30, 2015 | | | Cash Received | Budgetary Expenditures | Repayment of Prior Year Balances | Balance at June 30, 2016 | | | MEMO | |
|--|----------------------------------|----------------------------|-------------------------|------------|---|-------------------|------------------------------------|------------------|---------------------------|--|--------------------------|---------------------|----------------|-------------------------|-------------------------------------|
| | | | | | Deferred Revenue (Accounts Receivable) | Due To Grantor | Carryover/ (Walkover) Amount | | | | (Accounts Receivable) | Deferred Revenue | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| General Fund: | | | | | | | | | | | | | | | |
| Special Education Aid | 16-495-034-5120-089 | \$ 240,707 | 7-01-15 | to 6-30-16 | \$ - | | | 240,707 | (240,707) | | | | | (973) | 240,707 |
| Security Aid | 16-495-034-5120-084 | 10,616 | 7-01-15 | to 6-30-16 | | | | 10,616 | (10,616) | | | | | (43) | 10,616 |
| Transportation Aid | 16-495-034-5120-014 | 14,171 | 7-01-15 | to 6-30-16 | | | | 14,171 | (14,171) | | | | | (57) | 14,171 |
| Adjustment Aid | 16-495-034-5120-084 | 1 | 7-01-15 | to 6-30-16 | | | | 1 | (1) | | | | | | 1 |
| PARCC Readiness Aid | 16-495-034-5120-098 | 5,550 | 7-01-15 | to 6-30-16 | | | | 5,550 | (5,550) | | | | | (22) | 5,550 |
| Per Pupil Growth Aid | 16-495-034-5120-097 | 5,550 | 7-01-15 | to 6-30-16 | | | | 5,550 | (5,550) | | | | | (22) | 5,550 |
| Non-Public Transportation | 16-495-034-5129-014 | 9,236 | 7-01-15 | to 6-30-16 | | | | | (9,236) | | (9,236) | | | | 9,236 |
| Non-Public Transportation | 15-495-034-5120-014 | 3,022 | 7-01-14 | to 6-30-15 | (3,022) | | | 3,022 | | | | | | | |
| Extraordinary Aid | 16-495-034-5120-044 | 46,284 | 7-01-15 | to 6-30-16 | | | | | (46,284) | | (46,284) | | | | 46,284 |
| Extraordinary Aid | 15-495-034-5120-044 | 58,323 | 7-01-14 | to 6-30-15 | (58,323) | | | 58,323 | | | | | | | |
| Reimbursed TPAF Social Security Contributions | 16-495-034-5095-002 | 339,275 | 7-01-15 | to 6-30-16 | | | | 322,392 | (339,275) | | (16,883) | | | | 339,275 |
| Reimbursed TPAF Social Security Contributions | 15-495-034-5095-002 | 335,673 | 7-01-14 | to 6-30-15 | (16,751) | | | 16,751 | | | | | | | |
| Total General Fund | | | | | (78,096) | - | - | 677,083 | (671,390) | - | (72,403) | - | - | (1,117) | 671,390 |
| Special Revenue: | | | | | | | | | | | | | | | |
| N.J. Nonpublic Aid: | | | | | | | | | | | | | | | |
| Textbook Aid | 15-100-034-5120-064 | 20,615 | 7-01-14 | to 6-30-15 | 491 | | | | | (491) | | | | | |
| Textbook Aid | 16-100-034-5120-064 | 19,586 | 7-01-15 | to 6-30-16 | | | | 19,586 | (19,125) | | | | 461 | | 19,125 |
| Nursing Services | 15-100-034-5120-070 | 32,818 | 7-01-14 | to 6-30-15 | 657 | | | | | (657) | | | | | |
| Nursing Services | 16-100-034-5120-070 | 30,870 | 7-01-15 | to 6-30-16 | | | | 30,870 | (30,714) | | | | 156 | | 30,714 |
| Technology Aid | 15-100-034-5120-343 | 11,072 | 7-01-14 | to 6-30-15 | 8 | | | | | (8) | | | | | |
| Technology Aid | 16-100-034-5120-343 | 8,918 | 7-01-15 | to 6-30-16 | | | | 8,918 | (8,890) | | | | 28 | | 8,890 |
| Security Aid | 16-100-034-5120-084 | 10,350 | 7-01-15 | to 6-30-16 | | | | 10,350 | (10,190) | | | | 160 | | 10,190 |
| Home Instruction | 16-100-034-5120-067 | 1,419 | 7-01-15 | to 6-30-16 | | | | | (1,419) | | (1,419) | | | | 1,419 |
| Supplemental Instruction | 15-100-034-5120-066 | 40,020 | 7-01-14 | to 6-30-15 | 4,708 | | | | | (4,708) | | | | | |
| Supplemental Instruction | 16-100-034-5120-066 | 36,386 | 7-01-15 | to 6-30-16 | | | | 36,386 | (20,792) | | | | 15,594 | | 20,792 |
| Corrective Speech | 15-100-034-5120-066 | 37,107 | 7-01-14 | to 6-30-15 | 7,068 | | | | | (7,068) | | | | | |
| Corrective Speech | 16-100-034-5120-066 | 31,771 | 7-01-15 | to 6-30-16 | | | | 31,771 | (15,049) | | | | 16,722 | | 15,049 |
| Examination and Classification I | 15-100-034-5120-066 | 36,536 | 7-01-14 | to 6-30-15 | 15,118 | | | | | (15,118) | | | | | |
| Examination and Classification I | 16-100-034-5120-066 | 28,614 | 7-01-15 | to 6-30-16 | | | | 28,614 | (19,076) | | | | 9,538 | | 19,076 |
| Examination and Classification A | 16-100-034-5120-066 | 13,323 | 7-01-15 | to 6-30-16 | | | | 13,323 | (8,199) | | | | 5,124 | | 8,199 |
| Transportation | 16-100-034-5120-067 | 11,900 | 7-01-15 | to 6-30-16 | | | | 11,900 | (11,900) | | | | | | 11,900 |
| Compensatory Education | 15-100-034-5120-067 | 88,684 | 7-01-14 | to 6-30-15 | 38,519 | | | | | (38,519) | | | | | |
| Compensatory Education | 16-100-034-5120-067 | 61,760 | 7-01-15 | to 6-30-16 | | | | 61,760 | (50,762) | | | | 10,998 | | 50,762 |
| English as a Second Language | 16-100-034-5120-067 | 5,177 | 7-01-15 | to 6-30-16 | | | | 5,177 | (3,451) | | | | 1,726 | | 3,451 |
| English as a Second Language | 15-100-034-5120-067 | 5,481 | 7-01-14 | to 6-30-15 | 2,740 | | | | | (2,740) | | | | | |
| Total Special Revenue | | | | | 69,309 | - | - | 258,655 | (199,567) | (69,309) | (1,419) | - | 60,507 | - | 199,567 |
| State Department of Agriculture | | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | | |
| National School Lunch Program (State Share) | 15-100-010-3350-023 | 1,348 | 7-01-14 | to 6-30-15 | (130) | | | 130 | | | | | | | |
| National School Lunch Program (State Share) | 16-100-010-3350-023 | 1,356 | 7-01-15 | to 6-30-16 | | | | 1,252 | (1,356) | | (104) | | | | 1,356 |
| Total National School Lunch Program | | | | | (130) | - | - | 1,382 | (1,356) | - | (104) | - | - | - | 1,356 |
| Total State Financial Assistance | | | | | \$ (8,917) | - | - | 937,120 | (872,313) | (69,309) | (73,926) | - | 60,507 | (1,117) | 872,313 |

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

BOARD OF EDUCATION

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WEST LONG BRANCH SCHOOL DISTRICT**NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2016****NOTE 1: GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, West Long Branch School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund which are presented using the accrual basis of accounting. Programs recorded in the food service fund include the Special Milk Program. These bases of accounting are described in Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as presented on the following page:

NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Food Service</u> | <u>Total</u> |
|---|---------------------|-------------------------------------|-------------------------|------------------|
| <u>State Assistance</u> | | | | |
| Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance | \$ 671,390 | 199,567 | 1,356 | 872,313 |
| Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized | | | | |
| On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance | 743,103 | | | 743,103 |
| The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33) | <u>22,693</u> | _____ | _____ | <u>22,693</u> |
| Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances | <u>\$ 1,437,186</u> | <u>199,567</u> | <u>1,356</u> | <u>1,638,109</u> |

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Food Service</u> | <u>Total</u> |
|--|---------------------|-------------------------------------|-------------------------|----------------|
| <u>Federal Assistance</u> | | | | |
| Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards | \$ | 284,457 | 76,783 | 361,240 |
| Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized | _____ | <u>4,618</u> | _____ | <u>4,618</u> |
| Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances | \$ _____ | <u>289,075</u> | <u>76,783</u> | <u>365,858</u> |

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

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.

WEST LONG BRANCH SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part 1 - Summary of Auditor's Results

Financial Statement Section

Unmodified

Type of auditor's report issued:

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes x No

2) Reportable conditions(s) identified that are not considered to be material weaknesses?

_____ Yes x

Noncompliance material to general purpose financial statements noted?

_____ Yes x No

WEST LONG BRANCH SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2016*Part 2 - Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

WEST LONG BRANCH SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2016*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by CFR 200 and Section 516 of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for federal awards and NJ OMB Circular Letter 15-08.

FEDERAL AWARDS - N/ASTATE AWARDS

Finding: NONE

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

WEST LONG BRANCH SCHOOL DISTRICT**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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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, Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08.

Prior Audit Findings:

None