

**LONG BEACH ISLAND CONSOLIDATED
SCHOOL DISTRICT**

Surf City, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

SURF CITY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by

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

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INTRODUCTORY SECTION

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Long Beach Island Consolidated School District



Barnegat Light

Harvey Cedars

Surf City

Ship Bottom

Long Beach Township

Riding the Waves of Excellence

ETHEL A. JACOBSEN SCHOOL

Frank Birney, Principal/CST Supervisor
200 S. Barnegat Avenue
Surf City, New Jersey 08008
Phone: (609) 494-2341
Fax: (609) 494-2921
Email: fbirney@lbi.k12.nj.us

LONG BEACH ISLAND GRADE SCHOOL

Peter J. Kopack, Ed.D, Superintendent
201 20th Street
Ship Bottom, New Jersey 08008
Phone: (609) 494-8851
Fax: (609) 494-8035
Email: pkopack@lbi.k12.nj.us

September 27, 2017

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Long Beach Island Consolidated School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Long Beach Island Consolidated School District. 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, 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 district as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Long Beach Island Consolidated School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular as well as special education for children with special needs. The School District’s enrollment for the past ten fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	225	-3.85%
2015-2016	234	0.86%
2014-2015	232	-2.52%
2013-2014	238	-4.42%
2012-2013	249	5.06%
2011-2012	237	-0.42%
2010-2011	238	4.85%
2009-2010	227	-9.20%
2008-2009	250	-1.57%
2007-2008	254	1.00%

ECONOMIC CONDITION AND OUTLOOK

The Long Beach Island Consolidated School District consists of both large and small summer and year round residences. The island’s economy is largely based on tourism, service providers and fishing.

MAJOR INITIATIVES

The Long Beach Island Consolidated School District continues to focus on the goals and objective of the Long Range Facilities Plan. Currently the plan largely is focused on the consolidation of the two schools into one and the construction of an addition to the Ethel A. Jacobsen School to facilitate the housing of all district students. A special voter referendum was held to request authorization for the Board to issue bonds to fund this project and the referendum was defeated. The District is currently evaluating its options going forward.

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

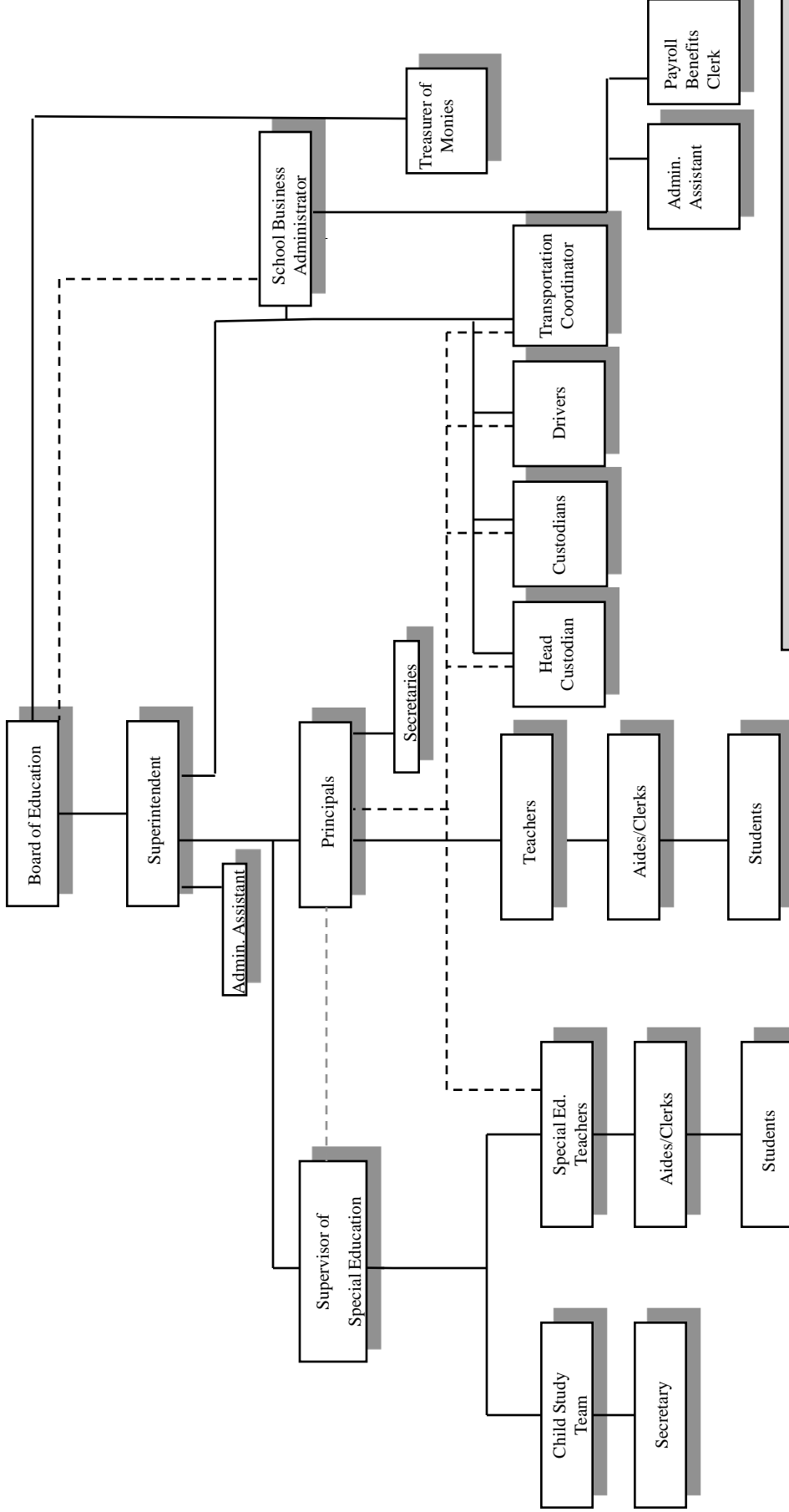


Superintendent



School Business Administrator/Board Secretary

LONG BEACH ISLAND SCHOOL DISTRICT



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

Long Beach Island Consolidated School District
Surf City, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2017

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
James Donahower, President	2019
Jennifer Bott, Vice President	2017
Thomas Beaty	2018
Georgene Hartmann	2017
Allyn Kain	2017
Bonnie Picaro	2019
Kristy Raber	2018
Colette Southwick	2018
Marilyn Wasilewski	2019

OTHER OFFICIALS

Peter J. Kopack, Ed.D, Superintendent

Megan Gally, School Business Administrator/Board Secretary

Mary A. Conroy, Treasurer

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

ATTORNEY

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

AUDIT FIRM

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

CONSULTING ENGINEER

Dicaro Rubino Architects
30 Galesi Drive
Wayne, New Jersey 07470

OFFICIAL DEPOSITORY

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

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FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Long Beach Island Consolidated School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Long Beach Island Consolidated School District, County of Ocean, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Correction of an Error

As discussed in Note 20 to the financial statements, during the fiscal year ended June 30, 2017 the District determined that the capital asset balance recorded in the prior period was not accurate. The District has corrected these with a prior period adjustment to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were 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 other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2017 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey
September 27, 2017

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

As management of the Long Beach Island Consolidated School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2017 and 2016.

Table 1
Summary of Net Position

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 2,740,500	\$ 2,246,187	\$ 494,313	22%
Capital Assets, Net	4,068,324	4,209,980	(141,656)	-3%
Total Assets	<u>6,808,824</u>	<u>6,456,167</u>	<u>352,657</u>	5%
Deferred Outflow of Resources	<u>678,080</u>	<u>239,106</u>	<u>438,974</u>	184%
Current & Other Liabilities	582,196	503,430	78,766	16%
Noncurrent Liabilities	<u>2,417,066</u>	<u>1,990,806</u>	<u>426,260</u>	21%
Total Liabilities	<u>2,999,262</u>	<u>2,494,236</u>	<u>505,026</u>	20%
Deferred Inflow of Resources	<u>294,960</u>	<u>293,587</u>	<u>1,373</u>	0%
Net Position:				
Net Investment in Capital Assets	4,068,324	4,209,980	(141,656)	-3%
Restricted	1,681,854	1,503,748	178,106	12%
Unrestricted (Deficit)	<u>(1,557,496)</u>	<u>(1,806,278)</u>	<u>248,782</u>	-14%
Total Net Position	<u>\$ 4,192,682</u>	<u>\$ 3,907,450</u>	<u>\$ 285,232</u>	7%

Table 2 reflects the changes in net position for fiscal years 2017 and 2016.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Financial Analysis of the School District as a Whole (continued)

Table 2
Summary of Changes in Net Position

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Operating Grants & Contributions	\$ 1,961,774	\$ 1,365,665	\$ 596,109	44%
General Revenues:				
Property Taxes	5,874,781	5,073,482	801,299	16%
Federal & State Aid	742,688	986,455	(243,767)	-25%
Other General Revenues	203,462	133,963	69,499	52%
Total Revenues	<u>8,782,705</u>	<u>7,559,565</u>	1,223,140	16%
Function/Program Expenses:				
Regular Instruction	2,145,662	2,319,580	(173,918)	-7%
Special Education Instruction	565,118	290,035	275,083	95%
Other Instruction	70,995	158,088	(87,093)	-55%
Tuition	10,897	99,458	(88,561)	-89%
Student & Instruction Related Services	824,740	828,203	(3,463)	0%
School Administrative Services	64,263	74,689	(10,426)	-14%
General Administrative	160,555	195,449	(34,894)	-18%
Plant Operations & Maintenance	732,667	1,054,151	(321,484)	-30%
Pupil Transportation	424,677	336,659	88,018	26%
Business & Other Support Services	138,741	123,432	15,309	12%
Unallocated Benefits	3,016,838	2,344,675	672,163	29%
Transfer to Food Service	55,500	55,500	-	0%
Unallocated Depreciation	231,013	308,465	(77,452)	-25%
Food Service	55,807	55,246	561	1%
Total Expenses	<u>8,497,473</u>	<u>8,243,630</u>	253,843	3%
Extraordinary Items:				
Loss Contingency	-	492,174	(492,174)	-100%
Change In Net Position	285,232	(1,176,239)	1,461,471	-124%
Net Position - Beginning	3,907,450	5,083,689	(1,176,239)	-23%
Net Position - Ending	<u>\$ 4,192,682</u>	<u>\$ 3,907,450</u>	<u>\$ 285,232</u>	7%

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Governmental Activities

Governmental activities increased the net position of the School District by \$285,536 during the current fiscal year.

Business-type Activities

Business-type activities have unrestricted net position of \$782 which may be used to meet the School District's ongoing obligations of the enterprise-related activities.

Business Type activities decreased the School District's net position by \$304.

General Fund Budgeting Highlights

Final budgeted revenues were \$6,651,997, which was equal to the original budget. Final budgeted appropriations was \$7,077,633, which was an increase of \$225,661 from the original budget. The difference is prior year reserve for encumbrances and approved withdrawals from the Capital Reserve.

Financial Analysis of the Government's Funds

Governmental Funds - At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$2,243,522, an increase of \$501,851 in comparison with the prior year.

Proprietary Funds - At the end of the current fiscal year, the School District's proprietary funds reported a combined ending fund balance of \$782, a decrease of \$304 in comparison with the prior year.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2017, totaled \$4,068,324 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$141,656. This decrease is primarily due to the current year depreciation expense. Table 3 reflects the capital assets.

Table 3
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation)</u>	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>
Land	\$ 256,183	\$ 256,183
Building and Improvements	3,457,681	3,578,770
Equipment	354,460	375,027
	<u>\$ 4,068,324</u>	<u>\$ 4,209,980</u>

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2017
(Unaudited)

Capital Assets (continued)

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current and prior fiscal years, the School District did not have any bonded debt outstanding.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Factors on the School District's Future

The following factors were considered and incorporated into the preparation of the School District's budget for the 2017-18 fiscal year:

The School District's plan for consolidation of its two schools into one school is incorporated in the 2017-18 budget. A September referendum is scheduled to ask the voters for authorization to issue bonds for the construction of an addition to the Ethel Jacobsen School to accommodate the consolidation. Budgeted in the 2017-18 year are monies for pre-referendum professional services.

Upon a successful referendum the School District will prepare for the bidding of the project. At the same time the School District will continue negotiations for the sale of the Long Beach Island Grade School. Upon sale of the property the proceeds will be utilized in repayment of short term notes or deposited into the Debt Service Fund for repayment of debt.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Megan Gally, School Business Administrator/Board Secretary at the Long Beach Island Consolidated School District, 201 20th Street, Ship Bottom, NJ 08008.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL JUNE 30, 2017
Cash & Cash Equivalents	\$ 1,653,013	\$ 1,367	\$ 1,654,380
Receivables, Net (Note 4)	246,062	-	246,062
Restricted Cash & Cash Equivalents	840,058	-	840,058
Capital Assets, Net (Note 5):			
Non-Depreciable	256,183	-	256,183
Depreciable	3,812,141	-	3,812,141
Total Assets	6,807,457	1,367	6,808,824
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	678,080	-	678,080
Total Deferred Outflow of Resources	678,080	-	678,080
Total Assets & Deferred Outflow of Resources	7,485,537	1,367	7,486,904
LIABILITIES			
Accounts Payable	3,387	585	3,972
Due to Other Governments	578,174	-	578,174
Unearned Revenue	50	-	50
Noncurrent Liabilities (Note 7):			
Due Within One Year	-	-	-
Due Beyond One Year	2,417,066	-	2,417,066
Total Liabilities	2,998,677	585	2,999,262
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	294,960	-	294,960
Total Deferred Inflow of Resources	294,960	-	294,960
Total Liabilities & Deferred Inflow of Resources	3,293,637	585	3,294,222
NET POSITION			
Net Investment in Capital Assets	4,068,324	-	4,068,324
Restricted For:			
Capital Projects	1,000,423	-	1,000,423
Other Purposes	680,649	-	680,649
Unrestricted Net Position/(Deficit)	(1,557,496)	782	(1,556,714)
Total Net Position	\$ 4,191,900	\$ 782	\$ 4,192,682

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	JUNE 30, 2017	
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 2,145,662	\$ -	-	\$ (2,145,662)	\$ -	\$ (2,145,662)	
Special Education Instruction	565,118	-	149,116	(416,002)	-	(416,002)	
Other Instruction	70,995	-	-	(70,995)	-	(70,995)	
Support Services:							
Tuition Charges	10,897	-	-	(10,897)	-	(10,897)	
Student & Instruction Related Services	824,740	-	11,762	(812,978)	-	(812,978)	
School Administrative Services	64,263	-	-	(64,263)	-	(64,263)	
General Administrative Services	160,555	-	-	(160,555)	-	(160,555)	
Plant Operations & Maintenance	732,667	-	-	(732,667)	-	(732,667)	
Pupil Transportation	424,677	-	-	(424,677)	-	(424,677)	
Business & Other Support Services	138,741	-	-	(138,741)	-	(138,741)	
Unallocated Employee Benefits	3,016,838	-	1,745,396	(1,271,442)	-	(1,271,442)	
Transfer to Food Service	55,500	-	-	(55,500)	-	(55,500)	
Unallocated Depreciation	231,013	-	-	(231,013)	-	(231,013)	
Total Governmental Activities	8,441,666	-	1,906,274	(6,535,392)	-	(6,535,392)	
Business-Type Activities:							
Food Service	55,807	-	55,500	-	(307)	(307)	
Total Business-Type Activities	55,807	-	55,500	-	(307)	(307)	

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Total Primary Government	\$ 8,497,473	\$ -	\$ 1,961,774	(6,535,392)	(307)	(6,535,699)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				5,874,781	-	5,874,781
Federal & State Aid Restricted				14,362	-	14,362
Federal & State Aid Not Restricted				728,326	-	728,326
Investment Earnings				3,798	3	3,801
Tuition Charges				109,457	-	109,457
Miscellaneous Income				90,204	-	90,204
Total General Revenues				6,820,928	3	6,820,931
Change In Net Position				285,536	(304)	285,232
Net Position - Beginning (Restated - See Note 20)				3,906,364	1,086	3,907,450
Net Position - Ending				\$ 4,191,900	\$ 782	\$ 4,192,682

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

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B. Fund Financial Statements

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Governmental Funds

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL JUNE 30, 2017
ASSETS				
Cash & Cash Equivalents	\$ 1,508,322	\$ -	\$ 149,057	\$ 1,657,379
Tax Levy Receivable	134,395	-	-	134,395
Receivable, Net	-	2,336	-	2,336
Due from Other Funds	86,319	2,863	-	89,182
Receivables from Other Governments	11,704	-	97,627	109,331
Restricted Cash & Cash Equivalents	840,058	-	-	840,058
Total Assets	\$ 2,580,798	\$ 5,199	\$ 246,684	\$ 2,832,681
LIABILITIES & FUND BALANCES				
Liabilities:				
Cash Overdraft	\$ -	\$ 4,366	\$ -	\$ 4,366
Accounts Payable	2,604	783	-	3,387
Due to Other Funds	2,863	-	86,319	89,182
Payable to Other Governments	492,174	-	-	492,174
Unearned Revenue	-	50	-	50
Total Liabilities	497,641	5,199	86,319	589,159
Fund Balances:				
Restricted for:				
Capital Reserve	840,058	-	-	840,058
Maintenance Reserve	433,102	-	-	433,102
Emergency Reserve	50,000	-	-	50,000
Excess Surplus - Current Year	197,547	-	-	197,547
Capital Projects	-	-	160,365	160,365
Assigned for:				
Designated for Subsequent Year's Expenditures	302,436	-	-	302,436
Other Purposes	78,357	-	-	78,357
Unassigned Fund Balance	181,657	-	-	181,657
Total Fund Balances	2,083,157	-	160,365	2,243,522
Total Liabilities & Fund Balances	\$ 2,580,798	\$ 5,199	\$ 246,684	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$9,488,515 and the accumulated depreciation is \$5,420,191.				4,068,324
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.				383,120
Accrued pension contributions for the June 30, 2017 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.				(86,000)
Long-term liabilities, including net pension payable and compensated absences payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds.				(2,417,066)
Net position of Governmental Activities				\$ 4,191,900

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	<u>TOTAL</u> JUNE 30, 2017
Revenues:				
Local Sources:				
Local Tax Levy	\$ 5,874,781	\$ -	\$ -	\$ 5,874,781
Tuition	109,457	-	-	109,457
Interest on Investments	3,798	-	-	3,798
Miscellaneous	90,204	-	-	90,204
Total Local Sources	<u>6,078,240</u>	-	-	<u>6,078,240</u>
State Sources	1,435,485	-	14,362	1,449,847
Federal Sources	-	160,878	-	160,878
Total Revenues	<u>7,513,725</u>	<u>160,878</u>	<u>14,362</u>	<u>7,688,965</u>
Expenditures:				
Current Expense:				
Regular Instruction	2,145,662	-	-	2,145,662
Special Education Instruction	416,002	149,116	-	565,118
Other Special Instruction	70,995	-	-	70,995
Support Services:				
Tuition	10,897	-	-	10,897
Student & Instruction Related Services	812,978	11,762	-	824,740
School Administrative Services	64,263	-	-	64,263
General Administrative	160,555	-	-	160,555
Plant Operations & Maintenance	732,667	-	-	732,667
Pupil Transportation	343,837	-	-	343,837
Central Services	138,741	-	-	138,741
Employee Benefits	1,903,942	-	-	1,903,942
Capital Outlay	134,291	-	35,906	170,197
Total Expenditures	<u>6,934,830</u>	<u>160,878</u>	<u>35,906</u>	<u>7,131,614</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>578,895</u>	-	<u>(21,544)</u>	<u>557,351</u>
Other Financing Sources/(Uses):				
Transfers to Food Service Fund	<u>(55,500)</u>	-	-	<u>(55,500)</u>
Total Other Financing Sources/(Uses)	<u>(55,500)</u>	-	-	<u>(55,500)</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/ (Under) Expenditures & Other Financing Uses	523,395	-	(21,544)	501,851
Fund Balances, July 1	<u>1,559,762</u>	-	<u>181,909</u>	<u>1,741,671</u>
Fund Balances June 30	<u>\$ 2,083,157</u>	<u>\$ -</u>	<u>\$ 160,365</u>	<u>\$ 2,243,522</u>

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 501,851

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	\$ (231,013)	
Capital Outlays	<u>89,357</u>	(141,656)

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

State Share of Unfunded TPAF Pension Expense	(1,038,237)	
State Share of Unfunded TPAF Pension Contributions	1,038,237	
District PERS Pension Contributions	67,304	
Pension Expense	<u>(137,714)</u>	(70,410)

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

Prior Year	169,027	
Current Year	<u>(173,276)</u>	(4,249)

Change in Net Position of Governmental Activities \$ 285,536

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Proprietary Funds

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
ASSETS	FOOD SERVICE	JUNE 30, 2017	
Current Assets:			
Cash & Cash Equivalents	\$ 1,367	\$	1,367
Total Current Assets	1,367		1,367
Total Assets	1,367		1,367
LIABILITIES			
Accounts Payable	585		585
Total Liabilities	585		585
NET POSITION			
Unrestricted Net Position	782		782
Total Net Position	\$ 782	\$	782

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL
	FOOD SERVICE		JUNE 30, 2017
Operating Expenses:			
Purchased Services	\$ 55,807		\$ 55,807
Total Operating Expenses	55,807		55,807
Operating Income/(Loss)	(55,807)		(55,807)
Nonoperating Revenues:			
Operating Transfers In	55,500		55,500
Interest Income	3		3
Total Nonoperating Revenues	55,503		55,503
Net Income	(304)		(304)
Net Position - July 1	1,086		1,086
Net Position - June 30	\$ 782		\$ 782

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES -	
	ENTERPRISE FUNDS	TOTAL
	FOOD SERVICE	JUNE 30, 2017
Cash Flows From Operating Activities:		
Payments to Vendors	\$ (56,085)	\$ (56,085)
Net Cash Flows From Operating Activities	(56,085)	(56,085)
Cash Flows From Capital & Related Financing Activities:		
Transfer of Funds	55,500	55,500
Net Cash Flows From Capital & Related Financing Activities	55,500	55,500
Cash Flows From Investing Activities:		
Interest & Dividends	3	3
Net Cash Flows From Investing Activities	3	3
Net Change in Cash & Cash Equivalents	(582)	(582)
Balances - Beginning of Year	1,949	1,949
Balances - Ending of Year	\$ 1,367	\$ 1,367
Reconciliation of Operating Income to Net Cash Flows From Operating Activities:		
Operating Income	\$ (55,807)	\$ (55,807)
Adjustments to Reconcile Operating Income to Cash Flows From Operating Activities:		
Increase/(Decrease) in Accounts Payable	(278)	(278)
Total Adjustments	(278)	(278)
Net Cash Flows From Operating Activities	\$ (56,085)	\$ (56,085)

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

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Fiduciary Fund

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EXHIBIT B-7

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

	<u>PRIVATE PURPOSE UNEMPLOYMENT TRUST</u>	AGENCY FUNDS	<u>TOTAL JUNE 30, 2017</u>
ASSETS			
Cash & Cash Equivalents	\$ 8,743	\$ 17,776	\$ 26,519
Total Assets	<u>8,743</u>	<u>17,776</u>	<u>26,519</u>
LIABILITIES			
Payroll Deductions & Withholdings	<u>-</u>	<u>17,776</u>	<u>17,776</u>
Total Liabilities	<u>-</u>	<u>17,776</u>	<u>17,776</u>
NET POSITION			
Held in Trust for Unemployment & Other Purposes	<u>8,743</u>	<u>-</u>	<u>8,743</u>
Total Net Position	<u>\$ 8,743</u>	<u>\$ -</u>	<u>\$ 8,743</u>

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>PRIVATE PURPOSE UNEMPLOYMENT FUND</u>	<u>TOTAL JUNE 30, 2017</u>
ADDITIONS		
Contributions:		
Employee Contributions	\$ 4,361	\$ 4,361
Total Contributions	<u>4,361</u>	<u>4,361</u>
Investment Earnings:		
Interest - Checking	<u>8</u>	<u>8</u>
Net Investment Earnings	<u>8</u>	<u>8</u>
Total Additions	<u>4,369</u>	<u>4,369</u>
DEDUCTIONS		
Claims Paid	<u>596</u>	<u>596</u>
Total Deductions	<u>596</u>	<u>596</u>
Change in Net Position	3,773	3,773
Net Position - Beginning of the Year	<u>4,970</u>	<u>4,970</u>
Net Position - End of the Year	<u>\$ 8,743</u>	<u>\$ 8,743</u>

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Long Beach Island Consolidated School District (hereafter referred to as the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Long Beach Island Consolidated School District School District is a Type II School District located in the County of Ocean, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members' terms expire each year. The purpose of the School District is to educate students in grades kindergarten through sixth at its two schools. The School District has an approximate enrollment at June 30, 2017 of 220 students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

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

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

Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*. The School District had no component units as of for the year ended June 30, 2017.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

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

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

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

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies (continued)

Governmental Fund Financial Statements (continued)

Revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The School District reports the following major governmental funds:

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

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Governmental Fund Financial Statements (continued)

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

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Proprietary Fund Financial Statements

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

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

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

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies (continued)

Fiduciary Fund Financial Statements

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

The School District reports the following fiduciary funds:

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

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

Agency Funds - Agency funds (payroll) are assets held by a governmental entity either as trustee or as an agent for other parties and cannot be used to finance the governmental entities own operating programs.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Budgets/Budgetary Control (continued)

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

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

Encumbrances

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Investments (continued)

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents

Tuition Receivable

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

Tuition Payable

Tuition rates for June 30, 2017 were established by the School District based on rates established by the receiving district. The charges are subject to adjustment when the actual costs are determined.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

Compensated Absences

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Estimates

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

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

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

Net Position

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Net Position (continued)

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2017:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The adoption of this Statement had no impact on the School District's financial statements

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. The adoption of this Statement had no impact on the School District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of this Statement had no impact on the School District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued)

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

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

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

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

Statement No. 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued)

Statement No. 85, *Omnibus 2017*. This Statement provides guidance that addresses several different accounting and financial reporting issues identified during the implementation and application of other GASB pronouncements. The guidance in Statement No. 85 is effective for periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 86, *Accounting for Certain Debt Extinguishment*. Statement No. 86 provides guidance for transactions in which cash and other monetary assets acquired with only existing resources, that is, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. Statement No. 86 is effective for reporting periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the School District's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2017, the School District's bank balance of \$2,296,683 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 2,296,683
Uninsured and Uncollateralized	<u>-</u>
	<u>\$ 2,296,683</u>

Investments

The School District had no investments at June 30, 2017.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 2. Deposits and Investments

Investments (continued)

Fair Value Measurement - The School District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. Investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

The School District does not hold any investments that are measured using Level 1, Level 2 or Level 3 inputs.

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

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

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

Concentration of Credit Risk - The School District places no limit in the amount the School District may invest in any one issuer

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District by inclusion of \$75,000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 3. Reserve Accounts (continued)

Capital Reserve (continued)

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$	938,737
Increased by:		
Interest Earnings		1,321
Deposits approved by Board		100,000
Decreased by:		
Budget Withdrawals		<u>(200,000)</u>
Ending Balance, June 30, 2017	\$	<u>840,058</u>

The June 30, 2017 LRFP balance of local support costs of uncompleted capital projects at June 30, 2017 is \$18,353,411. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the School District's Long Rang Facilities Plan.

Maintenance Reserve

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$	333,102
Increased by:		
Deposits approved by Board		300,000
Decreased by:		
Budget Withdrawals		<u>(200,000)</u>
Ending Balance, June 30, 2017	\$	<u>433,102</u>

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 3. Reserve Accounts (continued)

Emergency Reserve

An emergency reserve account was established by inclusion of \$50,000 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The activity of the emergency reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Balance, June 30, 2017 and 2016	<u><u>\$ 50,000</u></u>
---------------------------------	-------------------------

Note 4. Accounts Receivable

Accounts receivable at June 30, 2017 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2017, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>				<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
State Awards	\$ 11,704	\$ -	\$ 97,627	\$ 109,331	\$ -	\$ -
Other	134,395	2,336	-	136,731	-	-
Total	<u><u>\$ 146,099</u></u>	<u><u>\$ 2,336</u></u>	<u><u>\$ 97,627</u></u>	<u><u>\$ 246,062</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2017 was as follows:

	Balance (Restated) <u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2017</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 256,183	\$ -	\$ -	\$ 256,183
Total Capital Assets not being depreciated	<u>256,183</u>	<u>-</u>	<u>-</u>	<u>256,183</u>
Capital Assets being depreciated:				
Land Improvements	2,938,271	-	-	2,938,271
Buildings and Improvements	4,428,214	35,906	-	4,464,120
Equipment	1,791,208	53,451	(14,718)	1,829,941
Total Capital Assets being depreciated	<u>9,157,693</u>	<u>89,357</u>	<u>(14,718)</u>	<u>9,232,332</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(3,787,715)	(156,995)	-	(3,944,710)
Equipment	(1,416,181)	(74,018)	14,718	(1,475,481)
Total Accumulated Depreciation	<u>(5,203,896)</u>	<u>(231,013)</u>	<u>14,718</u>	<u>(5,420,191)</u>
Total Capital Assets being depreciated, net	<u>3,953,797</u>	<u>(141,656)</u>	<u>-</u>	<u>3,812,141</u>
Total Governmental Activities Capital Assets, net	<u>\$ 4,209,980</u>	<u>\$ (141,656)</u>	<u>\$ -</u>	<u>\$ 4,068,324</u>

The District had no capital assets for Business-Type Activities for the year ended June 30, 2017.

Depreciation expense was not allocated among the various functions/programs of the School District.

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2017 are as follows:

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 6. Interfund Receivables, Payables and Transfers (continued)

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

A summary of interfund transfers is as follows:

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

The purpose of the interfund transfer was to fund operations in the Food Service Fund.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2017 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 169,027	\$ 4,249	\$ -	\$ 173,276	\$ -
Net Pension Liability	<u>1,821,779</u>	<u>422,011</u>	<u>-</u>	<u>2,243,790</u>	<u>-</u>
	<u>\$ 1,990,806</u>	<u>\$ 426,260</u>	<u>\$ -</u>	<u>\$ 2,417,066</u>	<u>\$ -</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

Bonds Authorized but not Issued

As of June 30, 2017, the School District had no bonds authorized but not issued.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued)

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

Payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2017, the School District reported a liability of \$2,243,790 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The School District's proportion measured as of June 30, 2016, was .0075759885%, which was a decrease of .0005395656% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized full accrual pension expense of \$137,711 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date. At June 30, 2017 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 41,728	\$ -
Changes of Assumptions	464,794	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	85,558	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	294,960
School District contributions subsequent to measurement date	86,000	
	\$ 678,080	\$ 294,960

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued)

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

\$86,000 was reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,			
2018	\$	59,272	
2019		59,272	
2020		84,877	
2021		79,828	
2022		13,871	
		<u>13,871</u>	
	\$	<u>297,120</u>	

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	-
June 30, 2015	5.00	-
June 30, 2016	5.00	-

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued)

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

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for the 2016, 2015, and 2014 amounts, respectively.

Actuarial Assumptions – The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2016, calculated using the discount rate of 3.98% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued)

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

	At 1% Decrease <u>(2.98%)</u>	At Current Discount Rate <u>(3.98%)</u>	At 1% Increase <u>(4.98%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 2,749,503	\$ 2,243,790	\$ 1,826,281

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Collective Deferred Outflows of Resources	\$ 7,815,204,785	\$ 2,946,265,815
Collective Deferred Inflows of Resources	\$ -	\$ 360,920,604
Collective Net Pension Liability	\$ 29,617,131,759	\$ 22,447,996,119
 School District's portion	 0.00758%	 0.00812%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued)

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2016 was \$17,565,685. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State proportionate share of the TPAF net pension liability attributable to the School District was .0022329345%, which a decrease of .0001814044% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$1,319,817 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued)

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

Actuarial Assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount Rate - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 3.22% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued)

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

	At 1% Decrease <u>(2.22%)</u>	At Current Discount Rate <u>(3.22%)</u>	At 1% Increase <u>(4.22%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>\$ 20,977,353</u>	<u>\$ 17,565,685</u>	<u>\$ 14,779,617</u>

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

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2017, employee contributions totaled \$11,721, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$6,393.

Note 9. State Post-Retirement Medical 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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2017, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$281,580, \$234,619 and \$612, respectively.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 11. Risk Management

The School 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.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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 School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 4,361	\$ -	\$ 8	\$ 596	\$ 8,743
2015-2016	16,843	-	5	17,261	4,970
2014-2015	12,807	-	2	7,445	5,383

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

Joint Insurance Pool – The School District also participates in the School Alliance Insurance Fund (SAIF) and, public entity risk pool. The Pool provides its members with the following coverage:

Property – Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers’ Compensation
School Board Legal Liability	Excess Liability
Employers Liability	Comprehensive Crime Coverage

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2017 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 12. Contingencies (continued)

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

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

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Life
AXA Equitable

Note 14. Compensated Absences

The School 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.

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2017, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$173,276 and \$0, respectively.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Commitments

The School District has contractual commitments at June 30, 2017 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$78,357.

There was \$160,365 of contractual commitments at June 30, 2017 to vendors related to the ongoing construction projects in the capital projects fund that is reported as part of the fund balance restricted for capital projects.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 was \$197,547.

Note 18. Fund Balances

General Fund – Of the \$2,083,157 General Fund fund balance at June 30, 2017, \$840,058 has been restricted for the Capital Reserve Account; \$433,102 has been restricted for the Maintenance Reserve Account; \$50,000 has been restricted for the Emergency Reserve Account; \$197,547 has been restricted for current year excess surplus; \$78,357 has been assigned to other purposes; \$302,436 has been assigned and included as anticipated revenue for the year ending June 30, 2018; and \$181,657 has been unassigned.

Capital Projects Fund – Of the \$160,365 Capital Projects Fund fund balance at June 30, 2017, \$160,365 is restricted for future capital projects approved by the School District.

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED JUNE 30, 2017**

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$1,557,496 at June 30, 2017. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2017.

Note 20. Prior Period Adjustment/Restatement of Net Position

Correction of an Error - In the fiscal year ended June 30, 2017, the School District determined that the capital asset balance recorded in the prior period was not accurate. The District had an independent appraisal performed and adjustment of the prior year balances is required per the independent appraisal report. This caused the School District’s prior year net position to be understated by \$2,200,861 as of June 30, 2016, resulting in an understatement of capital assets, and net investment in capital assets for the same amount. The District has corrected this by restating the balances for the fiscal year ended June 30, 2016 as follows:

	Original Balance	Net Adjustment	Restated Balance
Capital Assets, Net	\$ 2,009,119	\$ 2,200,861	\$ 4,209,980
Net Investment in Capital Assets	2,009,119	2,200,861	4,209,980

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 5,874,781	\$ -	\$ 5,874,781	\$ 5,874,781	\$ -
Tuition from Individuals	10-1310	50,000	-	50,000	86,114	36,114
Tuition from Other Sources	10-1340	-	-	-	23,343	23,343
Interest on Investments	10-1510	-	-	-	2,477	2,477
Interest Earned on Capital Reserve	10-1510	-	-	-	1,321	1,321
Miscellaneous	10-1990	1,025	-	1,025	90,204	89,179
Total Local Sources		5,925,806	-	5,925,806	6,078,240	152,434
State Sources:						
School Choice Aid	10-3116	507,129	-	507,129	507,129	-
Categorical Transportation Aid	10-3121	69,509	-	69,509	69,509	-
Categorical Special Education Aid	10-3132	119,508	-	119,508	119,508	-
Categorical Security Aid	10-3177	23,425	-	23,425	23,425	-
Non-Public Transportation Aid	10-3121	-	-	-	2,436	2,436
PARCC Readiness Aid	10-3190	2,250	-	2,250	2,250	-
Per Pupil Growth Aid	10-3191	2,250	-	2,250	2,250	-
Professional Learning Community Aid	10-3183	2,120	-	2,120	2,120	-
On-Behalf TPAF Pension Contribution (Nonbudgeted):						
Normal Cost		-	-	-	281,580	281,580
Post-Retirement Medical		-	-	-	234,619	234,619
Long-Term Disability Insurance		-	-	-	612	612
Reimbursed TPAF Social Security (Nonbudgeted)		-	-	-	190,348	190,348
Total State Sources		726,191	-	726,191	1,435,786	709,595
Total Revenues		6,651,997	-	6,651,997	7,514,026	862,029
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Preschool - Salaries of Teachers	11-105-100-101	95,011	270	95,281	95,277	4
Kindergarten - Salaries of Teachers	11-110-100-101	228,091	(37,900)	190,191	190,162	29
Grades 1-5 - Salaries of Teachers	11-120-100-101	1,327,000	(78,847)	1,248,153	1,187,974	60,179
Grade 6 - Salaries of Teachers	11-130-100-101	364,490	(61,958)	302,532	302,532	-
Home Instruction - Regular Programs:						
Salaries of Teachers	11-150-100-101	2,000	-	2,000	-	2,000
Other Salaries for Instruction	11-190-100-106	30,000	7,895	37,895	37,244	651
Purchased Technical Services	11-190-100-340	60,000	3,640	63,640	61,230	2,410
Other Purchased Services - (400-500 Series)	11-190-100-500	47,000	-	47,000	37,272	9,728
General Supplies	11-190-100-610	187,000	(24,409)	162,591	146,420	16,171
Textbooks	11-190-100-640	80,000	-	80,000	79,937	63
Other Objects	11-190-100-800	10,000	-	10,000	7,614	2,386
Total Regular Programs		2,430,592	(191,309)	2,239,283	2,145,662	93,621
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	-	56,254	56,254	56,254	-
Total Multiple Disabilities		-	56,254	56,254	56,254	-

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Resource Room/Resource Center						
Salaries of Teachers	11-213-100-101	237,211	122,600	359,811	359,350	461
General Supplies	11-213-100-610	500	-	500	398	102
Total Resource Room/Resource Center		237,711	122,600	360,311	359,748	563
Homebound Instruction:						
Salaries of Teachers	11-219-100-101	2,000	-	2,000	-	2,000
Total Homebound Instruction		2,000	-	2,000	-	2,000
Total Special Education		239,711	178,854	418,565	416,002	2,563
Other Instructional Programs:						
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	183,234	(89,700)	93,534	70,551	22,983
General Supplies	11-230-100-610	500	-	500	444	56
Total Basic Skills/Remedial Instruction		183,734	(89,700)	94,034	70,995	23,039
Bilingual Education - Instruction:						
General Supplies	11-240-100-610	250	-	250	-	250
Total Bilingual Education - Instruction		250	-	250	-	250
Total - Instruction		2,854,287	(102,155)	2,752,132	2,632,659	119,473
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs						
Within the State - Special	11-000-100-562	102,000	(15,000)	87,000	10,897	76,103
Total Instruction		102,000	(15,000)	87,000	10,897	76,103
Attendance/Social Work:						
Salaries	11-000-211-100	34,690	7,022	41,712	40,210	1,502
Purchased Professional & Technical Services	11-000-211-300	500	-	500	400	100
Total Attendance/Social Work		35,190	7,022	42,212	40,610	1,602
Health Services:						
Salaries	11-000-213-100	161,053	(3,300)	157,753	157,623	130
Purchased Professional & Technical Services	11-000-213-300	1,000	-	1,000	350	650
Supplies and Materials	11-000-213-600	2,200	-	2,200	1,977	223
Total Health Services		164,253	(3,300)	160,953	159,950	1,003
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	90,933	(800)	90,133	89,569	564
Purchased Professional & Educational Services	11-000-216-320	106,304	175	106,479	90,310	16,169
Total Other Support Services - Students - Related Services		197,237	(625)	196,612	179,879	16,733

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Students - Extraordinary Services:						
Salaries	11-000-217-100	116,846	16,700	133,546	130,119	3,427
Total Other Support Services - Students - Extraordinary Services		116,846	16,700	133,546	130,119	3,427
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	77,615	1,500	79,115	77,194	1,921
Supplies and Materials	11-000-218-600	3,000	(730)	2,270	1,947	323
Total Other Support Services - Students - Regular		80,615	770	81,385	79,141	2,244
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	65,681	12,630	78,311	78,308	3
Salaries of Secretarial & Clerical Assistants	11-000-219-105	16,312	2,590	18,902	18,893	9
Other Purchased Professional & Technical Services	11-000-219-390	38,000	-	38,000	-	38,000
Other Objects	11-000-219-800	14,000	750	14,750	1,713	13,037
Total Other Support Services - Students - Special Services		133,993	15,970	149,963	98,914	51,049
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	30,000	16,075	46,075	42,601	3,474
Salaries of Secretarial & Clerical Assistants	11-000-221-105	41,103	8,365	49,468	46,737	2,731
Supplies & Materials	11-000-221-600	25,000	-	25,000	22,337	2,663
Total Improvement of Instruction Services		96,103	24,440	120,543	111,675	8,868
Educational Media Services/School Library:						
Supplies and Materials	11-000-222-600	5,900	-	5,900	5,112	788
Total Educational Media Services/School Library		5,900	-	5,900	5,112	788
Instructional Staff Training Services:						
Other Purchased Professional - Educational Services	11-000-223-320	5,000	-	5,000	-	5,000
Other Purchased Services - (400-500 Series)	11-000-223-500	13,500	10,000	23,500	7,578	15,922
Total Instructional Staff Training Services		18,500	10,000	28,500	7,578	20,922
Support Services General Administration:						
Salaries	11-000-230-100	30,000	(5,630)	24,370	23,062	1,308
Salaries of Secretarial & Clerical Assistants	11-000-230-105	25,015	(5,337)	19,678	18,446	1,232
Other Salaries	11-000-230-110	4,800	90	4,890	4,760	130
Legal Services	11-000-230-331	50,000	31,998	81,998	63,441	18,557
Audit Fees	11-000-230-332	14,000	8,000	22,000	22,000	-
Other Purchased Professional Services	11-000-230-339	5,000	-	5,000	3,559	1,441
Communications/Telephone	11-000-230-530	5,000	-	5,000	2,217	2,783
Other Purchased Services - (400-500)	11-000-230-590	17,000	765	17,765	12,518	5,247
General Supplies	11-000-230-610	1,000	-	1,000	1,000	-
BOE In-House Training/Meeting Supplies	11-000-230-630	2,500	(100)	2,400	1,112	1,288
Miscellaneous	11-000-230-890	4,950	-	4,950	4,378	572
BOE Membership Dues & Fees	11-000-230-895	4,000	100	4,100	4,062	38
Total Support Services General Administrator		163,265	29,886	193,151	160,555	32,596

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	74,570	(19,800)	54,770	54,060	710
Salaries of Secretarial & Clerical Assistants	11-000-240-105	4,988	300	5,288	5,114	174
Other Purchased Services - (400-500 Series)	11-000-240-500	150	-	150	-	150
Supplies and Materials	11-000-240-600	3,500	-	3,500	3,295	205
Other Objects	11-000-240-800	1,800	-	1,800	1,794	6
Total Support Services School Administration		85,008	(19,500)	65,508	64,263	1,245
Central Services:						
Salaries	11-000-251-100	127,000	(2,137)	124,863	122,472	2,391
Purchased Professional Services	11-000-251-330	15,000	-	15,000	15,000	-
Supplies & Materials	11-000-251-600	1,650	-	1,650	794	856
Miscellaneous Expenditures	11-000-251-890	600	-	600	475	125
Total Central Services		144,250	(2,137)	142,113	138,741	3,372
Administrative Information Technology:						
Other Purchased Services	11-000-252-500	1,500	-	1,500	-	1,500
Total Administrative Information Technology		1,500	-	1,500	-	1,500
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	38,322	1,527	39,849	39,845	4
Cleaning, Repair & Maintenance Services	11-000-261-420	154,178	(41,064)	113,114	72,080	41,034
General Supplies	11-000-261-610	7,500	-	7,500	4,382	3,118
Subtotal Required Maintenance for School Facilities		200,000	(39,537)	160,463	116,307	44,156
Custodial Services:						
Salaries	11-000-262-100	280,000	4,450	284,450	275,750	8,700
Purchased Professional & Technical Service	11-000-262-300	5,000	-	5,000	2,900	2,100
Cleaning, Repair & Maintenance Service	11-000-262-420	31,822	5,328	37,150	25,354	11,796
Other Purchased Property Service	11-000-262-490	4,000	-	4,000	2,885	1,115
Insurance	11-000-262-520	77,000	6,600	83,600	83,580	20
General Supplies	11-000-262-610	60,000	(5,000)	55,000	40,346	14,654
Energy (Natural Gas)	11-000-262-621	70,000	-	70,000	46,443	23,557
Energy (Electricity)	11-000-262-622	160,000	-	160,000	139,102	20,898
Total Custodial Services		687,822	11,378	699,200	616,360	82,840
Total Operations & Maintenance of Plant		887,822	(28,159)	859,663	732,667	126,996
Student Transportation Services:						
Salaries of Non-Instructional Aids	11-000-270-107	-	26,325	26,325	13,316	13,009
Salaries for Pupil Transportation - (Between Home & School - Regular Students)	11-000-270-160	140,000	(25,700)	114,300	95,890	18,410
Salaries for Pupil Transportation - (Between Home & School - Special Ed Students)	11-000-270-161	60,343	33,845	94,188	87,654	6,534
Cleaning, Repair & Maintenance Service	11-000-270-420	45,000	45,093	90,093	90,093	-
Contracted Services (Between Home & School)-Joint Agree.	11-000-270-513	20,000	-	20,000	12,405	7,595
Contracted Services (Special Ed Students) - Joint Agreements	11-000-270-515	40,000	(15,000)	25,000	-	25,000
Miscellaneous Purchased Services - Transportation	11-000-270-593	19,000	-	19,000	19,000	-
General Supplies	11-000-270-610	40,000	418	40,418	25,479	14,939

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Student Transportation Services		364,343	64,981	429,324	343,837	85,487
Unallocated Benefits - Employee Benefits						
Social Security Contributions	11-000-291-220	90,000	-	90,000	86,621	3,379
Other Retirement Contributions -						
Regular	11-000-291-241	86,000	-	86,000	77,749	8,251
Unemployment Compensation	11-000-291-250	16,000	(6,000)	10,000	-	10,000
Workman's Compensation	11-000-291-260	58,000	-	58,000	57,409	591
Health Benefits	11-000-291-270	950,000	-	950,000	907,139	42,861
Other Employee Benefits	11-000-291-290	50,000	18,855	68,855	67,865	990
Total Unallocated Benefits - Employee Benefits		1,250,000	12,855	1,262,855	1,196,783	66,072
Nonbudgeted:						
On-Behalf TPAF Pension Contribution:						
Normal Cost		-	-	-	281,580	(281,580)
Post-Retirement Medical		-	-	-	234,619	(234,619)
Long-Term Disability		-	-	-	612	(612)
Reimbursed TPAF Social Security Contributions		-	-	-	190,348	(190,348)
Total On-Behalf Contributions		-	-	-	707,159	(707,159)
Total Personal Services - Employee Benefits		1,250,000	12,855	1,262,855	1,903,942	(641,087)
Undistributed Expenditures - Food Service:						
Transfers to Cover Deficit (Enterprise)	11-000-310-930	56,000	-	56,000	55,500	500
Total Undistributed Expenditures - Food Service		56,000	-	56,000	55,500	500
Total Undistributed Expenditures		3,902,825	113,903	4,016,728	4,223,380	(206,652)
Total Expenditures - Current Expense		6,757,112	11,748	6,768,860	6,856,039	(87,179)
Capital Outlay:						
Equipment:						
School Buses - Regular	12-000-270-733	85,000	-	85,000	-	85,000
Total Equipment		85,000	-	85,000	-	85,000
Facilities Acquisition & Construction Services						
Legal Services	12-000-400-331	-	88,002	88,002	44,617	43,385
Architectural/Engineering Services	12-000-400-334	-	125,000	125,000	79,928	45,072
Other Objects	12-000-400-800	-	886	886	886	-
Assessment on SDA Projects	12-000-400-896	8,860	-	8,860	8,860	-
Capital Reserve Transfer to Capital Projects	12-000-400-931	1,000	25	1,025	-	1,025
Total Facilities Acquisition & Construction Services:		9,860	213,913	223,773	134,291	89,482
Total Capital Outlay		94,860	213,913	308,773	134,291	174,482
Total Expenditures		6,851,972	225,661	7,077,633	6,990,330	87,303

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures	(199,975)	(225,661)	(425,636)	523,696	949,332
Fund Balances, July 1	1,630,240	-	1,630,240	1,630,240	-
Fund Balances, June 30	<u>\$ 1,430,265</u>	<u>\$ (225,661)</u>	<u>\$ 1,204,604</u>	<u>\$ 2,153,936</u>	<u>\$ 949,332</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Roll-Over Encumbrances	\$ 55,965
Cancellation of Prior Year Roll-Over Encumbrances	(30,304)
Budgeted Increase from Capital Reserve	<u>200,000</u>
Total Budget Transfers	<u>\$ 225,661</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 840,058
Maintenance Reserve	433,102
Emergency Reserve	50,000
Excess Surplus	197,547
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	302,436
Year-End Encumbrances	78,357
Unassigned Fund Balance	<u>252,436</u>
Subtotal	2,153,936
Reconciliation to Governmental Funds Statements (GAAP)	
Reconciliation of State Aid Payments For GAAP to Budgetary Basis & Other Adjustments	<u>(70,779)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 2,083,157</u>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	JUNE 30, 2017				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
Federal Sources	\$ 146,462	\$ 7,835	\$ 154,297	\$ 154,297	\$ -
Total Revenues	146,462	7,835	154,297	154,297	-
EXPENDITURES:					
Instruction:					
Salaries of Teachers	58,413	17,561	75,974	75,974	-
Tuition	25,900	36,442	62,342	62,342	-
Other Purchased Services (400-500 Series)	36,588	(36,588)	-	-	-
General Supplies	-	4,219	4,219	4,219	-
Total Instruction	120,901	21,634	142,535	142,535	-
Support Services:					
Other Purchased Services	17,561	(13,789)	3,772	3,772	-
Supplies & Materials	8,000	(10)	7,990	7,990	-
Total Support Services	25,561	(13,799)	11,762	11,762	-
Total Outflows	146,462	7,835	154,297	154,297	-
Excess/(Deficiency) of Revenues Over/ Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 7,514,026	\$ 154,297
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	6,620
Current Year	-	(39)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	70,478	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(70,779)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 7,513,725</u>	<u>\$ 160,878</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,990,330	\$ 154,297
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	6,581
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	(55,500)	-
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 6,934,830</u>	<u>\$ 160,878</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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

	2017	2016	2015	2014
District's proportion of the net pension liability	0.00758%	0.00812%	0.00918%	0.00990%
District's proportionate share of the net pension liability	\$ 2,243,790	\$ 1,821,779	\$ 1,718,756	\$ 1,892,582
District's covered payroll	\$ 594,879	\$ 568,052	\$ 556,608	\$ 508,849
District's proportionate share of the net pension liability as a percentage of its covered payroll	377.18%	320.71%	308.79%	371.93%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's contractually required contribution	\$ 67,304	\$ 69,772	\$ 75,679	\$ 74,614
Contributions in relation to the contractually required contribution	<u>67,304</u>	<u>69,772</u>	<u>75,679</u>	<u>74,614</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	594,879	568,052	556,608	508,849
Contributions as a percentage of covered payroll	11.31%	12.28%	13.60%	14.66%

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

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

	2017	2016	2015	2014
School District's proportion of the net pension liability	0.000%	0.000%	0.000%	0.000%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	17,565,685	15,259,653	13,932,794	12,423,479
	<u>\$ 17,565,685</u>	<u>\$ 15,259,653</u>	<u>\$ 13,932,794</u>	<u>\$ 12,423,479</u>
School District's covered payroll	\$ 2,676,546	\$ 2,503,541	\$ 2,507,532	\$ 2,172,604
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of June 30, 2016.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.90 % as of June 30, 2015, to 3.98% as of June 30, 2016.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	IDEA PART-B	IDEA PRESCHOOL	TITLE I PART A
Revenues:			
Federal Sources	\$ 70,332	\$ 4,219	\$ 75,974
Total Revenues	<u>\$ 70,332</u>	<u>\$ 4,219</u>	<u>\$ 75,974</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ -	\$ -	\$ 75,974
Tuition	62,342	-	-
General Supplies	-	4,219	-
Total Instruction	<u>62,342</u>	<u>4,219</u>	<u>75,974</u>
Support Services:			
Other Purchased Services	-	-	-
Supplies & Materials	7,990	-	-
Total Support Services	<u>7,990</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>\$ 70,332</u>	<u>\$ 4,219</u>	<u>\$ 75,974</u>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	TITLE II PART A	TOTAL
Revenues:		
Federal Sources	\$ 3,772	\$ 154,297
	<hr/>	<hr/>
Total Revenues	\$ 3,772	\$ 154,297
	<hr/> <hr/>	<hr/> <hr/>
Expenditures:		
Instruction:		
Salaries of Teachers	\$ -	\$ 75,974
Tuition	-	62,342
General Supplies	-	4,219
	<hr/>	<hr/>
Total Instruction	-	142,535
	<hr/>	<hr/>
Support Services:		
Other Purchased Services	3,772	3,772
Supplies & Materials	-	7,990
	<hr/>	<hr/>
Total Support Services	3,772	11,762
	<hr/>	<hr/>
Total Outflows	\$ 3,772	\$ 154,297
	<hr/> <hr/>	<hr/> <hr/>

F. Capital Projects Fund

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**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUNDS
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

PROJECT TITLE/ISSUE	DATE	ORIGINAL APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE 2017
			PRIOR YEARS	CURRENT YEARS	
Ethel Jacobson School Roof	6/17/2014	\$ 866,886	\$ 738,670	-	\$ 128,216
Ethel Jacobson School Exterior Door	6/17/2014	172,697	116,277	-	56,420
Ethel Jacobson School Remove and Replace Security System	6/17/2014	119,350	112,233	-	7,117
Long Beach Island Elementary New Security System	6/17/2014	172,550	95,929	35,906	40,715
		<u>\$ 1,331,483</u>	<u>\$ 1,063,109</u>	<u>\$ 35,906</u>	<u>\$ 232,468</u>

Reconciliation of Fund Balance, June 30, 2017

Unexpended Project Balances, June 30, 2017	\$ 232,468
Less:	
Unrecognized ROD Grants	<u>(39,981)</u>
Total Fund Balance (Budgetary Basis) - June 30, 2017	<u>192,487</u>
Less:	
Unexpended State Aid - ROD Grants	<u>(32,122)</u>
Total Fund Balance (GAAP Basis) - June 30, 2017	<u>\$ 160,365</u>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2017**

Expenditures:	
Construction Services	<u>\$ 35,906</u>
Total Expenditures	<u> 35,906</u>
Excess/(Deficiency) of Revenues & Other Financing	
Sources Over/(Under) Expenditures & Other	
Financing Uses	(35,906)
Fund Balance - Beginning	<u>228,393</u>
Fund Balance - Ending	<u><u>\$ 192,487</u></u>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
ETHEL JACOBSON ROOF REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

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

ADDITIONAL PROJECT INFORMATION

Project Number	2760-020-13-3001
Grant Number	G5-5683
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 866,886
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 866,886
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	85.21%
Original Target Completion Date	9/1/2015
Revised Target Completion Date	09/01/16

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
ETHEL JACOBSON EXTERIOR DOOR
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - EDA Grant	\$ 69,079	\$ -	\$ 69,079	\$ 69,079
Transfer from Capital Reserve	103,618	-	103,618	103,618
Total Revenues	172,697	-	172,697	172,697
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	5,994	-	5,994	5,994
Construction Services	110,283	-	110,283	166,703
Total Expenditures	116,277	-	116,277	172,697
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 56,420	\$ -	\$ 56,420	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	2760-020-14-1005
Grant Number	G5-5685
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 172,697
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 172,697
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	67.33%
Original Target Completion Date	9/1/2015
Revised Target Completion Date	09/01/16

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
ETHEL JACOBSON REMOVE AND REPLACE SECURITY SYSTEM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

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

ADDITIONAL PROJECT INFORMATION

Project Number	2760-020-13-3003
Grant Number	G5-5684
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 119,350
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 119,350
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	94.04%
Original Target Completion Date	9/1/2015
Revised Target Completion Date	09/01/16

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
LONG BEACH ISLAND ELEMENTARY SCHOOL NEW SECURITY SYSTEM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - EDA Grant	\$ 69,020	\$ -	\$ 69,020	\$ 69,020
Transfer from Capital Reserve	103,530	-	103,530	103,530
Total Revenues	172,550	-	172,550	172,550
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	9,708	-	9,708	9,708
Construction Services	86,221	35,906	122,127	162,842
Total Expenditures	95,929	35,906	131,835	172,550
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 76,621	\$ (35,906)	\$ 40,715	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	2760-050-14-1004
Grant Number	G5-5686
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 172,550
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 172,550
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	76.40%
Original Target Completion Date	9/1/2015
Revised Target Completion Date	09/01/17

G. Proprietary Funds

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Enterprise Funds

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**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2017**

ASSETS	FOOD SERVICE	2017
Current Assets:		
Cash & Cash Equivalents	\$ 1,367	\$ 1,367
Total Current Assets	1,367	1,367
Total Assets	1,367	1,367
LIABILITIES		
Accounts Payable	585	585
Total Liabilities	585	585
NET POSITION		
Unrestricted Net Position	782	782
Total Net Position	\$ 782	\$ 782

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	FOOD SERVICE	2017
Operating Expenses:		
Purchased Services	\$ 55,807	\$ 55,807
	<hr/>	<hr/>
Total Operating Expenses	55,807	55,807
	<hr/>	<hr/>
Operating Income/(Loss)	(55,807)	(55,807)
	<hr/>	<hr/>
Nonoperating Revenues:		
Operating Transfers In	55,500	55,500
Interest Income	3	3
	<hr/>	<hr/>
Total Nonoperating Revenues	55,503	55,503
	<hr/>	<hr/>
Net Income	(304)	(304)
Net Position - July 1	1,086	1,086
	<hr/>	<hr/>
Net Position - June 30	\$ 782	\$ 782
	<hr/> <hr/>	<hr/> <hr/>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	FOOD SERVICE	2017
Cash Flows From Operating Activities:		
Payments to Vendors	\$ (56,085)	\$ (56,085)
	<u>(56,085)</u>	<u>(56,085)</u>
Net Cash Flows From Operating Activities		
Cash Flows From Capital & Related Financing Activities:		
Transfer of Funds	55,500	55,500
	<u>55,500</u>	<u>55,500</u>
Net Cash Flows From Capital & Related Financing Activities		
Cash Flows From Investing Activities:		
Interest & Dividends	3	3
	<u>3</u>	<u>3</u>
Net Cash Flows From Investing Activities		
Net Change in Cash & Cash Equivalents	(582)	(582)
Balances - Beginning of Year	1,949	1,949
	<u>1,367</u>	<u>1,367</u>
Balances - Ending of Year	\$ 1,367	\$ 1,367

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

Operating Income	\$ (55,807)	\$ (55,807)
Adjustments to Reconcile Operating Income to Cash Flows From Operating Activities:		
Increase/(Decrease) in Accounts Payable	(278)	(278)
	<u>(278)</u>	<u>(278)</u>
Total Adjustments	(278)	(278)
Net Cash Flows From Operating Activities	\$ (56,085)	\$ (56,085)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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EXHIBIT H-1

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

ASSETS	PRIVATE PURPOSE	<u>AGENCY FUNDS</u>		2017	2016
	UNEMPLOYMENT COMPENSATION TRUST	PAYROLL			
Cash & Cash Equivalents	\$ 8,743	\$ 17,776		\$ 26,519	\$ 40,263
Total Assets	8,743	17,776		26,519	40,263
LIABILITIES					
Payroll Deductions & Withholdings	-	17,776		17,776	35,293
Total Liabilities	-	17,776		17,776	35,293
NET POSITION					
Reserved for: Unemployment Claims & Other Purposes	8,743	-		8,743	4,970
Total Net Position	\$ 8,743	\$ -		\$ 8,743	\$ 4,970

EXHIBIT H-2
LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2017

ADDITIONS	<u>PRIVATE PURPOSE</u> <u>UNEMPLOYMENT</u> FUND	2017	2016
Contributions:			
Employee Contributions	\$ 4,361	\$ 4,361	\$ 16,843
Total Contributions	<u>4,361</u>	<u>4,361</u>	<u>16,843</u>
Investment Earnings:			
Interest - Checking	<u>8</u>	<u>8</u>	<u>5</u>
Net Investment Earnings	<u>8</u>	<u>8</u>	<u>5</u>
Total Additions	<u>4,369</u>	<u>4,369</u>	<u>16,848</u>
DEDUCTIONS			
Claims Paid	<u>596</u>	<u>596</u>	<u>17,261</u>
Total Deductions	<u>596</u>	<u>596</u>	<u>17,261</u>
Change in Net Position	3,773	3,773	(413)
Net Position - Beginning of the Year	<u>4,970</u>	<u>4,970</u>	<u>5,383</u>
Net Position - End of the Year	<u>\$ 8,743</u>	<u>\$ 8,743</u>	<u>\$ 4,970</u>

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ASSETS	BALANCE JULY 1, 2016	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2017
Cash & Cash Equivalents	\$ 35,293	\$ 6,678,843	\$ 6,696,360	\$ 17,776
Total Assets	<u>\$ 35,293</u>	<u>\$ 6,678,843</u>	<u>\$ 6,696,360</u>	<u>\$ 17,776</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 35,293	\$ 6,678,843	\$ 6,696,360	\$ 17,776
Total Liabilities	<u>\$ 35,293</u>	<u>\$ 6,678,843</u>	<u>\$ 6,696,360</u>	<u>\$ 17,776</u>

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Net Investment in Capital Assets	\$ 4,068,324	\$ 2,009,119	\$ 2,078,286	\$ 1,550,473	\$ 1,807,238	\$ 2,076,930	\$ 2,289,822	\$ 2,170,028	\$ 2,369,049	\$ 2,467,803
Restricted	1,681,072	1,503,748	2,742,979	1,929,694	2,053,326	1,487,879	1,052,916	1,279,162	1,316,419	956,433
Unrestricted	(1,557,496)	(1,807,364)	(1,939,265)	114,699	(19,130)	52,773	92,772	483,007	(60,306)	315,914
Total Governmental Activities Net Position	\$ 4,191,900	\$ 1,705,503	\$ 2,882,000	\$ 3,594,866	\$ 3,841,434	\$ 3,617,582	\$ 3,435,510	\$ 3,932,197	\$ 3,625,162	\$ 3,740,150
Business-Type Activities:										
Unrestricted	\$ 782	\$ 1,086	\$ 828	\$ 1,144	\$ 4,858	\$ 20,314	\$ 29,081	\$ 53,600	\$ 18,928	\$ 16,871
Total Business-Type Activities Net Position	\$ 782	\$ 1,086	\$ 828	\$ 1,144	\$ 4,858	\$ 20,314	\$ 29,081	\$ 53,600	\$ 18,928	\$ 16,871
Government-Wide:										
Net Investment in Capital Assets	\$ 4,068,324	\$ 2,009,119	\$ 2,078,286	\$ 1,550,473	\$ 1,807,238	\$ 2,076,930	\$ 2,289,822	\$ 2,170,028	\$ 2,369,049	\$ 2,467,803
Restricted	1,681,072	1,503,748	2,742,979	1,929,694	2,053,326	1,487,879	1,052,916	1,279,162	1,316,419	956,433
Unrestricted	(1,556,714)	(1,806,278)	(1,938,437)	115,843	(14,272)	73,087	121,853	536,607	(41,378)	332,785
Total Government-Wide Net Position	\$ 4,192,682	\$ 1,706,589	\$ 2,882,828	\$ 3,596,010	\$ 3,846,292	\$ 3,637,896	\$ 3,464,591	\$ 3,985,797	\$ 3,644,090	\$ 3,757,021

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 2,145,662	\$ 2,319,580	\$ 2,207,260	\$ 2,226,534	\$ 2,145,361	\$ 1,987,966	\$ 2,080,187	\$ 2,139,593	\$ 2,200,928	\$ 2,083,045
Special Education	565,118	290,035	128,832	96,709	141,166	204,556	211,936	212,344	138,342	334,240
Other Special Education	70,995	158,088	89,259	83,175	108,371	123,611	119,173	119,173	124,018	111,584
Support Services:										
Tuition	10,897	99,458	10,970	52,979	103,928	72,164	43,160	43,160	106,111	64,185
Student & Instruction Related Services	824,740	828,203	155,024	106,051	148,179	152,764	139,554	140,366	231,961	203,493
General Administrative Services	160,555	195,449	79,832	81,661	108,662	103,610	91,508	91,509	115,850	104,617
Central Services	64,263	74,689	194,795	204,159	150,167	179,597	139,070	134,429	151,480	165,741
Business Administrative Services	138,741	123,432	173,693	118,953	76,643	77,181	97,055	96,771	116,052	107,923
Plant Operations & Maintenance	732,667	1,054,151	1,191,865	1,102,151	1,194,230	925,042	1,036,585	921,784	1,097,514	1,191,297
Administrative Information Technology	-	-	316,334	-	-	-	-	-	-	-
Pupil Transportation	424,677	336,659	690,731	328,325	370,660	285,832	282,393	243,843	271,816	277,851
Other Support Services	-	-	519,745	665,861	568,485	622,310	460,924	452,778	464,323	424,039
Special Schools	55,500	55,500	-	-	-	-	-	-	-	-
Unallocated Employee Benefits	3,016,838	2,344,675	1,118,983	1,601,160	1,800,104	1,653,480	1,499,538	1,179,249	1,136,914	1,114,666
Unallocated Depreciation	231,013	308,465	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	8,441,666	8,188,384	6,877,323	6,667,718	6,915,956	6,388,113	6,201,083	5,774,999	6,155,309	6,182,681
Business-Type Activities:										
Food Service	55,807	55,246	40,147	31,717	33,166	8,767	24,853	210,791	202,210	197,893
Total Business-Type Activities Expense	55,807	55,246	40,147	31,717	33,166	8,767	24,853	210,791	202,210	197,893
Total Government-Wide Expenses	\$ 8,497,473	\$ 8,243,630	\$ 6,917,470	\$ 6,699,435	\$ 6,949,122	\$ 6,396,880	\$ 6,225,936	\$ 5,985,790	\$ 6,357,519	\$ 6,380,574
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 1,906,274	\$ 1,310,165	\$ 519,745	\$ 480,840	\$ 518,000	\$ 526,126	\$ 366,337	\$ -	\$ 389,435	\$ 633,565
Total Governmental Activities Program Revenues	1,906,274	1,310,165	519,745	480,840	518,000	526,126	366,337	-	389,435	633,565

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-Type Activities:										
Charges for Services	-	-	-	-	-	-	-	52,432	49,663	45,140
Operating Grants & Contributions	55,500	55,500	39,828	27,996	17,686	-	-	193,031	154,604	162,971
Total Business-Type Activities Program Revenues	55,500	55,500	39,828	27,996	17,686	-	-	245,463	204,267	208,111
Total Government-Wide Program Revenues	\$ 1,961,774	\$ 1,365,665	\$ 559,573	\$ 508,836	\$ 535,686	\$ 526,126	\$ 366,337	\$ 245,463	\$ 593,702	\$ 841,676
Net (Expense)/Revenue:										
Governmental Activities	\$ (6,535,392)	\$ (6,878,219)	\$ (6,357,578)	\$ (6,186,878)	\$ (6,397,956)	\$ (5,861,987)	\$ (5,834,746)	\$ (5,774,999)	\$ (5,765,874)	\$ (5,549,116)
Business-Type Activities	(307)	254	(319)	(3,721)	(15,480)	(8,767)	(24,853)	34,672	2,057	10,218
Total Government-Wide Net Expense	\$ (6,535,699)	\$ (6,877,965)	\$ (6,357,897)	\$ (6,190,599)	\$ (6,413,436)	\$ (5,870,754)	\$ (5,859,599)	\$ (5,740,327)	\$ (5,763,817)	\$ (5,538,898)
General Revenues:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 5,874,781	\$ 5,073,482	\$ 5,754,105	\$ 5,641,280	\$ 5,530,670	\$ 5,422,226	\$ 5,250,925	\$ 5,250,925	\$ 5,483,732	\$ 5,324,012
Grants & Contributions	742,688	986,455	1,200,876	758,399	586,919	441,032	413,523	185,850	488,696	499,189
Payments in Lieu of Taxes	-	-	-	-	448,324	105,241	137,600	194,373	120,644	134,098
Tuition Received	109,457	93,980	81,892	50,436	35,537	21,606	42,950	42,950	18,399	1,000
Investment Earnings	3,798	2,695	3,222	3,351	4,381	1,288	11,397	-	40,272	80,939
Miscellaneous Income	90,204	37,284	70,272	48,479	33,687	52,666	33,842	26,048	8,619	11,772
Transfers/Cancellations	-	-	(39,828)	(27,996)	(17,686)	-	-	381,888	(120,041)	(137,448)
Total Governmental Activities	6,820,928	6,193,896	7,070,539	6,473,949	6,621,832	6,044,059	5,890,237	6,082,034	6,040,321	5,913,562
Business-Type Activities:										
Investment Earnings	3	4	3	7	-	-	-	-	-	-
Total Business-Type Activities	3	4	3	7	-	-	-	-	-	-
Total Government-Wide	\$ 6,820,931	\$ 6,193,900	\$ 7,070,542	\$ 6,473,956	\$ 6,621,832	\$ 6,044,059	\$ 5,890,237	\$ 6,082,034	\$ 6,040,321	\$ 5,913,562
Extraordinary Items:										
Governmental Activities:										
Extraordinary Items - Loss Contingency	-	(492,174)	-	-	-	-	-	-	-	-
Total Governmental Activities	-	(492,174)	-	-	-	-	-	-	-	-
Total Government-Wide	\$ -	\$ (492,174)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position:										
Governmental Activities	\$ 285,536	\$ (1,176,497)	\$ 712,961	\$ 287,071	\$ 223,876	\$ 182,072	\$ 55,491	\$ 307,035	\$ 274,447	\$ 364,446
Business-Type Activities	(304)	258	(316)	(3,714)	(15,480)	(8,767)	(24,853)	34,672	2,057	10,218
Total Government-Wide	\$ 285,232	\$ (1,176,239)	\$ 712,645	\$ 283,357	\$ 208,396	\$ 173,305	\$ 30,638	\$ 341,707	\$ 276,504	\$ 374,664

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Restricted/Reserved	\$ 1,520,707	1,321,839	1,907,918	2,579,228	2,053,326	1,422,269	878,007	906,057	1,266,419	1,257,155
Committed	-	55,965	-	-	-	-	-	-	-	-
Assigned	380,793	-	-	-	-	-	-	-	-	-
Unassigned/Unreserved	181,657	181,958	180,242	196,042	194,708	187,445	244,056	174,693	225,423	229,683
Total General Fund	\$ 2,083,157	\$ 1,559,762	\$ 2,088,160	\$ 2,775,270	\$ 2,248,034	\$ 1,609,714	\$ 1,122,063	\$ 1,080,750	\$ 1,491,842	\$ 1,486,838
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (722)	\$ (722)
Capital Projects Fund	160,365	181,909	333,745	(30,353)	-	-	174,909	373,105	-	-
Total All Other Governmental Funds	\$ 160,365	\$ 181,909	\$ 333,745	\$ (30,353)	\$ -	\$ -	\$ 174,909	\$ 373,105	\$ (722)	\$ (722)

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

	FISCAL YEAR ENDED JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Tax Levy	\$ 5,874,781	\$ 5,073,482	\$ 5,754,105	\$ 5,641,280	\$ 5,530,670	\$ 5,422,226	\$ 5,250,925	\$ 5,250,925	\$ 5,483,732	\$ 5,324,012
Tuition Charge	109,457	93,980	81,892	50,436	35,537	21,606	42,950	42,950	18,399	1,000
Interest Earnings	3,798	2,695	3,222	3,351	4,357	1,288	11,063	-	40,272	80,939
Miscellaneous	90,204	37,284	70,272	48,479	33,687	52,666	33,842	34,879	12,405	11,772
State Sources	1,449,847	1,376,113	1,588,895	1,125,965	1,104,953	950,403	786,734	188,976	878,853	1,147,187
Federal Sources	160,878	167,545	131,726	97,158	145,515	121,996	130,726	191,247	119,922	119,665
Total Revenue	7,688,965	6,751,099	7,630,112	6,966,669	6,854,719	6,570,185	6,256,240	5,708,977	6,553,583	6,684,575
Expenditures:										
Instruction:										
Regular Instruction	2,145,662	2,319,580	2,207,260	2,226,534	2,145,361	1,987,966	2,080,187	2,139,593	2,200,928	2,083,045
Special Education Instruction	565,118	290,035	128,832	96,709	141,166	204,556	211,936	212,344	138,342	334,240
Other Special Education Instruction	70,995	158,088	89,259	83,175	108,371	123,611	119,173	119,173	124,018	111,584
Support Services:										
Tuition	10,897	99,458	-	-	-	-	-	-	-	-
Student & Instruction Related Services	824,740	828,203	165,994	159,030	252,107	224,928	182,714	183,526	338,072	267,678
General Administration Services	160,555	195,449	194,795	204,159	150,167	179,597	139,070	134,429	151,480	165,741
School Administrative Services	64,263	74,689	79,832	81,661	108,662	103,610	91,508	91,509	115,850	104,617
Central Business Administrative Services	138,741	123,432	173,693	118,953	76,643	77,181	97,055	96,771	116,052	107,923
Admin Information Technology										
Plant Operations & Maintenance	732,667	1,046,177	808,659	790,057	583,622	636,304	725,600	722,811	743,859	907,982
Pupil Transportation	343,837	336,659	316,334	328,325	370,660	290,570	282,393	243,843	271,816	277,851
Other Support Services	-	1,665,933	1,210,476	1,130,585	1,086,485	1,148,436	827,261	452,778	853,758	1,057,058
Unallocated Employee Benefits	1,903,942	-	1,125,827	1,183,389	1,202,938	1,143,966	1,223,447	1,223,448	1,064,954	1,099,666
Capital Outlay	170,197	247,272	911,019	39,213	38,141	75,846	430,779	8,783	258,687	201,373
Total Expenditures	7,131,614	7,384,975	7,411,980	6,441,790	6,264,323	6,196,571	6,411,123	5,629,008	6,377,816	6,718,758
Excess (Deficiency) of Revenues Over/(Under) Expenditures	557,351	(633,876)	218,132	524,879	590,396	373,614	(154,883)	79,969	175,767	(34,183)
Other Financing Sources/(Uses):										
Loss Contingency	-	(492,174)	-	-	-	-	-	-	-	-
Transfer Out	(55,500)	(55,500)	(39,828)	(27,996)	(17,686)	-	-	-	(120,041)	(137,448)
Total Other Financing Sources/(Uses)	(55,500)	(547,674)	(39,828)	(27,996)	(17,686)	-	-	-	(120,041)	(137,448)
Net Change in Fund Balances	\$ 501,851	\$ (1,181,550)	\$ 178,304	\$ 496,883	\$ 572,710	\$ 373,614	\$ (154,883)	\$ 79,969	\$ 55,726	\$ (171,631)
Debt Service as a Percentage of Noncapital Expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: District records

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	INSURANCE PROCEEDS	RENTALS	PRIOR YEAR REFUNDS	MISCELLANEOUS	TOTAL
2017	\$ 3,798	\$ 47,158	\$ -	\$ 3,441	\$ 39,605	\$ 94,002
2016	2,695	-	-	13,647	23,637	39,979
2015	-	-	-	-	70,272	70,272
2014	-	-	-	-	-	-
2013	-	-	-	-	-	-
2012	-	22,606	-	-	25,873	48,479
2011	-	-	-	1,803	30,780	32,583
2010	-	-	-	201	7,693	7,894
2009	114,204	-	-	-	10,615	124,819
2008	131	-	5,354	1,856	1,636	8,977

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	NET VALUATION TAXABLE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	TOTAL ASSESSED VALUE	DIRECT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2017	\$ 27,681,500	\$ 1,460,346,700	\$ 78,219,977	\$ -	\$ 1,566,248,177	\$ 50,197,700	\$ -	\$ 1,616,445,877	0.046	\$ 1,688,912,239
2016	27,429,100	1,448,886,900	80,490,500	-	1,556,806,500	50,197,700	-	1,506,608,800	0.040	1,533,093,520
2015	26,178,900	1,441,394,000	79,948,100	-	1,547,521,000	49,753,200	-	1,497,767,800	0.046	1,491,669,073
2014	15,529,600	1,451,038,000	79,932,600	-	1,546,500,200	49,746,000	-	1,496,754,200	0.044	-
2013	16,987,400	1,443,657,500	80,412,000	-	1,541,056,900	49,746,000	-	1,491,310,900	0.043	-
2012	16,776,800	1,437,439,400	80,408,800	-	1,534,625,000	49,746,000	-	1,484,879,000	0.044	-
2011	18,820,400	1,426,680,200	80,440,400	-	1,525,941,000	48,520,100	-	1,477,420,900	0.043	-
2010	14,539,300	1,424,538,400	80,649,900	-	1,519,727,600	48,496,400	-	1,471,231,200	0.045	-
2009	13,625,900	1,410,648,800	81,890,100	-	1,506,164,800	46,036,000	-	1,460,128,800	0.045	-
2008	20,634,500	1,388,038,500	81,718,900	-	1,490,391,900	46,036,000	-	1,444,355,900	0.043	-

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

2017	\$ 33,876,200	\$ 983,853,300	\$ 115,437,726	\$ 2,659,900	\$ 1,135,827,126	\$ 54,215,000	\$ -	\$ 1,190,042,126	0.047	\$ 1,258,264,307
2016	41,059,900	961,920,500	114,520,700	2,659,900	1,120,161,000	52,352,100	-	1,067,808,900	0.041	1,150,144,587
2015	35,066,700	950,796,400	115,001,600	2,639,900	1,103,504,600	51,821,300	-	1,051,683,300	0.048	1,068,359,499
2014	23,954,400	961,839,400	115,859,500	2,639,900	1,104,293,200	52,097,800	-	1,052,195,400	0.047	-
2013	21,665,100	970,377,500	121,454,600	2,659,900	1,116,157,100	52,444,000	-	1,063,713,100	0.046	-
2012	22,186,600	964,525,300	121,715,700	2,659,900	1,111,087,500	51,210,800	-	1,059,876,700	0.046	-
2011	24,532,400	958,281,800	122,299,000	2,659,900	1,107,773,100	50,657,100	-	1,057,116,000	0.045	-
2010	22,560,300	951,354,650	122,914,300	2,659,900	1,099,489,150	50,053,500	-	1,049,435,650	0.048	-
2009	23,365,200	943,318,000	120,311,700	2,659,900	1,089,654,800	49,822,100	-	1,039,832,700	0.047	-
2008	26,689,500	918,975,200	118,167,100	4,259,700	1,068,091,500	50,292,700	267,999	1,017,798,800	0.046	-

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

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	NET TAXABLE VALUATION	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	TOTAL ASSESSED VALUE	DIRECT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2017	\$ 246,475,000	\$ 7,383,362,865	\$ 145,412,322	\$ 4,953,200	\$ 7,780,203,387	\$ 93,033,700	\$ -	\$ 7,780,203,387	0.047	\$ 8,515,094,321
2016	256,079,600	7,294,718,515	141,317,600	5,015,200	7,697,130,915	93,032,300	-	7,604,098,615	0.041	7,534,365,131
2015	275,901,100	7,186,784,875	145,320,900	5,015,200	7,613,022,075	92,443,600	-	7,520,578,475	0.046	7,281,862,420
2014	169,665,200	7,250,730,685	151,950,700	5,015,200	7,577,361,785	94,179,600	-	7,483,182,185	0.045	-
2013	176,536,165	7,225,634,700	155,483,300	5,015,200	7,562,669,365	92,331,300	-	7,470,338,065	0.044	-
2012	187,947,900	7,183,352,800	156,909,400	5,015,200	7,533,225,300	93,793,400	-	7,439,431,900	0.044	-
2011	165,934,200	7,178,093,700	158,656,500	5,015,200	7,507,699,600	93,788,800	-	7,413,910,800	0.042	-
2010	175,406,200	7,112,752,800	162,314,800	5,015,200	7,455,489,000	94,311,000	-	7,361,178,000	0.044	-
2009	206,968,200	7,015,508,900	158,503,300	7,718,900	7,388,699,300	94,644,700	-	7,294,054,600	0.045	-
2008	246,077,300	6,868,844,500	157,261,400	7,718,900	7,279,902,100	93,353,100	1,960,320	7,184,588,680	0.044	-

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

2017	\$ 27,826,900	\$ 1,196,388,500	\$ 14,228,550	-	\$ 1,238,443,950	\$ 43,090,400	\$ -	\$ 1,238,443,950	0.044	\$ 1,281,403,470
2016	18,457,500	1,202,792,400	14,062,600	-	1,235,312,500	43,819,400	-	1,191,493,100	0.038	1,242,433,238
2015	20,466,200	1,199,702,200	14,340,500	-	1,234,508,900	43,819,900	-	1,190,689,000	0.044	1,362,664,038
2014	14,521,800	1,206,769,000	14,340,500	-	1,235,631,300	43,819,900	-	1,191,811,400	0.042	-
2013	16,826,600	1,202,153,700	14,184,500	-	1,233,164,800	43,819,900	-	1,189,344,900	0.041	-
2012	16,734,300	1,205,071,100	14,068,400	-	1,235,873,800	42,537,700	-	1,193,336,100	0.042	-
2011	21,113,700	1,194,429,000	14,646,100	-	1,230,188,800	42,567,700	-	1,187,621,100	0.043	-
2010	31,720,100	1,326,448,600	14,316,900	-	1,372,485,600	45,456,800	-	1,327,028,800	0.038	-
2009	26,646,700	1,326,570,400	14,316,900	-	1,367,534,000	45,459,800	-	1,322,074,200	0.039	-
2008	31,069,300	1,316,938,800	14,316,900	-	1,362,325,000	46,156,800	339,038	1,315,829,162	0.037	-

(r) - Reassessment

Source: County Abstract of Ratables & Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	NET VALUATION TAXABLE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	TOTAL ASSESSED VALUE	DIRECT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2017	\$ 33,406,600	\$ 928,665,600	\$ 37,204,437	\$ 1,156,800	\$ 1,000,433,437	\$ 129,937,700	-	\$ 870,495,737	0.044	\$ 1,026,071,122
2016	33,984,200	925,752,300	37,315,700	1,156,800	998,209,000	129,964,000	-	868,245,000	0.038	1,031,438,497
2015	37,240,700	919,616,400	37,246,200	1,156,800	995,260,100	129,954,000	-	865,306,100	0.045	1,129,944,717
2014	31,333,800	926,020,800	37,501,200	1,156,800	996,012,600	129,954,000	-	866,058,600	0.043	-
2013	34,865,800	923,008,400	39,489,200	1,156,800	998,520,200	129,954,000	-	868,566,200	0.043	-
2012	32,457,400	923,358,200	40,433,400	1,156,800	997,405,800	130,734,000	-	866,671,800	0.042	-
2011	34,515,700	920,968,900	39,489,200	1,156,800	996,130,600	130,734,000	-	865,396,600	0.041	-
2010	33,914,600	999,574,100	44,462,400	1,156,800	1,079,107,900	135,023,400	-	944,084,500	0.041	-
2009	34,576,200	991,695,500	44,492,500	1,156,800	1,071,921,000	134,992,300	-	936,928,700	0.043	-
2008	40,850,500	976,830,300	43,455,900	1,156,800	1,062,293,500	137,831,400	334,753	924,127,347	0.040	-

(r) - Reassessment

Source: County Abstract of Ratables & Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	TOTAL DIRECT	REGIONAL SCHOOL	MUNICIPAL LOCAL PURPOSE	OCEAN COUNTY	
2017	0.046	0.046	0.255	0.267	0.435	1.003
2016	0.040	0.040	0.234	0.260	0.428	0.962
2015	0.046	0.046	0.234	0.252	0.425	0.957
2014	0.044	0.044	0.235	0.244	0.406	0.929
2013	0.043	0.043	0.231	0.230	0.382	0.886
2012	0.044	0.044	0.278	0.228	0.373	0.923
2011	0.043	0.043	0.268	0.228	0.370	0.909
2010	0.045	0.045	0.229	0.228	0.353	0.855
2009	0.045	0.045	0.245	0.231	0.355	0.876
2008	0.043	0.043	0.255	0.221	0.352	0.871

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	TOTAL DIRECT	REGIONAL SCHOOL	MUNICIPAL LOCAL PURPOSE	OCEAN COUNTY	
2017	0.047	0.047	0.218	0.393	0.449	1.107
2016	0.041	0.041	0.206	0.393	0.440	1.080
2015	0.048	0.048	0.212	0.374	0.445	1.079
2014	0.047	0.047	0.206	0.363	0.429	1.045
2013	0.046	0.046	0.223	0.342	0.410	1.021
2012	0.046	0.046	0.217	0.337	0.391	0.991
2011	0.045	0.045	0.211	0.320	0.388	0.964
2010	0.048	0.048	0.239	0.305	0.379	0.971
2009	0.047	0.047	0.233	0.294	0.368	0.942
2008	0.046	0.046	0.242	0.279	0.368	0.935

(r) Reassessment

Source: Municipal Tax Collector

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	TOTAL DIRECT	REGIONAL SCHOOL	MUNICIPAL LOCAL PURPOSE	OCEAN COUNTY	
2017	0.047	0.047	0.265	0.232	0.442	0.986
2016	0.041	0.041	0.275	0.232	0.437	0.985
2015	0.046	0.046	0.261	0.228	0.426	0.961
2014	0.045	0.045	0.241	0.224	0.414	0.924
2013	0.044	0.044	0.234	0.221	0.393	0.892
2012	0.044	0.044	0.218	0.224	0.378	0.864
2011	0.042	0.042	0.214	0.220	0.362	0.838
2010	0.044	0.044	0.207	0.212	0.348	0.811
2009	0.045	0.045	0.213	0.201	0.350	0.809
2008	0.044	0.044	0.213	0.203	0.359	0.819

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	TOTAL DIRECT	REGIONAL SCHOOL	MUNICIPAL LOCAL PURPOSE	OCEAN COUNTY	
2017	0.044	0.044	0.278	0.251	0.418	0.991
2016	0.038	0.038	0.292	0.251	0.408	0.989
2015	0.044	0.044	0.258	0.244	0.400	0.946
2014	0.042	0.042	0.257	0.243	0.389	0.931
2013	0.041	0.041	0.175	0.224	0.369	0.809
2012	0.042	0.042	0.200	0.223	0.358	0.823
2011	0.043	0.043	0.222	0.220	0.371	0.856
2010	0.038	0.038	0.170	0.203	0.303	0.714
2009	0.039	0.039	0.173	0.193	0.305	0.710
2008	0.037	0.037	0.178	0.186	0.295	0.696

(r) Reassessment

Source: Municipal Tax Collector

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	TOTAL DIRECT	REGIONAL SCHOOL	MUNICIPAL LOCAL PURPOSE	OCEAN COUNTY	
2017	0.044	0.044	0.183	0.222	0.413	0.862
2016	0.038	0.038	0.162	0.222	0.409	0.831
2015	0.045	0.045	0.244	0.205	0.410	0.904
2014	0.043	0.043	0.192	0.195	0.394	0.824
2013	0.043	0.043	0.218	0.175	0.385	0.821
2012	0.042	0.042	0.201	0.165	0.360	0.768
2011	0.041	0.041	0.218	0.165	0.355	0.779
2010	0.041	0.041	0.227	0.155	0.325	0.748
2009	0.043	0.043	0.224	0.135	0.343	0.745
2008	0.040	0.040	0.233	0.134	0.318	0.725

(r) Reassessment

Source: Municipal Tax Collector

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

TAXPAYER	2017			2008		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer 1	N/A	1	N/A	N/A	1	N/A
Taxpayer 2	N/A	2	N/A	N/A	2	N/A
Taxpayer 3	N/A	3	N/A	N/A	3	N/A
Taxpayer 4	N/A	4	N/A	N/A	4	N/A
Taxpayer 5	N/A	5	N/A	N/A	5	N/A
Taxpayer 6	N/A	6	N/A	N/A	6	N/A
Taxpayer 7	N/A	7	N/A	N/A	7	N/A
Taxpayer 8	N/A	8	N/A	N/A	8	N/A
Taxpayer 9	N/A	9	N/A	N/A	9	N/A
Taxpayer 10	N/A	10	N/A	N/A	10	N/A
Total						

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

TAXPAYER	2017			2008		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer 1	N/A	1	N/A	N/A	1	N/A
Taxpayer 2	N/A	2	N/A	N/A	2	N/A
Taxpayer 3	N/A	3	N/A	N/A	3	N/A
Taxpayer 4	N/A	4	N/A	N/A	4	N/A
Taxpayer 5	N/A	5	N/A	N/A	5	N/A
Taxpayer 6	N/A	6	N/A	N/A	6	N/A
Taxpayer 7	N/A	7	N/A	N/A	7	N/A
Taxpayer 8	N/A	8	N/A	N/A	8	N/A
Taxpayer 9	N/A	9	N/A	N/A	9	N/A
Taxpayer 10	N/A	10	N/A	N/A	10	N/A
Total						

Source: Municipal Tax Assessor

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

TAXPAYER	2017			2008		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer 1	N/A	1	N/A	N/A	1	N/A
Taxpayer 2	N/A	2	N/A	N/A	2	N/A
Taxpayer 3	N/A	3	N/A	N/A	3	N/A
Taxpayer 4	N/A	4	N/A	N/A	4	N/A
Taxpayer 5	N/A	5	N/A	N/A	5	N/A
Taxpayer 6	N/A	6	N/A	N/A	6	N/A
Taxpayer 7	N/A	7	N/A	N/A	7	N/A
Taxpayer 8	N/A	8	N/A	N/A	8	N/A
Taxpayer 9	N/A	9	N/A	N/A	9	N/A
Taxpayer 10	N/A	10	N/A	N/A	10	N/A
Total				-		

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

TAXPAYER	2017			2008		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer 1	N/A	1	N/A	N/A	1	N/A
Taxpayer 2	N/A	2	N/A	N/A	2	N/A
Taxpayer 3	N/A	3	N/A	N/A	3	N/A
Taxpayer 4	N/A	4	N/A	N/A	4	N/A
Taxpayer 5	N/A	5	N/A	N/A	5	N/A
Taxpayer 6	N/A	6	N/A	N/A	6	N/A
Taxpayer 7	N/A	7	N/A	N/A	7	N/A
Taxpayer 8	N/A	8	N/A	N/A	8	N/A
Taxpayer 9	N/A	9	N/A	N/A	9	N/A
Taxpayer 10	N/A	10	N/A	N/A	10	N/A
Total						

Source: Municipal Tax Assessor

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

TAXPAYER	2017			2008		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Taxpayer 1	N/A	1	N/A	N/A	1	N/A
Taxpayer 2	N/A	2	N/A	N/A	2	N/A
Taxpayer 3	N/A	3	N/A	N/A	3	N/A
Taxpayer 4	N/A	4	N/A	N/A	4	N/A
Taxpayer 5	N/A	5	N/A	N/A	5	N/A
Taxpayer 6	N/A	6	N/A	N/A	6	N/A
Taxpayer 7	N/A	7	N/A	N/A	7	N/A
Taxpayer 8	N/A	8	N/A	N/A	8	N/A
Taxpayer 9	N/A	9	N/A	N/A	9	N/A
Taxpayer 10	N/A	10	N/A	N/A	10	N/A
Total						

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2017	\$ 719,586	\$ 719,586	100.00%	\$ -
2016	617,531	617,531	100.00%	-
2015	713,458	713,458	100.00%	-
2014	693,604	693,604	100.00%	-
2013	670,587	670,587	100.00%	-
2012	668,987	668,987	100.00%	-
2011	655,811	655,811	100.00%	-
2010	678,493	678,493	100.00%	-
2009	679,687	679,687	100.00%	-
2008	653,984	653,984	100.00%	-

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2017	\$ 537,580	\$ 537,580	100.00%	\$ -
2016	456,950	456,950	100.00%	-
2015	533,495	533,495	100.00%	-
2014	524,036	524,036	100.00%	-
2013	520,441	520,441	100.00%	-
2012	506,124	506,124	100.00%	-
2011	500,274	500,274	100.00%	-
2010	526,221	526,221	100.00%	-
2009	509,944	509,944	100.00%	-
2008	490,276	490,276	100.00%	-

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

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2017	\$ 3,633,997	\$ 3,633,997	100.00%	\$ -
2016	3,116,857	3,116,857	100.00%	-
2015	3,552,531	3,552,531	100.00%	-
2014	3,459,316	3,459,316	100.00%	-
2013	3,384,472	3,384,472	100.00%	-
2012	3,312,096	3,312,096	100.00%	-
2011	3,153,465	3,153,465	100.00%	-
2010	3,282,893	3,282,893	100.00%	-
2009	3,296,716	3,296,716	100.00%	-
2008	3,257,111	3,257,111	100.00%	-

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2017	\$ 546,450	\$ 546,450	100.00%	\$ -
2016	471,465	471,465	100.00%	-
2015	537,868	537,868	100.00%	-
2014	531,231	531,231	100.00%	-
2013	517,758	517,758	100.00%	-
2012	516,416	516,416	100.00%	-
2011	530,652	530,652	100.00%	-
2010	525,714	525,714	100.00%	-
2009	531,199	531,199	100.00%	-
2008	501,367	501,367	100.00%	-

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

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2017	\$ 437,168	\$ 437,168	100.00%	\$ -
2016	410,680	410,680	100.00%	-
2015	443,753	443,753	100.00%	-
2014	433,093	433,093	100.00%	-
2013	437,411	437,411	100.00%	-
2012	418,602	418,602	100.00%	-
2011	410,724	410,724	100.00%	-
2010	418,602	418,602	100.00%	-
2009	437,411	437,411	100.00%	-
2008	433,093	433,093	100.00%	-

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

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

FISCAL YEAR ENDED JUNE, 30	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA PERSONAL INCOME
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	GRANT ANTICIPATION NOTES (GANs)			
2017			The District had no general bonded debt			
2016			The District had no general bonded debt			
2015			The District had no general bonded debt			
2014			The District had no general bonded debt			
2013			The District had no general bonded debt			
2012			The District had no general bonded debt			
2011			The District had no general bonded debt			
2010			The District had no general bonded debt			
2009			The District had no general bonded debt			
2008			The District had no general bonded debt			

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2017		The District had no general bonded debt		
2016		The District had no general bonded debt		
2015		The District had no general bonded debt		
2014		The District had no general bonded debt		
2013		The District had no general bonded debt		
2012		The District had no general bonded debt		
2011		The District had no general bonded debt		
2010		The District had no general bonded debt		
2009		The District had no general bonded debt		
2008		The District had no general bonded debt		

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2017		The District had no general bonded debt		
2016		The District had no general bonded debt		
2015		The District had no general bonded debt		
2014		The District had no general bonded debt		
2013		The District had no general bonded debt		
2012		The District had no general bonded debt		
2011		The District had no general bonded debt		
2010		The District had no general bonded debt		
2009		The District had no general bonded debt		
2008		The District had no general bonded debt		

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2017		The District had no general bonded debt		
2016		The District had no general bonded debt		
2015		The District had no general bonded debt		
2014		The District had no general bonded debt		
2013		The District had no general bonded debt		
2012		The District had no general bonded debt		
2011		The District had no general bonded debt		
2010		The District had no general bonded debt		
2009		The District had no general bonded debt		
2008		The District had no general bonded debt		

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2017		The District had no general bonded debt		
2016		The District had no general bonded debt		
2015		The District had no general bonded debt		
2014		The District had no general bonded debt		
2013		The District had no general bonded debt		
2012		The District had no general bonded debt		
2011		The District had no general bonded debt		
2010		The District had no general bonded debt		
2009		The District had no general bonded debt		
2008		The District had no general bonded debt		

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2017		The District had no general bonded debt		
2016		The District had no general bonded debt		
2015		The District had no general bonded debt		
2014		The District had no general bonded debt		
2013		The District had no general bonded debt		
2012		The District had no general bonded debt		
2011		The District had no general bonded debt		
2010		The District had no general bonded debt		
2009		The District had no general bonded debt		
2008		The District had no general bonded debt		

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017
LONG BEACH TOWNSHIP**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 26,296,699	100%	\$ 26,296,699
County of Ocean	457,267,841	9%	<u>41,102,940</u>
Subtotal, Overlapping Debt			<u>67,399,639</u>
Local School District Direct Debt	-	100%	<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 67,399,639</u></u>

**AS OF JUNE 30, 2017
HARVEY CEDARS**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 2,720,422	100%	\$ 2,720,422
County of Ocean	457,267,841	1%	<u>6,185,422</u>
Subtotal, Overlapping Debt			<u>8,905,844</u>
Local School District Direct Debt		100%	<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 8,905,844</u></u>

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017
SURF CITY**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 1,740,516	100%	\$ 1,740,516
County of Ocean	457,267,841	2%	<u>8,152,494</u>
Subtotal, Overlapping Debt			<u>9,893,010</u>
Local School District Direct Debt	-	100%	<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 19,786,020</u></u>

**AS OF JUNE 30, 2017
SHIP BOTTOM**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 8,529,427	100%	\$ 8,529,427
County of Ocean	457,267,841	1%	<u>6,073,728</u>
Subtotal, Overlapping Debt			<u>14,603,155</u>
Local School District Direct Debt	-	100%	<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 14,603,155</u></u>

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017
BARNEGAT LIGHT**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 3,181,868	100%	\$ 3,181,868
County of Ocean	457,267,841	1%	<u>4,952,915</u>
Subtotal, Overlapping Debt			<u>8,134,783</u>
Local School District Direct Debt	-	100%	<u>-</u>
Total Direct & Overlapping Debt			<u><u>\$ 16,269,566</u></u>

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

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

	FISCAL YEAR ENDED JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ 44,072,354	\$ 44,130,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 44,072,354	\$ 44,130,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2016	\$ 1,249,882,454
2015	1,277,865,418
2014	<u>1,249,882,454</u>
	<u>\$ 3,777,630,326</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,259,210,109</u>
Debt Limit (3.50% of Average Equalization Value)	\$ 44,072,354
Net Bonded School Debt	<u>-</u>
Legal Debt Margin	<u>\$ 44,072,354</u>

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

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

	FISCAL YEAR ENDED JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ 290,876,400	\$ 289,990,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 290,876,400	\$ 289,990,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2016	\$ 8,253,493,143
2015	8,425,276,603
2014	<u>8,253,493,143</u>
	<u>\$24,932,262,889</u>
Average Equalized Valuation of Taxable Property	<u>\$ 8,310,754,296</u>
Debt Limit (3.50% of Average Equalization Value) Net Bonded School Debt	\$ 290,876,400
Legal Debt Margin	<u>\$ 290,876,400</u>

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ 42,536,374	\$ 42,990,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 42,536,374	\$ 42,990,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2016	\$ 1,203,648,124
2015	1,238,678,682
2014	<u>1,203,648,124</u>
	<u>\$ 3,645,974,930</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,215,324,977</u>
Debt Limit (3.50% of Average Equalization Value) Net Bonded School Debt	\$ 42,536,374
Legal Debt Margin	<u>\$ 42,536,374</u>

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

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

	FISCAL YEAR ENDED JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ 57,908,075	\$ 58,115,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ <u>57,908,075</u>	\$ <u>58,115,537</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2016	\$ 1,642,978,023
2015	1,677,593,211
2014	<u>1,642,978,023</u>
	<u>\$ 4,963,549,257</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,654,516,419</u>
Debt Limit (3.5% of Average Equalization Value) Net Bonded School Debt	\$ 57,908,075
Legal Debt Margin	<u>\$ 57,908,075</u>

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

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

	FISCAL YEAR ENDED JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ 35,419,333	\$ 35,749,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 35,419,333</u>	<u>\$ 35,749,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Net Debt Applicable to as a Percentage of Debt Limit	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-	-0%-

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized Valuation Basis	
2016	\$ 1,006,431,490
2015	1,023,079,840
2014	<u>1,006,431,490</u>
	<u>\$ 3,035,942,820</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,011,980,940</u>
Debt Limit (3.5% of Average Equalization Value) Net Bonded School Debt	\$ 35,419,333
Legal Debt Margin	<u>\$ 35,419,333</u>

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

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

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
SURF CITY				
2017	1,178	N/A	N/A	N/A
2016	1,204	N/A	N/A	5.8%
2015	1,200	\$ 55,330,800	46,109	6.0%
2014	1,200	53,257,200	44,381	8.6%
2013	1,199	51,045,027	42,573	11.7%
2012	1,204	51,168,796	42,499	11.9%
2011	*	49,959,300	41,460	11.7%
2010	1,567	62,523,300	39,900	10.7%
2009	1,559	61,964,014	39,746	6.5%
2008	1,549	64,018,621	41,329	5.0%
SHIP BOTTOM				
2017	1,139	N/A	N/A	N/A
2016	1,135	N/A	N/A	6.0%
2015	1,131	\$ 52,149,279	46,109	6.6%
2014	1,145	50,816,245	44,381	8.9%
2013	1,148	48,873,804	42,573	7.0%
2012	1,152	48,958,848	42,499	9.5%
2011	*	47,844,840	41,460	9.3%
2010	1,462	58,333,800	39,900	8.4%
2009	1,451	57,671,446	39,746	5.1%
2008	1,440	59,513,760	41,329	3.9%
LONG BEACH TOWNSHIP				
2017	3,050	N/A	N/A	N/A
2016	3,027	N/A	N/A	6.2%
2015	3,006	\$ 138,603,654	46,109	6.6%
2014	3,022	134,119,382	44,381	7.5%
2013	3,040	129,421,920	42,573	9.0%
2012	3,053	129,749,447	42,499	14.8%
2011	*	126,494,460	41,460	14.5%
2010	3,578	142,762,200	39,900	13.2%
2009	3,552	141,177,792	39,746	8.1%
2008	3,530	145,891,370	41,329	6.3%
BOROUGH OF HARVEY CEDARS				
2017	340	N/A	N/A	N/A
2016	341	N/A	N/A	5.8%
2015	342	\$ 15,769,278	46,109	9.7%
2014	341	15,133,921	44,381	10.5%
2013	340	14,474,820	42,573	12.3%
2012	340	14,449,660	42,499	9.2%
2011	*	14,096,400	41,460	9.0%
2010	397	15,840,300	39,900	9.0%
2009	394	15,659,924	39,746	8.7%
2008	392	16,200,968	41,329	5.1%
BOROUGH OF BARNEGAT LIGHT				
2017	587	N/A	N/A	N/A
2016	576	N/A	N/A	4.5%
2015	573	\$ 26,420,457	46,109	6.8%
2014	570	25,297,170	44,381	10.5%
2013	571	24,309,183	42,573	12.3%
2012	570	24,224,430	42,499	9.2%
2011	*	23,798,040	41,460	9.0%
2010	846	33,755,400	39,900	9.0%
2009	839	33,346,894	39,746	8.7%
2008	834	34,468,386	41,329	5.1%

* 2010 Census

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

BOROUGH OF SURF CITY

NOT AVAILABLE

BOROUGH OF SHIP BOTTOM

NOT AVAILABLE

LONG BEACH TOWNSHIP

NOT AVAILABLE

BOROUGH OF HARVEY CEDARS

NOT AVAILABLE

BOROUGH OF BARNEGAT LIGHT

NOT AVAILABLE

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

Function/Program	FISCAL YEAR ENDED JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:										
Regular	25	21	19	19	18	18	22	18	22	24
Special Education	3	2	4	4	3	3	2	3	3	4
Other Special Education Instruction	4	3	1	1	1	1	-	1	1	1
Other Instruction	2	2	4	4	3	2	2	2	2	1
Support Services:										
Student & Instruction Related Services	6	6	5	5	6	6	5	6	8	1
General Administrative Services	4	3	2	2	1	1	1	1	2	1
School Administrative Services	2	2	1	1	1	1	1	1	3	1
Other Administrative Services	1	1	1	1	1	1	1	-	-	-
Central Services	3	3	3	3	3	3	2	2	2	1
Plant Operations & Maintenance	6	6	5	5	5	5	6	6	6	6
Pupil Transportation	6	5	7	7	6	6	6	6	7	8
Food Service	-	-	-	-	-	-	5	5	5	5
Total	62	54	52	52	48	47	53	51	61	53

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY SCHOOL	SCHOOL				
2017	225	\$7,095,708	31,536	3.21%	34	7:1	7:1	225	213	-3.81%	94.67%
2016	234	7,149,874	30,555	2.56%	32	7:1	7:1	234	223	1.34%	95.17%
2015	232	6,822,421	29,792	7.10%	32	7:1	7:1	231	218	0.13%	95.15%
2014	238	6,398,200	27,818	8.03%	32	7:1	7:1	230	218	-6.85%	94.65%
2013	249	6,000,029	25,751	8.14%	34	7:1	7:1	247	233	4.14%	94.33%
2012	237	5,762,905	23,814	-0.20%	36	7:1	7:1	237	225	-0.46%	94.89%
2011	238	5,631,108	23,861	-6.69%	33	7:1	7:1	238	225	4.75%	94.37%
2010	227	6,111,801	25,572	0.50%	32	7:1	7:1	227	215	0.13%	94.50%
2009	250	6,106,603	25,444	13.53%	32	7:1	7:1	227	213	-10.67%	93.83%
2008	254	5,871,727	22,411	-3.82%	31	8:1	8:1	254	240	0.75%	94.37%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

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

	FISCAL YEAR ENDED JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
DISTRICT BUILDINGS										
Elementary:										
Ethel Jacobsen School:										
Square Feet	33,135	33,135	33,135	33,135	33,135	33,135	33,135	33,135	33,135	33,135
Capacity (Students)	250	250	250	250	250	250	250	250	250	250
Enrollment	113	118	107	107	107	125	125	125	125	125
Long Beach Island Grade School:										
Square Feet	48,165	48,165	48,165	48,165	48,165	48,165	48,165	48,165	48,165	48,165
Capacity (Students)	256	256	256	256	256	256	256	256	256	256
Enrollment	112	116	122	123	127	127	127	127	127	127
Other Buildings:										
Long Beach Island Bus Garage:										
Square Feet	7,216	7,216	7,216	7,216	7,216	7,216	7,216	7,216	7,216	7,216

Number of Facilities at June 30, 2017:
 Elementary School = 2
 Middle School = 0
 High School = 0
 Other = 1

Source: District Facilities Office

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

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

* School Facilities Project Numbers	Ethel Jacobson School	Long Beach Island Grade School	Other Facilities Bus Garage	TOTAL
2017	\$ 41,964	\$ 69,063	\$ 5,280	\$ 116,307
2016	135,175	231,730	19,310	386,215
2015	32,150	54,952	3,700	90,802
2014	38,533	86,411	3,500	128,444
2013	39,858	53,657	3,700	97,215
2012	17,263	22,760	2,082	42,105
2011	28,427	38,032	2,875	69,334
2010	32,315	43,766	2,737	78,818
2009	48,257	66,386	3,058	117,701
2008	118,469	166,389	4,090	288,948

**INSURANCE SCHEDULE
JUNE 30, 2017**

COMPANY	TYPE OF COVERAGE	AMOUNT OF COVERAGE	DEDUCTIBLE
School Alliance Insurance Fund	B & G	\$250,000 Per Occurrence	\$1,000 Per Claim
	Property-Auto Physical Damage	250,000 Per Occurrence	\$1,000 Per Claim
	Boiler & Machinery	250,000 Per Occurrence	\$1,000 Per Claim
	Comprehensive General Liability & Auto Liability	10,000,000 Per Occurrence 2,500,000 FDLL 5,000 Medical Pay (GL)	\$1,000 Per Claim
	School Leaders Professional Liability	5,000,000 Per Claim 1,000,000 Defense Cost	
	Flood Insurance	500,000 Per Building 500,000 Contents	
	Workers' Compensation	5,000,000 Per Occurrence	

Source: District Records

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Long Beach Island Consolidated School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Long Beach Island Consolidated School District's basic financial statements, and have issued our report thereon dated September 27, 2017.

Internal Control Over Financial Reporting

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

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

We noted certain immaterial instances of noncompliance that are not required to be reported under *Governmental Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, that we reported to management in a separate Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance dated September 27, 2017.

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey
September 27, 2017



HOLMAN | FRENIA
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EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

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

Report on Compliance for Each Major State Program

We have audited the Long Beach Island Consolidated School District's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2017. The Long Beach Island Consolidated School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Long Beach Island Consolidated School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards 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 School District's compliance

with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Long Beach Island Consolidated School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, 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 New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Toms River, New Jersey
September 27, 2017

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LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFYING NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2016	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENT	PASSED TO THROUGH TO SUBRECIPIENTS	BALANCE, JUNE 30, 2017 (ACCOUNTS RECEIVABLE)	GRANTOR DUE TO
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
Special Revenue Fund: Special Education Cluster: LD.E.A. Part B - Basic LD.E.A. Part B - Preschool	84.027 84.173	H027A160100 H173A160114	100-034-5065-016 100-034-5065-020	70,342 4,219	7/1/16-6/30/17 7/1/16-6/30/17	- -	- -	\$ 70,342 4,219	\$ (70,332) (4,219)	- -	- -	\$ - -	\$ 10 -
Total Special Education Cluster						-	-	74,561	(74,551)	-	-	-	10
No Child Left Behind (N.C.L.B.): Title I, Part A Title I, Part A Subtotal for CFDA #84.010	84.010 84.010	S010A160030 S010A150030	100-034-5064-194 100-034-5064-194	75,974 60,192	7/1/16-6/30/17 7/1/15-6/30/16	- 1	- -	75,974	(75,974)	- (1)	- -	- -	- -
Title II, Part A - Supporting Effective Instruction Title II, Part A - Supporting Effective Instruction Subtotal for CFDA #84.367	84.367 84.367	S367A160029 S367A150029	100-034-5063-290 100-034-5063-290	3,772 19,037	7/1/16-6/30/17 7/1/15-6/30/16	- 3,773	3,773 (3,773)	- -	(3,772) -	(1) -	- -	- -	- -
Total Special Revenue Fund						3,774	-	150,535	(154,297)	(2)	-	-	10
Total U.S. Department of Education Totals for Federal Awards						\$ 3,774	\$ -	\$ 150,535	\$ (154,297)	(2)	\$ -	\$ -	10

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2016	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED TO THROUGH TO SUBRECIPIENTS	BALANCE, JUNE 30, 2017 (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	MEMO		
										BUDGETARY REVENUE	BUDGETARY EXPENDITURES	CUMULATIVE TOTAL
New Jersey Department of Education:												
General Fund:												
State Aid - Public:												
School Choice Aid	495-034-5120-068	\$ 507,129	7/1/16-6/30/17	\$ -	\$ 507,129	\$ (507,129)	\$ -	\$ -	\$ -	\$ 49,428	\$ 507,129	
Security Aid	495-034-5120-084	23,425	7/1/16-6/30/17	-	23,425	(23,425)	-	-	-	2,283	23,425	
Special Education Aid	495-034-5120-089	119,508	7/1/16-6/30/17	-	119,508	(119,508)	-	-	-	11,648	119,508	
Per Pupil Growth Aid	495-034-5120-097	2,250	7/1/16-6/30/17	-	2,250	(2,250)	-	-	-	219	2,250	
PARCC Readiness Aid	495-034-5120-098	2,250	7/1/16-6/30/17	-	2,250	(2,250)	-	-	-	219	2,250	
Professional Learning Community Aid	495-034-5120-101	2,120	7/1/16-6/30/17	-	2,120	(2,120)	-	-	-	207	2,120	
Total State Aid - Public				-	656,682	(656,682)	-	-	-	64,004	656,682	
Transportation Aid	495-034-5120-014	69,509	7/1/16-6/30/17	-	69,509	(69,509)	-	-	-	6,775	69,509	
Non-Public Transportation Aid	495-034-5120-014	2,436	7/1/16-6/30/17	-	-	(2,436)	-	(2,436)	-	-	2,436	
Non-Public Transportation Aid	495-034-5120-014	2,436	7/1/15-6/30/16	(2,436)	2,436	-	-	-	-	-	-	
Reimbursed TPAF Social Security Contributions	495-034-5095-003	190,348	7/1/16-6/30/17	-	181,080	(190,348)	-	(9,268)	-	-	190,348	
On-Behalf TPAF Post-Retirement Medical (Noncash Assistance)	495-034-5094-001	234,619	7/1/16-6/30/17	-	234,619	(234,619)	-	-	-	-	234,619	
On-Behalf TPAF Pension Contributions (Noncash Assistance)	495-034-5094-002	281,580	7/1/16-6/30/17	-	281,580	(281,580)	-	-	-	-	281,580	
On-Behalf TPAF Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	612	7/1/16-6/30/17	-	612	(612)	-	-	-	-	612	
Total General Fund				(2,436)	1,426,518	(1,435,786)	-	(11,704)	-	70,779	1,435,786	
Capital Projects Fund:												
School Development Authority - Long Beach Island Elementary New Security System	G5-5686	69,020	4/1/15-Completion	(34,488)	-	(14,362)	-	(48,850)	-	-	48,850	
Total Capital Projects Fund				(34,488)	-	(14,362)	-	(48,850)	-	-	48,850	
Total New Jersey Department of Education				(36,924)	1,426,518	(1,450,148)	-	(60,554)	-	70,779	1,484,636	
Total State Financial Assistance				\$ (36,924)	\$ 1,426,518	\$ (1,450,148)	\$ -	\$ (60,554)	\$ -	\$ 70,779	\$ 1,484,636	
Less: State Financial Assistance Programs Not Subject to Calculation for Major Program Determination:												
On-Behalf TPAF Post-Retirement Medical (Noncash Assistance)						234,619						
On-Behalf TPAF Pension Contributions (Noncash Assistance)						281,580						
On-Behalf TPAF Long-Term Disability Insurance (Noncash Assistance)						612						
Total State Financial Assistance Subject to Calculation for Major Program Determination						\$ (933,337)						

LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Long Beach Island Consolidated School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of 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*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2017. 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, 2017.

Note 3. Relationship to Basic Financial Statements

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(301) for the general fund and \$6,581 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,435,485	\$ 1,435,485
Special Revenue Fund	160,878	-	160,878
Capital Projects Fund	-	14,362	14,362
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 160,878</u>	<u>\$ 1,449,847</u>	<u>\$ 1,610,725</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Long Beach Island Consolidated School District had no loan balances outstanding at June 30, 2017.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Unmodified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

SECTION IS N/A - NOT REQUIRED

Internal control over major programs:

1) Material weakness(es) identified?	_____ yes	_____ no
2) Significant deficiency(ies) identified?	_____ yes	_____ none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? _____ yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	NOT APPLICABLE	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs _____

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

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified? yes X no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-084	State Aid - Public:
495-034-5120-089	Security Aid
495-034-5120-097	Special Education Categorical Aid
495-034-5120-098	Per Pupil Growth Aid
495-034-5120-068	PARCC Readiness
495-034-5120-101	School Choice Aid
	Professional Learning Community Aid

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings

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

None.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, 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.

FEDERAL AWARDS

N/A – Federal single audit not required

STATE FINANCIAL ASSISTANCE

None.

**LONG BEACH ISLAND CONSOLIDATED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, 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.

Financial Statement Findings

Finding No. 2016-001

Condition:

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

Current Status:

This finding has been corrected.

Federal Awards

No Prior Year Findings.

State Financial Assistance

Finding No. 2016-001

Condition:

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

Current Status:

This finding has been corrected.