

PLUMSTED TOWNSHIP SCHOOL DISTRICT

Plumsted, New Jersey
County of Ocean

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

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INTRODUCTORY SECTION

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Plumsted Township School District

117 Evergreen Road
New Egypt, NJ 08533
Telephone (609) 758-6800
Fax (609) 758-6808
www.newegypt.us

November 30, 2016

Honorable President and
Members of the Board of Education
Plumsted School District

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

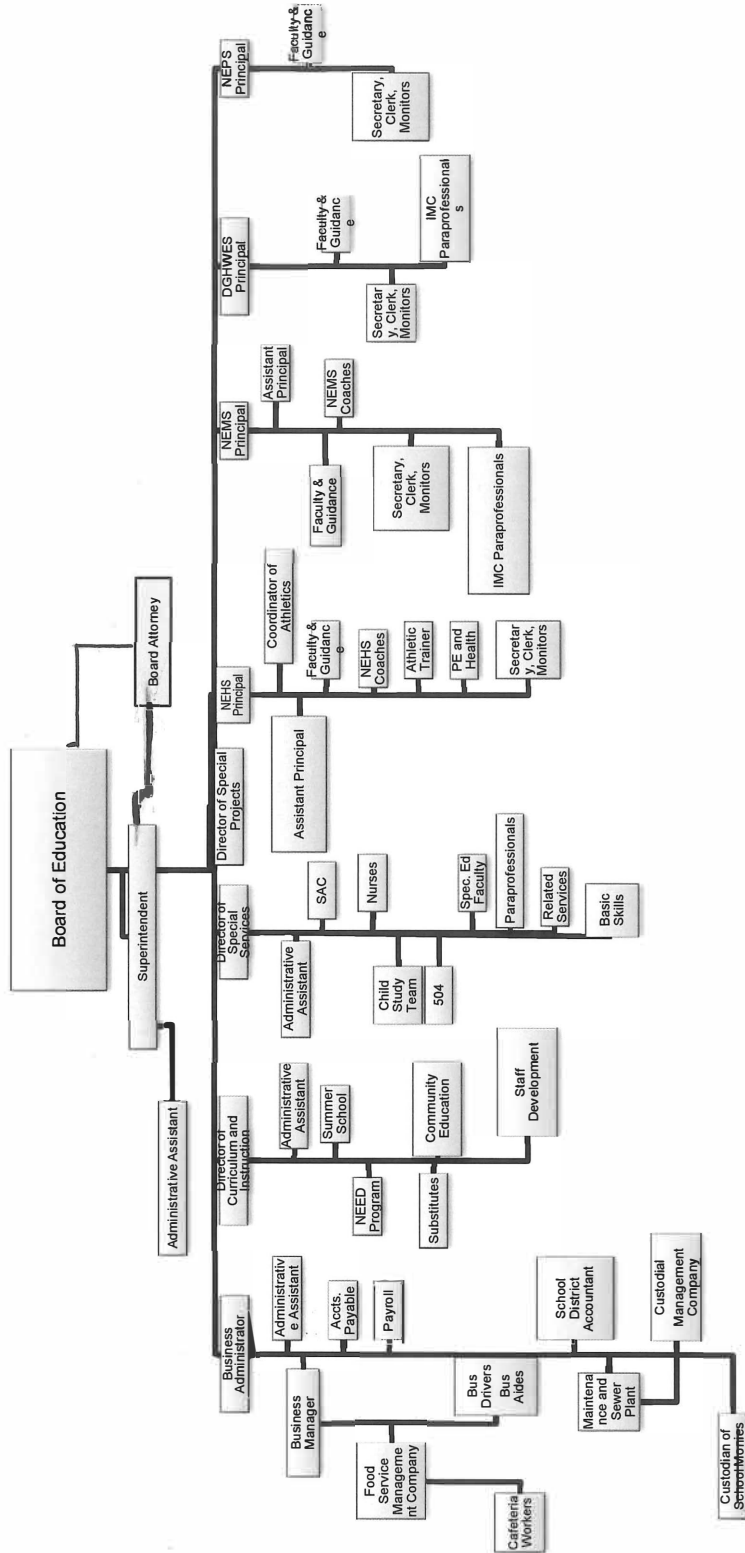
Respectfully submitted,

Gerald North
Superintendent

Sean Gately
Business Administrator

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Plumsted Township Board of Education Education Organizational Chart 2015-2016



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PLUMSTED TOWNSHIP SCHOOL DISTRICT
Plumsted, New Jersey

ROSTER OF OFFICIALS

6/30/2016

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Sandra Soles, President

January 1, 2018

Leslie Septor, Vice President

January 1, 2017

Garrett Midgett

January 1, 2017

Christopher Probasco

January 1, 2019

Susan Potter

January 1, 2018

Monica Sempervive

January 1, 2019

Larry Witham

January 1, 2019

OTHER OFFICIALS

Gerald North, Superintendent

Sean Gately, Business Administrator

Frank J. Frazee, Treasurer

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PLUMSTED TOWNSHIP SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

AUDIT FIRM

**Holman Frenia Allison, P. C.
912 Highway 33, Suite 2
Freehold, New Jersey 07728**

ATTORNEY

**Stein & Supsie, P.C.
1041 West Lacey Road
PO Box 1070
Forked River, NJ 08731**

BOND COUNSEL

**McManimon Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, NJ 07068**

OFFICIAL DEPOSITORY

**TD Bank
1701 Route 70 East
Cherry Hill, New Jersey 08034**

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Plumsted Township School District
County of Ocean
Plumsted, New Jersey 08533

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 Plumsted Township School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required supplementary information schedules 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 Plumsted Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule 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 Schedule 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 November 30, 2016 on our consideration of the Plumsted Township 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 Plumsted Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert Allison
Certified Public Accountant
Public School Accountant, No. 897

Freehold, New Jersey
November 30, 2016

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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PLUMSTED TOWNSHIP SCHOOL DISTRICT
117 Evergreen Road New Egypt, NJ 08533

OCEAN COUNTY

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

Introduction

Management's discussion and analysis of the Plumsted Township School District's ("District") financial results that follows will provide statement readers with some insight into this philosophy and its impact on the educational changes taking place within the District as well as providing some understanding of the fiscal activities undertaken by the Board's administrative team to effect this change.

Basic Financial Statements

The annual report consists of a series of financial statements and notes to those statements presented so the reader can gain an understanding of the District as a financial operating entity. The overview statements then proceed to provide an increasingly detailed look at specific financial activities. These statements provide a "report card" of sorts on the District's financial transactions, including data on all assets and liabilities using full accrual accounting in a manner similar to information presented by publicly held companies. All of these activities are intended to advance the District's mission as stated at the beginning of this analysis.

The financial statements previously presented in the District's Comprehensive Annual Financial Report remain unchanged: detailed and comparative exhibits of budgeted and actual revenue and expenses by General, Special Revenue, Proprietary and Debt Service Funds. This disclosure has been expanded by the addition of the Statement of Net Position and the Statement of Activities using full accrual accounting similar to the statements used in reporting corporate financial results. Another new feature will be supplementary information that includes a comparison of the original and final budgets to the final expenditures for the General and Special Revenue Funds.

The Statement of Net Position presents the District's assets and liabilities in order of liquidity, except for liabilities with current and long-term elements that will be presented accordingly. Net position represents the difference between assets and liabilities, and will be presented in three categories: invested in capital assets net of related debt, restricted assets and unrestricted assets. Using this methodology requires depreciation of capital assets.

The Statement of Activities provides an overview of the cost of providing educational services by major categories of expense and revenue. These two statements report the District's net position and how they have changed year to year, reflecting a variety of influences such as the educational philosophy (i.e. dedicated to increased test scores), voter approval of tax levy, interest income, successful grant applications, etc. An additional factor influencing these results is the level of state funding received, as the flat funding over the past two years coupled with a looming decline in Federal PL874 Impact Aid funds has had a negative impact on the District's finances.

Financial Highlights

Key financial highlights for 2016 are as follows:

- General revenues accounted for \$25,825,318 or 77% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$7,561,229 or 23% of total revenue of \$33,386,547.
- Total net position of governmental activities increased by \$433,085.
- The School District had \$33,015,746 in expenses; only \$7,561,229 of these expenses was offset by program specific charges for services and operating grants and contributions. General revenues of \$25,825,318, together with net position, were adequate to provide for these programs.
- The General Fund had a total fund balance of \$3,308,603,.

Using this General Accepted Accounting Principles Report (GAAP)

The Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2016 and 2015.

Table 1
Net Position

	<u>2016</u>	<u>2015</u>
Assets:		
Cash and Cash Equivalents	\$ 2,814,999	\$ 3,107,705
Receivables, Net	929,605	903,158
Interfund Receivable	73,503	
Inventory	5,471	6,384
Capital Assets, Net (Note 5)	<u>31,711,130</u>	<u>32,880,133</u>
 Total Assets	 35,534,708	 36,897,380
Deferred Outflows Of Resources:		
Deferred Outflows Related to Pensions	682,157	337,524
Deferred Charge on Refunding of Debt	<u>73,459</u>	<u>110,189</u>
 Total Assets and Deferred Outflows of Resources	 <u>36,290,324</u>	 <u>37,345,093</u>
Liabilities:		
Accounts Payable	238,431	247,485
Interfund Payable	73,503	-
Unearned Revenue	103,666	121,919
Accrued Interest	149,110	172,496
Noncurrent Liabilities (Note 6)		
Due Within One Year	2,399,955	2,352,901
Due Beyond One Year	<u>14,930,153</u>	<u>16,366,351</u>
 Total Liabilities	 17,894,818	 19,261,152
Deferred Inflow Of Resources:		
Deferred Inflows Related to Pensions	<u>259,202</u>	<u>406,396</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>18,154,020</u>	 <u>19,667,548</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	19,949,353	19,143,862
Restricted for:		
Debt Service	(112,476)	(105,106)
Other Purposes	3,021,693	2,386,806
Unrestricted	<u>(4,722,266)</u>	<u>(3,748,017)</u>
 Total Net Position	 <u>\$ 18,136,304</u>	 <u>\$ 17,677,545</u>

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

Table 2

Changes in Net Position

	<u>2016</u>	<u>2015</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 624,521	\$ 705,129
Operating Grants and Contributions	6,936,708	5,755,020
General Revenues:		
Property Taxes	12,118,657	11,757,885
Grants and Entitlements	13,645,745	14,050,023
Other	<u>148,874</u>	<u>165,214</u>
Total Revenues	<u>33,474,505</u>	<u>32,433,271</u>
<u>Program Expenses</u>		
Instruction	11,396,199	11,266,813
Support Services:		
Pupils and Instructional Staff	3,241,445	3,145,727
General Administration, School Administration, Business Operations and Maintenance of Facilities	4,667,721	4,181,178
Pupil Transportation	1,096,116	972,983
Employee Benefits	9,995,729	8,860,215
Business-Type Activities	728,663	762,728
Other	<u>1,889,873</u>	<u>2,018,099</u>
Total Expenses	<u>33,015,746</u>	<u>31,207,743</u>
Increase/(Decrease) in Net Position	<u>\$ 458,759</u>	<u>\$ 1,225,528</u>

Governmental Activities

Annually, on the first Tuesday in November, the voters of New Jersey get an opportunity to voice their opinion on all things economic and/or political as they are asked to vote on their local school district's annual tax levy developed as part of the annual school budget process if the Board of Education decides to exceed the 2% cap. Over the last two budget cycles, the Board of Education has remained well within the 2% tax cap levy. The District remains as a minimum tax levy district. Property taxes made up 60% of revenues for governmental activities (excluding Capital Projects) for the Plumsted Township School District for fiscal year 2015-16.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services, identifying the cost of these services supported by tax revenue and unrestricted State entitlements. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3
Governmental Activities

	2015		2015	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 11,396,199	\$ 10,703,306	\$ 11,266,813	\$ 10,548,591
Support Services:				
Pupils and Instructional Staff	3,241,445	3,190,718	3,145,727	3,078,219
General Administration, School Administration,				
Business	2,069,153	2,069,153	2,013,389	2,013,389
Operation and Maintenance of Facilities	2,598,568	2,598,568	2,167,789	2,167,789
Pupil Transportation	1,096,116	1,096,116	972,983	972,983
Employee Benefits	9,995,729	3,844,499	8,860,215	3,899,528
Other	1,889,873	1,889,873	2,018,099	2,018,099
Total Expenses	\$ 32,287,083	\$ 25,392,233	\$ 30,445,015	\$ 24,698,598

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

School District's Funds

Information about the School District's major funds follows this report. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$29,403,142, and expenditures of \$30,095,178.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding Capital Projects) for the fiscal year ended June 30, 2016, and the amount and percentage of increases and decreases in relation to prior-year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014/2015</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 12,238,599	41.71%	\$ 480,714	3.93%
State Sources	15,263,500	52.02%	307,805	2.02%
Federal Sources	1,672,844	5.70%	44,566	2.66%
Miscellaneous	168,338	0.57%	(242,205)	-143.88%
	<u>\$ 29,343,281</u>	<u>100.00%</u>	<u>\$ 590,880</u>	<u>2.01%</u>

The following schedule presents a summary of General Fund and Special Revenue Fund expenditures for the fiscal year ended June 30, 2016:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2014/15</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 11,396,199	41.35%	\$ 129,386	1.18%
Undistributed Expenditures	15,025,688	54.52%	457,104	3.25%
Capital Outlay	<u>1,138,575</u>	<u>4.13%</u>	<u>635,723</u>	<u>183.52%</u>
Total	<u>\$ 27,560,462</u>	<u>100.00%</u>	<u>\$ 1,222,213</u>	<u>4.84%</u>

General Fund Budgeting Highlights

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

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

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

The final budgetary basis revenue estimate was \$22,277,375 unchanged from original estimate.

The District received \$2,760,701 in reimbursed T.P.A.F. Social Security Aid, T.P.A.F. Post-Retirement Medical, T.P.A.F. Normal Pension Contributions and T.P.A.F. NCGI Premium Contributions. These reimbursements are reflected as revenue and expenditures in the *Budgetary Comparison Schedule – General Fund* and have no corresponding budget amounts.

The final budgetary basis expenditure appropriation estimate was \$24,173,238 compared to the original estimate of \$24,143,593.

The general fund finished the fiscal year \$3,996,259 better than had been budgeted in terms of revenues and \$2,793,191 worse in terms of expenditures. Both the revenues and appropriations were adjusted for non-budget T.P.A.F. reimbursements.

Capital Assets

At the end of the fiscal year 2016, the School District had \$32,880,133 invested in land, buildings, equipment, and machinery.

Table 4

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

	<u>2016</u>	<u>2015</u>
Land	\$ 1,571,070	\$ 1,571,070
Construction in Progress	25,683	25,683
Building and Improvements	50,169,276	49,853,187
Equipment and Machinery	3,684,771	3,632,817
Less: Accumulated Depreciation	<u>(23,739,670)</u>	<u>(22,202,624)</u>
Total	<u>\$ 31,711,130</u>	<u>\$ 32,880,133</u>

Debt Administration

At June 30, 2016, the Plumsted Township Board of Education had \$10,735,000 in outstanding bonds, \$786,187 in capital leases, and \$303,942 for Compensated Absences.

Current Financial Issues and Concerns

For the 2015-2016 school year, the District was able to sustain its budget through the local tax levy, state education aid and federal impact aid. Federal and state aid (restricted and not restricted) represents 59% of the School Board's revenue, local tax levy is 40% and 1% is from all other sources.

The \$(4,791,522) in unrestricted Net Position represents the accumulated results of all past years' operations.

The 2016-2017 budget was adopted May 3, 2016, based in part on the state education aid the District anticipates receiving. Due to the economic uncertainties in the State of New Jersey, future state aid may not meet current levels.

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

Contacting the School District's Financial Management Team

The District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Sean Gately, School Business Administrator/Board Secretary, at the Plumsted Township School District, 117 Evergreen Road, New Egypt, New Jersey 08533.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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PLUMSTED TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	TOTALS		
ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2016
Cash and Cash Equivalents	\$ 2,760,543	\$ 54,456	\$ 2,814,999
Receivables - Other	687,131	26,231	713,362
Receivables - State	160,917	353	161,270
Receivables - Other Governments	43,290	11,683	54,973
Interfund Receivable	-	73,503	73,503
Inventory	-	5,471	5,471
Capital Assets, Depreciable (Note 5)	31,711,130	-	31,711,130
Total Assets	35,363,011	171,697	35,534,708
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	682,157	-	682,157
Deferred Charge on Refunding of Debt	73,459	-	73,459
Total Deferreds Outflow of Resources	755,616	-	755,616
Total Assets and Deferred Outflows of Resources	36,118,627	171,697	36,290,324
LIABILITIES			
Accounts Payable	191,690	46,741	238,431
Interfund Payable	73,503	-	73,503
Unearned Revenue	47,966	55,700	103,666
Accrued Interest	149,110	-	149,110
Noncurrent Liabilities (Note 6)			
Due Within One Year	2,399,955	-	2,399,955
Due Beyond One Year	14,930,153	-	14,930,153
Total Liabilities	17,792,377	102,441	17,894,818
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	259,202		259,202
Total Deferred Inflow of Resources	259,202	-	259,202
Total Liabilities and Deferred Inflows of Resources	18,051,579	102,441	18,154,020
NET POSITION			
Net Investment			
In Capital Assets	19,949,353	-	19,949,353
Restricted for:			
Debt Service	(112,476)	-	(112,476)
Other Purposes	3,021,693	-	3,021,693
Unrestricted	(4,791,522)	69,256	(4,722,266)
Total Net Position	\$ 18,067,048	\$ 69,256	\$ 18,136,304

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS JUNE 30, 2016
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 6,529,649	\$ 119,942	\$ -	\$ (6,409,707)	\$ -	\$ (6,409,707)
Special Schools Instruction	3,238,644	-	572,951	(2,665,693)	-	(2,665,693)
Other Special Instruction	809,042	-	-	(809,042)	-	(809,042)
Other Instruction	818,864	-	-	(818,864)	-	(818,864)
Support Services and Undistributed Costs:						
Instruction	403,195	-	-	(403,195)	-	(403,195)
Attendance and Social Work Services	38,999	-	-	(38,999)	-	(38,999)
Health Services	307,958	-	-	(307,958)	-	(307,958)
Other Support Services	2,141,438	-	50,727	(2,090,711)	-	(2,090,711)
Educational Media Services	130,923	-	-	(130,923)	-	(130,923)
Instructional Staff Training	218,932	-	-	(218,932)	-	(218,932)
General Administrative Services	561,081	-	-	(561,081)	-	(561,081)
School Administrative Services	1,010,093	-	-	(1,010,093)	-	(1,010,093)
Central Services	466,013	-	-	(466,013)	-	(466,013)
Technology	31,966	-	-	(31,966)	-	(31,966)
Allowed Maintenance for School Facilities	218,274	-	-	(218,274)	-	(218,274)
Other Operation & Maintenance of Plant	2,380,294	-	-	(2,380,294)	-	(2,380,294)
Student Transportation Services	1,096,116	-	-	(1,096,116)	-	(1,096,116)
Unallocated Employee Benefits	9,995,729	-	6,151,230	(3,844,499)	-	(3,844,499)
Interest on Long-Term Debt and Other Charges	352,827	-	-	(352,827)	-	(352,827)
Unallocated Depreciation and Amortization	1,537,046	-	-	(1,537,046)	-	(1,537,046)
Total Government Activities	32,287,083	119,942	6,774,908	(25,392,233)	-	(25,392,233)
Business-Type Activities:						
Food Service	414,769	194,743	161,800	-	(58,226)	(58,226)
Community Education	49,711	57,828	-	-	8,117	8,117
N.E.E.D.	168,013	151,758	-	-	(16,255)	(16,255)

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS JUNE 30, 2016
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Warrior Day Camp	96,170	100,250	-	-	4,080	4,080
Total Business-Type Activities	728,663	504,579	161,800	-	(62,284)	(62,284)
Total Primary Government	33,015,746	624,521	6,936,708	(25,392,233)	(62,284)	(25,454,517)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				10,519,408	-	10,519,408
Property Taxes, Levied for Debt Service				1,599,249	-	1,599,249
Federal & State Aid Not Restricted				13,645,745	-	13,645,745
Transfer				(73,503)	73,503	-
Miscellaneous Income				134,419	14,455	148,874
Total General Revenues, Special Items, Extraordinary Items & Transfers				25,825,318	87,958	25,913,276
Change in Net Position				433,085	25,674	458,759
Net Position - Beginning, as restated, see Note 20				17,633,963	43,582	17,677,545
Net Position - Ending				\$ 18,067,048	\$ 69,256	\$ 18,136,304

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B. Fund Financial Statements

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Governmental Funds

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

ASSETS	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE FUND	TOTALS JUNE 30, 2016
Cash and Cash Equivalents	\$ 3,123,841	\$ -	\$ 43,245	\$ -	\$ 3,167,086
Receivables - Other	255,131	-	-	432,000	687,131
Receivables From Other Governments:					
State	160,917	-	-	-	160,917
Federal	5,489	37,801	-	-	43,290
Total Assets	3,545,378	37,801	43,245	432,000	4,058,424
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	-	11,177	-	395,366	406,543
Accounts Payable	141,647	283	49,760	-	191,690
Due To Other Funds	73,503	-	-	-	73,503
Unearned Revenue	21,625	26,341	-	-	47,966
Total Liabilities	236,775	37,801	49,760	395,366	719,702
Fund Balances:					
Restricted:					
Capital Reserve	20,267	-	-	-	20,267
Debt Service	-	-	-	36,634	36,634
Capital Projects	-	-	(6,515)	-	(6,515)
Excess Surplus Designated for Subsequent Year's Expenditures	65,306	-	-	-	65,306
Reserve for Impact Aid	2,936,120	-	-	-	2,936,120
Assigned:					
Designated for Subsequent Year's Expenditures	286,910	-	-	-	286,910
Other Purposes - Year-End Encumbrances	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	3,308,603	-	(6,515)	36,634	3,338,722
Total Liabilities and Fund Balances	\$ 3,545,378	\$ 37,801	\$ 43,245	\$ 432,000	
Amounts reported for governmental activities in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$55,450,800 and the accumulated depreciation is \$23,739,670 (Note 5).					
					31,711,130
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.					
					496,414
Accrued interest on long-term liabilities is not reported in the fund financial statements.					
					(149,110)
Long-term liabilities, including net pension liability, bonds payable, compensated absences, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 6).					
					(17,330,108)
Net Position of Governmental Activities					\$ 18,067,048

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2016
Revenues:					
Local Sources:					
Local Tax Levy	\$ 10,519,408	\$ -	\$ -	\$ 1,599,249	\$ 12,118,657
Tuition	119,942	-	-	-	119,942
Miscellaneous	134,419	33,919	-	-	168,338
Total Revenues - Local Sources	10,773,769	33,919	-	1,599,249	12,406,937
State Sources	14,414,699	-	59,861	848,801	15,323,361
Federal Sources	1,083,085	589,759	-	-	1,672,844
Total Revenues	26,271,553	623,678	59,861	2,448,050	29,403,142
Expenditures:					
Current:					
Regular Instruction	6,529,649	-	-	-	6,529,649
Special Education Instruction	2,665,693	572,951	-	-	3,238,644
Other Special Instruction	809,042	-	-	-	809,042
Other Instruction	818,864	-	-	-	818,864
Support Services and Undistributed Costs:					
Instruction	403,195	-	-	-	403,195
Attendance and Social Work Services	38,999	-	-	-	38,999
Health Services	307,958	-	-	-	307,958
Other Support Services	2,090,711	50,727	-	-	2,141,438
Educational Media Services	130,923	-	-	-	130,923
Instructional Staff Training	218,932	-	-	-	218,932
General Administrative Services	561,081	-	-	-	561,081
School Administrative Services	1,010,093	-	-	-	1,010,093
Central Services	466,013	-	-	-	466,013
Technology	31,966	-	-	-	31,966
Allowed Maintenance for School Facilities	218,274	-	-	-	218,274
Other Operation & Maintenance of Plant	1,921,801	-	-	-	1,921,801
Student Transportation Services	1,096,116	-	-	-	1,096,116
Unallocated Employee Benefits	6,478,899	-	-	-	6,478,899
Debt Service:					
Principal	-	-	-	2,120,000	2,120,000
Interest and Other Charges	-	-	-	358,806	358,806
Capital Outlay	1,138,575	-	55,910	-	1,194,485
Total Expenditures	26,936,784	623,678	55,910	2,478,806	30,095,178
Other Financing Sources/(Uses):					
Proceeds of Refunding Debt	-	-	-	-	-
Payments to Escrow Agent	-	-	-	-	-
Capital Lease Proceeds	500,000	-	-	-	500,000
Transfer To	-	-	-	-	-
Transfer From	(73,503)	-	-	-	(73,503)
Total Other Financing Sources/(Uses)	426,497	-	-	-	426,497
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(238,734)	-	3,951	(30,756)	(265,539)
Net Change in Fund Balances	(238,734)	-	3,951	(30,756)	(265,539)
Fund Balance - July 1	3,547,337	-	(10,466)	67,390	3,604,261
Fund Balance - June 30	\$ 3,308,603	\$ -	\$ (6,515)	\$ 36,634	\$ 3,338,722

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (265,539)

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, on 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 period.

Depreciation Expense	(1,537,046)	
Adjustment to Capital Assets	41,507	
Capital Outlay	326,536	(1,169,003)

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

Unfunded TPAF Pension Expense	(3,390,529)	
State Share of Unfunded TPAF Pension Expense	3,390,529	
District Pension Contributions	199,056	
Pension Expense	(302,177)	(103,121)

Repayment of bond, principal is an expenditure in the governmental funds, but the repayment debt reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 2,120,000

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest over the previous year is an increase in the reconciliation. 23,386

Bond discounts and bond premiums are amortized over the lives of the bonds in the Statement of Activities but are recorded as a reduction from the proceeds from sales of bonds in the governmental funds. 89,994

In the governmental funds, Bond Proceeds & Capital Lease Proceeds are reported as an other financing source. These proceeds are liabilities and are a reduction to the reconciliation. (500,000)

Amortization of losses on early extinguishments of debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.
Loss on Refunding (36,730)

In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability. In the governmental funds, the payments are an expenditure. 297,278

In the Statement of Activities, certain operating expenses, e.g. compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. (23,180)

Change in Net Position of Governmental Activities \$ 433,085

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

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Proprietary Funds

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTALS
	FOOD SERVICE	N.E.E.D	WARRIOR DAY CAMP	COMMUNITY EDUCATION	JUNE 30, 2016
Current Assets:					
Cash and Cash Equivalents	\$ -	\$ 3,726	\$ 84,997	\$ 39,236	\$ 127,959
Accounts Receivable:					
State	353	-	-	-	353
Federal	11,683	-	-	-	11,683
Other	25,068	743	-	420	26,231
Interfund Receivable	73,503				73,503
Inventories	5,471	-	-	-	5,471
Total - Current Assets	116,078	4,469	84,997	39,656	245,200
Fixed Assets:					
Equipment	279,108	-	-	-	279,108
Accumulated Depreciation	(279,108)	-	-	-	(279,108)
Total - Fixed Assets	-	-	-	-	-
Total Assets	116,078	4,469	84,997	39,656	245,200
LIABILITIES					
Current Liabilities:					
Cash Deficit	73,503	-	-	-	73,503
Accounts Payable	31,015	-	12,639	3,087	46,741
Unearned Revenue	10,388	50	43,892	1,370	55,700
Total Liabilities	114,906	50	56,531	4,457	175,944
NET POSITION					
Unrestricted	1,172	4,419	28,466	35,199	69,256
Total Net Position	\$ 1,172	\$ 4,419	\$ 28,466	\$ 35,199	\$ 69,256

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

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTALS
	FOOD SERVICE	N.E.E.D	WARRIOR DAY CAMP	COMMUNITY EDUCATION	JUNE 30, 2016
Operating Revenues:					
Local Sources:					
Daily Sales - Reimbursable Programs:					
School Lunch Program	\$ 189,828	\$ -	\$ -	\$ -	\$ 189,828
Daily Sales - Non-Reimbursable Programs:					
Special Functions	3,281	-	-	-	3,281
Program Fees	1,634	151,758	100,250	49,467	303,109
Miscellaneous Income	14,455	-	-	8,361	22,816
Total Operating Revenues	209,198	151,758	100,250	57,828	519,034
Operating Expenses:					
Salaries	152,794	135,612	51,581	38,843	378,830
Transportation	-	-	8,940	-	8,940
Support Services - Employee Benefits	30,544	21,270	3,946	-	55,760
Payroll Taxes	23,222	-	-	-	23,222
FICA	-	10,374	-	2,973	13,347
Management Fee	13,316	-	26,731	-	40,047
Supplies and Materials	33,771	202	4,972	2,754	41,699
Cost of Sales	161,122	-	-	-	161,122
Miscellaneous Expenditures	-	555	-	5,141	5,696
Total Operating Expenses	414,769	168,013	96,170	49,711	728,663
Operating Income/(Loss)	(205,571)	(16,255)	4,080	8,117	(209,629)
Nonoperating Revenues/(Expenses):					
Transfers In/(Out)	73,503	-	-	-	73,503
State Sources:					
State School Lunch Program	3,396	-	-	-	3,396
Federal Sources:					
National School Lunch Program	111,179	-	-	-	111,179
National School Breakfast Program	25,020	-	-	-	25,020
Food Distribution Program	22,205	-	-	-	22,205
Total Nonoperating Revenues/(Expenses)	235,303	-	-	-	235,303
Change In Net Position	29,732	(16,255)	4,080	8,117	25,674
Total Net Position - Beginning	(28,560)	20,674	24,386	27,082	43,582
Total Net Position - Ending	\$ 1,172	\$ 4,419	\$ 28,466	\$ 35,199	\$ 69,256

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES -				TOTALS
	ENTERPRISE FUNDS				
	FOOD SERVICE	N.E.E.D	WARRIOR DAY CAMP	COMMUNITY EDUCATION	JUNE 30, 2016
Cash Flows From Operating Activities:					
Receipts From Customers	\$ 213,945	\$ 151,899	\$ 92,586	\$ 59,241	\$ 517,671
Payments To Employees	(176,016)	(135,612)	(51,581)	(38,843)	(402,052)
Payments To Employee Benefits	(30,544)	(21,270)	(3,946)	-	(55,760)
Payments To Suppliers	(211,392)	(11,286)	(40,599)	(8,195)	(271,472)
Net Cash Provided By/(Used For) Operating Activities	(204,007)	(16,269)	(3,540)	12,203	(211,613)
Cash Flows From Noncapital Financing Activities:					
Cash From Financing Activities	162,288	-	-	-	162,288
Net Cash Provided By Noncapital Financing Activities	162,288	-	-	-	162,288
Net (Decrease)/Increase in Cash and Cash Equivalents	(41,719)	(16,269)	(3,540)	12,203	(49,325)
Balance - Beginning of Year	(31,784)	19,995	88,537	27,033	103,781
Balance - End of Year	\$ (73,503)	\$ 3,726	\$ 84,997	\$ 39,236	\$ 54,456
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Used for Operating Activities:					
Operating Income/(Loss) Used for Operating Activities:	\$ (205,571)	\$ (16,255)	\$ 4,080	\$ 8,117	\$ (209,629)
(Increase)/Decrease in Accounts Receivable	2,094	91	-	253	2,438
Decrease in Inventory	913	-	-	-	913
Increase/(Decrease) in Unearned Revenue	2,653	50	(7,664)	1,160	(3,801)
Increase/(Decrease) in Accounts Payable	(4,096)	(155)	44	2,673	(1,534)
Total Adjustments	1,564	(14)	(7,620)	4,086	(1,984)
Net Cash Used for Operating Activities	\$ (204,007)	\$ (16,269)	\$ (3,540)	\$ 12,203	\$ (211,613)

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

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Fiduciary Fund

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

	PRIVATE PURPOSE		AGENCY FUND		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	STUDENT ACTIVITIES	PAYROLL	JUNE 30, 2016
ASSETS					
Cash and Cash Equivalents	\$ 41,492	\$ 3,689	\$ 87,345	\$ 184,787	\$ 317,313
Total Assets	41,492	3,689	87,345	184,787	317,313
LIABILITIES					
Payroll Deductions and Withholdings Payable To Student Groups	-	-	-	184,787	184,787
	-	-	87,345	-	87,345
Total Liabilities	-	-	87,345	184,787	272,132
NET POSITION					
Held in Trust for Unemployment Claims and Other Purposes	41,492	-	-	-	41,492
Reserved For Scholarships	-	3,689	-	-	3,689
Total Net Position	\$ 41,492	\$ 3,689	\$ -	\$ -	\$ 45,181

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

ADDITIONS	PRIVATE PURPOSE		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	JUNE 30, 2016
Contributions:			
Plan Member	\$ 42,520	\$ -	\$ 42,520
Other	-	3,817	3,817
Total Additions	42,520	3,817	46,337
Deductions:			
Payment of Claims	42,590	-	42,590
Scholarships Awarded	-	2,575	2,575
Total Deductions	42,590	2,575	45,165
Change in Net Position	(70)	1,242	1,172
Net Position - Beginning of Year	41,562	2,447	44,009
Net Position - End of Year	\$ 41,492	\$ 3,689	\$ 45,181

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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PLUMSTED TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Plumsted Township School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of 7 members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The Plumsted Township School District had an approximate enrollment of 1,382 students at June 30, 2016.

B. Component Units

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

C. Government-Wide Financial Statements

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

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

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

D. Governmental Fund Financial Statements

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

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

E. Fiduciary Fund Financial Statements

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

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

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

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds,

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

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

and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

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

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

grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

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

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

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

The District reports the following major governmental funds:

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

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

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

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

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

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

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

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

All Proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total position) is segregated into contributed capital and unreserved net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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

Buildings & Improvements	10-50 years
Equipment	12 years
Light Trucks & Vehicles	4 years
Heavy Trucks & Vehicles	6 years

The District’s enterprise fund is comprised of the following:

- Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.
- Community Education Programs – This fund accounts for the revenues and expenses pertaining to the community fee-based programs.
- New Egypt Extended Daycare Program – This fund accounts for the revenues and expenses pertaining to the fee-based daycare programs.
- Warrior Day Camp Programs – This fund accounts for the revenues and expenses pertaining to the fee-based summer camp programs.

Additionally, the District reports the following major fiduciary funds:

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

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

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

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

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

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

G. Budgets/Budgetary Control

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

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

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

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

G. Budgets/Budgetary Control (continued)

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund

Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

H. Encumbrances

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

Open encumbrances in the special revenue fund for which the Plumsted Township School District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

I. Cash and Cash Equivalents

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

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

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

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

I. Cash and Cash Equivalents (continued)

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.

J. Tuition Receivable/Payable

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

These adjustments are recorded upon certification by the State Board of Education, which is normally two years following the contract year. The cumulative adjustments through June 30, 2016, which have not been recorded, are not determinable.

K. Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

L. Prepaid Expenses

Prepaid expenses, which benefit future periods, are only recorded in the government-wide financial statements and in the proprietary fund statements. Prepaid expenses in the proprietary fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016. They are recorded as expenditure during the year of purchase.

M. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Plumsted Township School District and that are due within one year.

N. Capital Assets

General capital assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated capital assets are valued at their estimated fair market value on the date received. The general capital assets acquired or constructed were valued by an independent appraisal company. General capital assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

N. Capital Assets (continued)

General capital assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the government-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Buildings	20-50 Years
Machinery and Equipment	5-10 Years
Improvements	10-20 Years

O. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2016 for such salaries.

P. Compensated Absences

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

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

Q. Unearned Revenue

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

R. Long-Term Obligations

In government-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

S. Deferred Inflows/Outflows 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.

T. Fund Balance

Fund Balance Reporting and Governmental Fund Type Definitions, the Plumsted Township School District classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

U. Net Position

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

U. 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 – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

V. Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

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

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

Recently Issued and Adopted Accounting Pronouncements

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

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

V. Impact of Recently Issued Accounting Principles (continued)

ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

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

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

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

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

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

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

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not*

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (continued):

V. Impact of Recently Issued Accounting Principles (continued)

within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

W. Pensions

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

X. Subsequent Events

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

Note 2. Cash and Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The cash and cash equivalents held at June 30, 2016, are reported at carrying value as follows:

Type	Carrying Value
Deposits	
Demand Deposits	\$ 3,132,312
Total Deposits	<u>\$ 3,132,312</u>
The District's Cash and Cash Equivalents are Reported as Follows:	
Government Activities	\$ 2,760,543
Business-Type Activities	54,456
Fiduciary Funds	<u>317,313</u>
Total Cash and Cash Equivalents	<u>\$ 3,132,312</u>

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 2. Cash and Cash Equivalents (continued)

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 the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 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 funds or 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, 2016, the District’s bank balance of \$3,579,956 was exposed to custodial credit risk as follows:

Insured under FDIC	\$ 250,000
Uninsured and uncollateralized	332,250
Collateralized in the District's Name Under GUDPA	<u>2,997,706</u>
Total	<u>\$ 3,579,956</u>

Note 3. Reserve Accounts

A. Capital Reserve

A capital reserve account was established by the Plumsted Township School District by inclusion of \$173,833 in June 2012, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-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.

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 3. Reserve Accounts (continued)

A. Capital Reserve (continued)

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

Beginning Balance, July 1, 2015	\$ 29,767
Withdrawals	<u>(9,500)</u>
Ending Balance, June 30, 2016	<u><u>\$ 20,267</u></u>

B. Maintenance Reserve

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A.18A:7G-9*) as amended by *P.L. 2004, c.73(S1701)*. Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C.6A:23A-14.2*) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit

at year end into a maintenance reserve account must be made between June 1 and June 20 of the budget year. EFCFA requires that upon District completion of a school facilities project, the District must submit a plan for the maintenance of that facility. Auditors and District staff should refer to the regulations, *N.J.A.C.6A:26A*, for further guidance. A separate line is provided in the AUDSUM for this reserve account.

GASBS No. 54 requires the further categorization of the maintenance reserve account balance on the *Governmental Funds Balance Sheet* (Exhibit B-1) as restricted, committed, and/or assigned. The Department recommends reporting the maintenance reserve under “Restricted” fund balance due to the statutory and regulatory restrictions on withdrawals from maintenance reserve. The same categorization is applicable to the *General Fund Budgetary Comparison Schedule* (Exhibit C-1)

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

Beginning Balance, July 1 2015	\$ 97,000
Withdrawals	<u>(97,000)</u>
Ending Balance June 30 , 2016	<u><u>\$ -</u></u>

C. Federal Impact Aid Legal Reserve

As permitted by P.L.2015, c.46 which amended *N.J.S.A. 18A:7F-41* a federal impact reserve account was established by the Plumsted Township School District. The district increased the impact aid – general

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 3. Reserve Accounts (continued)

C. Federal Impact Aid Legal Reserve (continued)

reserve by transfer of \$1,043,464 by board resolution for the amount of federal impact aid funds – general fund – received during the current fiscal year for use as general fund expenditures in subsequent fiscal years. The federal impact aid – general reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning Balance, July 1 2015	\$ 1,892,656
Increase by Board resolution on 6/29/16	<u>1,043,464</u>
Ending Balance June 30 , 2016	<u>\$ 2,936,120</u>

Note 4. Accounts Receivable

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

	General Fund	Special Revenue Fund	Debt Service Fund	Proprietary Funds	Total
State Aid	\$ 160,917	\$ -	\$ -	\$ 353	\$ 161,270
Federal Aid	5,489	37,801	-	11,683	54,973
Other	255,131	-	432,000	26,231	713,362
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 421,537</u>	<u>\$ 37,801</u>	<u>\$ 432,000</u>	<u>\$ 38,267</u>	<u>\$ 929,605</u>

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 5. Capital Assets

The schedule on the following page is a summarization of the capital assets by source for the fiscal year ended June 30, 2016.

	June 30, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	June 30, <u>2016</u>
<u>Non-Depreciable Assets</u>					
Land	\$ 1,571,070	\$ -	\$ -	\$ -	\$ 1,571,070
Construction In Progress	25,683	-	-	-	25,683
Total Non-Depreciable Assets	1,596,753	-	-	-	1,596,753
<u>Depreciable Assets</u>					
Buildings & Improvements	49,853,187	316,089	-	-	50,169,276
Machinery & Equipment	3,632,817	51,954	-	-	3,684,771
Subtotal	53,486,004	368,043	-	-	53,854,047
Accumulated Depreciation	(22,202,624)	(1,537,046)	-	-	(23,739,670)
Total Depreciable Assets	\$ 32,880,133	\$ (1,169,003)	\$ -	\$ -	\$ 31,711,130

The following schedule is a summary of the proprietary fund type capital assets at June 30, 2016:

	June 30, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	June 30, <u>2016</u>
<u>Depreciable Assets</u>					
Machinery & Equipment	\$ 279,108	\$ -	\$ -	\$ -	\$ 279,108
Subtotal	279,108	-	-	-	279,108
Accumulated Depreciation	(279,108)	-	-	-	(279,108)
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Note 6. Long-Term Obligations

A. Long-Term Obligation Activity

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 6. Long-Term Obligations (continued)

A. Long-Term Obligation Activity (continued)

	June 30, 2015	Accrued/ Increases	Retired/ Decreases	June 30, 2016	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 12,855,000	\$ -	\$ (2,120,000)	\$ 10,735,000	\$ 2,105,000
Capital Lease Payable	583,465	500,000	(297,278)	786,187	204,960
Bond Premium	397,529	-	(89,994)	307,535	89,995
Compensated Absences	280,762	23,180	-	303,942	-
Net Pension Liability	4,403,440	794,004	-	5,197,444	-
Total	\$ 18,520,196	\$ 1,317,184	\$ (2,507,272)	\$ 17,330,108	\$ 2,399,955

B. Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Principal and interest due on the outstanding bonds are as follows:

2017	\$ 2,105,000	\$ 313,056	\$ 2,418,056
2018	2,175,000	255,756	2,430,756
2019	2,245,000	188,206	2,433,206
2020	400,000	147,131	547,131
2021	420,000	130,731	550,731
2022-2026	2,335,000	408,572	2,743,572
2027	1,055,000	38,488	1,093,488
Total	\$ 10,735,000	\$ 1,481,940	\$ 12,216,940

C. Bonds Authorized But Not Issued

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 6. Long-Term Obligations (continued):

D. Capital Leases

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of varying years. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of net minimum lease payments at June 30, 2016:

Year-ending <u>June 30,</u>	
2017	\$ 318,406
2018	188,007
2019	191,169
2020	<u>110,969</u>
Total Minimum Lease Payments	808,550
Less: Amount representing interest	<u>22,363</u>
Present Value of Lease Payments	<u>\$ 786,187</u>

Note 7. Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 73,503
Proprietary Funds	<u>73,503</u>	<u>-</u>
	<u>\$ 73,503</u>	<u>\$ 73,503</u>

The purpose of interfunds are short-term borrowings.

Note 8. Inventory

Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 3,327
Supplies	<u>2,144</u>
Total	<u>\$ 5,471</u>

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 9: Pension Obligations

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.

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 9: Pension Obligations (continued)

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

and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 199,056	100%	\$ 5,197,444
6/30/2015	193,889	100%	4,403,440
6/30/2014	173,361	100%	4,665,430

Components of Pension Liability - At June 30, 2016, the District reported a liability of \$5,197,444 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.02315% percent, which was a decrease of 0.00037% from its proportion measured as of June 30, 2014.

Collective Balances at June 30, 2016 and June 30, 2015

	<u>6/30/2016</u>	<u>6/30/2015</u>
	June 30, 2015	June 30, 2014
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resourc	\$ 682,157	\$ 332,357
Deferred Inflows of Resources	\$ 259,202	\$ 406,396
Net Pension Liability	\$ 5,197,444	\$ 4,403,440
Authority's portion of the Plan's total net pension Liability	0.02315%	0.02352%

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 9: Pension Obligations (continued)

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

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$326,536. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 558,164	\$ -
Net difference between expected and actual experience	123,993	-
Net difference between projected and actual earnings on pension plan investments	-	83,565
Changes in proportion and differences between Authority contributions and proportionate share of contributions	-	175,637
Total	<u>\$ 682,157</u>	<u>\$ 259,202</u>

The \$682,157 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, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>PERS</u>
2017	\$ 58,979
2018	58,979
2019	58,979
2020	124,584
2021	121,433
Thereafter	-

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 9: Pension Obligations (continued)

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

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

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

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

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 9: Pension Obligations (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%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 9: Pension Obligations (continued):

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

	1% <u>Decrease</u> (3.90%)		Current <u>Discount</u> Rate (4.90%)		1% <u>Increase</u> (5.90%)
Authority's proportionate share of the net pension liability	\$ 6,459,788		\$ 5,197,444		\$ 4,139,105

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/annrpts.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

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.

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 9: Pension Obligations (continued):

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

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

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

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

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

Year Funding	Pension Cost (APC)	Percent of APC Contributed	Pension Obligation
6/30/2016	887,171	100%	-
6/30/2015	599,266	100%	-
6/30/2014	468,932	100%	-

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 9: Pension Obligations (continued):

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

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

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 9: Pension Obligations (continued):

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

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

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 9: Pension Obligations (continued):

Defined Contribution Retirement Plan (DCRP) (continued):

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions total \$5,258, and the District recognized pension expense of \$2,868.

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

Note 10. Post-Retirement Benefits

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

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

Note 11. Risk Management

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

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

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 11. Risk Management (continued)

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

Fiscal Year	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2015-2016	\$ 42,520	\$ -	\$ 42,590	\$ 41,492
2014-2015	43,693	-	41,466	41,562
2013-2014	40,239	-	23,081	39,335

Note 12. Contingent Liabilities

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

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). 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:

Security First – American Express - Lincoln Investment - Equitable – Valic – Copeland Co. –
Metropolitan Life

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 15. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$303,942.

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

Note 16. Fund Balance Disclosure

General Fund – Of the \$3,308,603 General Fund fund balance at June 30, 2016, \$20,267 has been restricted for capital reserve; \$286,910 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$2,936,120 has been reserved for impact aid; \$65,306 has been restricted for excess surplus designated for subsequent year and \$0 is unassigned.

Capital Projects Fund – Of the Capital Projects Fund fund balance at June 30, 2016, \$(6,515) has been restricted for future Capital Projects.

Debt Service Fund – Of the Debt Service Fund fund balance at June 30, 2016, \$36,634 is restricted in accordance with N.J.S.A 7F-41c(2).

Note 17. Calculation of Excess Surplus

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was \$0 in excess fund balance at June 30, 2016.

PLUMSTED TOWNSHIP SCHOOL DISTRICT

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

Note 18. Deficit in Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(4,791,522) existed as of June 30, 2016 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 19. Deficit Fund Balance

The District has a deficit fund balance of \$(6,515) in the Capital Projects Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). This deficit is caused by the District expending funds in the capital projects fund in relation to the ROD grants, yet has not requested reimbursement from the State of New Jersey for the expended funds.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2016 through November 30, 2016, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
REVENUES						
Local Sources:						
Local Tax Levy	10-1210	\$ 10,519,408	\$ -	\$ 10,519,408	\$ 10,519,408	\$ -
Tuition - From Individuals	10-1310	85,000	-	85,000	119,942	34,942
Unrestricted Miscellaneous Revenues	10-1XXX	115,000	-	115,000	134,419	19,419
Total Local Sources		10,719,408	-	10,719,408	10,773,769	54,361
State Sources:						
School Choice Aid	10-3116	221,464	-	221,464	221,464	-
Extraordinary Aid	10-3131	-	-	-	121,175	121,175
Categorical Special Education Aid	10-3132	975,623	-	975,623	975,623	-
Equalization Aid	10-3176	10,042,670	-	10,042,670	10,042,670	-
Security Aid	10-3177	125,293	-	125,293	125,293	-
Transportation Aid	10-3121	130,266	-	130,266	130,266	-
Additional Adjustment Aid	10-3190	7,144	-	7,144	7,144	-
PARCC Readiness Aid	10-3190	14,395	-	14,395	14,395	-
Per Pupil Growth Aid	10-3190	14,395	-	14,395	14,395	-
Non-Public Transportation Aid	-	-	-	-	3,654	3,654
TPAF Normal Contributions (On-Behalf - Non-Budgeted)	-	-	-	-	887,171	887,171
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	-	1,056,377	1,056,377
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	-	817,153	817,153
Total State Sources		11,531,250	-	11,531,250	14,416,780	2,885,530
Federal Sources:						
Impact Aid	10-4100	-	-	-	1,043,464	1,043,464
Medicaid Reimbursement	10-4200	26,717	-	26,717	39,621	12,904
Total Federal Sources		26,717	-	26,717	1,083,085	1,056,368
Total Revenues		22,277,375	-	22,277,375	26,273,634	3,996,259
EXPENDITURES						
Current Expense:						
Regular Programs - Instruction:						
Kindergarten - Salaries of Teachers	11-110-100-101	242,696	10,167	252,863	251,963	900
Grades 1-5 - Salaries of Teachers	11-120-100-101	1,859,933	31,653	1,891,586	1,890,552	1,034
Grades 6-8 - Salaries of Teachers	11-130-100-101	1,394,372	64,511	1,458,883	1,458,883	-
Grades 9-12 - Salaries of Teachers	11-140-100-101	2,102,353	63,486	2,165,839	2,159,805	6,034
Regular Programs-Home Instruction:						
Salaries of Teachers	11-150-100-101	4,000	24,335	28,335	28,335	-
Purchased Professional Education Services	11-150-100-320	4,000	16,300	20,300	18,998	1,302
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	132,062	6,415	138,477	138,476	1
Purchased Professional - Educational Services	11-190-100-320	20,000	-	20,000	14,380	5,620
Other Purchased Services (Series 400-500)	11-190-100-500	200,900	(12,179)	188,721	184,945	3,776
General Supplies	11-190-100-610	387,065	(48,782)	338,283	321,963	16,320
Textbooks	11-190-100-640	23,620	37,919	61,539	55,389	6,150
Other Objects	11-190-100-800	15,140	(2,183)	12,957	5,960	6,997
Total Regular Programs - Instruction		6,386,141	191,642	6,577,783	6,529,649	48,134
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	389,795	36,461	426,256	424,911	1,345
Other Salaries for Instruction	11-212-100-106	275,398	(34,235)	241,163	238,227	2,936
General Supplies	11-212-100-610	3,850	(822)	3,028	2,892	136
Total Multiple Disabilities		669,043	1,404	670,447	666,030	4,417
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	1,654,108	89,929	1,744,037	1,719,985	24,052
General Supplies	11-213-100-610	28,050	(17,966)	10,084	9,742	342
Total Resource Room/Resource Center		1,682,158	71,963	1,754,121	1,729,727	24,394
Preschool Disabilities-Part-Time:						
Salaries of Teachers	11-215-100-101	213,262	26,093	239,355	239,188	167
Other Salaries for Instruction	11-215-100-106	-	29,492	29,492	29,377	115
General Supplies	11-215-100-600	1,450	-	1,450	1,371	79
Total Preschool Disabilities-Part-Time		214,712	55,585	270,297	269,936	361
Total Special Education Instruction		2,565,913	128,952	2,694,865	2,665,693	29,172

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Basic Skills/Remedial-Instruction:						
Salaries	11-230-100-101	609,633	47,523	657,156	625,880	31,276
General Supplies	11-230-100-610	2,500	1,753	4,253	3,220	1,033
Total Basic Skills/Remedial-Instruction		612,133	49,276	661,409	629,100	32,309
Bilingual Education-Instruction:						
Salaries of Teachers	11-240-100-101	192,972	(11,184)	181,788	178,947	2,841
General Supplies	11-240-100-610	1,000	-	1,000	995	5
Total Bilingual Education-Instruction		193,972	(11,184)	182,788	179,942	2,846
School-Spon. Co/Extra-curricular Activities-Instruction:						
Salaries	11-401-100-100	138,289	(9,732)	128,557	126,185	2,372
Supplies and Materials	11-401-100-600	8,000	-	8,000	7,014	986
Other Objects	11-401-100-800	13,440	-	13,440	11,058	2,382
Total School-Spon. Cocurricular Activities-Instruction		159,729	(9,732)	149,997	144,257	5,740
School-Spon. Athletics-Instruction:						
Salaries	11-402-100-100	539,034	11,241	550,275	525,615	24,660
Purchased Services (300-500 Series)	11-402-100-500	75,885	(6,287)	69,598	65,063	4,535
Supplies and Materials	11-402-100-600	51,750	22,834	74,584	74,301	283
Other Objects	11-402-100-800	10,955	(313)	10,642	9,628	1,014
Total School-Spon. Athletics-Instruction		677,624	27,475	705,099	674,607	30,492
Summer School-Instruction:						
Salaries of Teachers	11-422-100-101	5,264	(5,264)	-	-	-
Total Summer School-Instruction		5,264	(5,264)	-	-	-
Total Other Special Instructional Programs-Instruction		1,648,722	50,571	1,699,293	1,627,906	71,387
Total Instruction		10,600,776	371,165	10,971,941	10,823,248	148,693
Undistributed Expenditures-Instruction:						
Tuition to Other LEAs within State - Regular	11-000-100-561	-	2,904	2,904	2,904	-
Tuition to Other LEAs within State - Special	11-000-100-562	70,200	125,870	196,070	194,278	1,792
Tuition to County Voc. School Dist.-Regular	11-000-100-563	34,500	8,000	42,500	42,500	-
Tuition to County Voc. School Dist.-Special	11-000-100-564	7,500	(2,500)	5,000	5,000	-
Tuition to County Spec. Serv. & Reg. Day Schools	11-000-100-565	62,000	39,923	101,923	99,753	2,170
Tuition to Private Schools for the Disabled W/I State	11-000-100-566	279,513	(219,246)	60,267	58,760	1,507
Total Undistributed Expenditures-Instruction		453,713	(45,049)	408,664	403,195	5,469
Attendance and Social Work Services:						
Salaries	11-000-211-100	37,000	2,001	39,001	38,999	2
Total Attendance and Social Work Services		37,000	2,001	39,001	38,999	2
Undist. Expend. -Health Services:						
Salaries	11-000-213-100	268,797	(17,017)	251,780	249,964	1,816
Purchased Professional and Technical Services	11-000-213-300	23,500	26,120	49,620	49,059	561
Supplies and Materials	11-000-213-600	7,160	1,836	8,996	8,935	61
Total Undistributed Expenditures -Health Services		299,457	10,939	310,396	307,958	2,438
Undist. Expend. - Speech, OT, PT & Related Services						
Salaries	11-000-216-100	442,225	(6,516)	435,709	435,209	500
Purchased Professional - Educational Services	11-000-216-320	143,000	26,677	169,677	162,398	7,279
Supplies and Materials	11-000-216-600	5,500	(769)	4,731	4,731	-
Other Objects	11-000-216-800	200	-	200	-	200
Total Undist. Expend. - Speech, OT, PT & Related Services		590,925	19,392	610,317	602,338	7,979
Undist. Expend. -Other Support Services-Students-Extra Srvc:						
Salaries	11-000-217-100	71,354	39,974	111,328	111,323	5
Total Undist. Expend.-Other Support Services-Students-Extra Srvc		71,354	39,974	111,328	111,323	5
Undistributed Expenditures - Guidance						
Salaries of Other Professional Staff	11-000-218-104	500,416	16,175	516,591	516,488	103
Salaries of Secretarial and Clerical Assistants	11-000-218-105	32,702	1,732	34,434	34,280	154
Other Salaries	11-000-218-110	3,000	6,600	9,600	8,406	1,194
Purchased Professional - Educational Services	11-000-218-320	13,396	(1,055)	12,341	9,919	2,422
Other Purch. Prof. & Tech Svc.	11-000-218-390	15,000	2,350	17,350	15,366	1,984
Supplies and Materials	11-000-218-600	14,822	(1,410)	13,412	8,483	4,929
Total Undist. Expend. - Guidance		579,336	24,392	603,728	592,942	10,786

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Undist. Expend. - Child Study Teams						
Salaries of Other Professional Staff	11-000-219-104	485,527	3,800	489,327	489,327	-
Salaries of Secretarial and Clerical Assistants	11-000-219-105	39,855	2,629	42,484	42,484	-
Other Salaries	11-000-219-110	16,000	(8,000)	8,000	7,840	160
Other Purchased Prof. and Tech. Services	11-000-219-390	16,000	(905)	15,095	15,095	-
Misc Purch Ser (400-500 o/than Resid costs)	11-000-219-592	1,300	(601)	699	574	125
Supplies and Materials	11-000-219-600	11,000	(3,368)	7,632	7,632	-
Total Undist. Expend. - Child Study Teams		569,682	(6,445)	563,237	562,952	285
Undist. Expend.-Improvement of Instruction Services-						
Salaries of Supervisor of Instruction	11-000-221-102	138,999	(22,714)	116,285	116,285	-
Salaries of Other Professional Staff	11-000-221-104	20,000	-	20,000	18,212	1,788
Salaries of Secretarial and Clerical Assistants	11-000-221-105	31,971	999	32,970	32,970	-
Salaries of Facilitators, Math, Literacy Coaches	11-000-221-176	45,000	-	45,000	43,749	1,251
Purchased Prof - Educational Services	11-000-221-320	7,500	2,000	9,500	8,910	590
Supplies and Materials	11-000-221-600	1,500	-	1,500	1,030	470
Total Undist. Expend.-Improvement of Instruction Services		244,970	(19,715)	225,255	221,156	4,099
Undist. Expend.-Educational Media Services/School Library:						
Salaries	11-000-222-100	123,740	6,669	130,409	113,646	16,763
Supplies and Materials	11-000-222-600	16,695	3,834	20,529	17,277	3,252
Total Undist. Expend.-Educational Media Services/School Library		140,435	10,503	150,938	130,923	20,015
Undist. Expend.-Instruction Staff Training Services:						
Salaries of Supervisors of Instruction	11-000-223-102	138,999	(22,714)	116,285	116,285	-
Salaries of Secretarial and Clerical Assistants	11-000-223-105	31,971	999	32,970	32,970	-
Purchased Professional-Educational Services	11-000-223-320	123,000	(65,409)	57,591	46,531	11,060
Other Purchased Services (400-500 Series)	11-000-223-500	15,000	-	15,000	11,721	3,279
Supplies and Materials	11-000-223-600	10,000	1,500	11,500	11,425	75
Total Undist. Expend.-Instruction Staff Training Services		318,970	(85,624)	233,346	218,932	14,414
Undist. Expend.-Support Service-General Administration:						
Salaries	11-000-230-100	231,220	27,417	258,637	258,636	1
Legal Services	11-000-230-331	75,000	102,865	177,865	171,040	6,825
Audit Fees	11-000-230-332	24,500	425	24,925	24,925	-
Architectural/ Engineering Fees	11-000-230-334	10,000	(6,732)	3,268	10	3,258
Other Purchased Professional Services	11-000-230-339	14,000	1,553	15,553	15,553	-
Communications/Telephone	11-000-230-530	55,450	(11,741)	43,709	43,709	-
Board of Education Other Purchased Services	11-000-230-585	4,300	(3,300)	1,000	-	1,000
Miscellaneous Purchased Services	11-000-230-590	35,200	(4,231)	30,969	26,691	4,278
General Supplies	11-000-230-610	4,500	(29)	4,471	2,120	2,351
Board of Education In-House Training/Meeting Supplies	11-000-230-630	500	500	1,000	948	52
Miscellaneous Expenditures	11-000-230-890	8,000	(2,348)	5,652	5,213	439
Board of Education Membership Dues and Fees	11-000-230-895	12,600	(364)	12,236	12,236	-
Total Undist. Expend.-Support Service-General Administration		475,270	104,015	579,285	561,081	18,204
Undist. Expend.-Support Service-School Administration:						
Salaries of Principals/Assistant Principals/Prog. Dir.	11-000-240-103	686,088	(659)	685,429	676,805	8,624
Salaries Other Professional Staff	11-000-240-104	93,938	-	93,938	93,938	-
Salaries of Secretarial and Clerical Assistants	11-000-240-105	198,392	16,966	215,358	214,069	1,289
Other Purchased Services (400-500 Series)	11-000-240-500	20,000	(1,500)	18,500	5,295	13,205
Supplies and Materials	11-000-240-600	9,670	5,607	15,277	11,200	4,077
Other Objects	11-000-240-800	9,900	-	9,900	8,786	1,114
Total Undist. Expend.-Support Service-School Administration		1,017,988	20,414	1,038,402	1,010,093	28,309
Undist. Expend.-Central Services:						
Salaries	11-000-251-100	401,720	12,348	414,068	414,068	-
Purchased Technical Services	11-000-251-340	26,300	-	26,300	26,264	36
Misc. Purchase Services (400-500 Series Other Than Resident)	11-000-251-592	5,300	(2,865)	2,435	1,399	1,036
Supplies and Materials	11-000-251-600	2,000	4,549	6,549	6,549	-
Interest on Lease Purchase Agreements	11-000-251-832	11,389	(4,761)	6,628	6,628	-
Other Objects	11-000-251-890	11,300	(61)	11,239	11,105	134
Total Undist. Expend.-Central Services		458,009	9,210	467,219	466,013	1,206
Undist. Expend.-Admin. Info Technology:						
Salaries	11-000-252-100	29,404	751	30,155	30,154	1
Purchased Technical Services	11-000-252-340	10,000	-	10,000	1,579	8,421
Supplies and Materials	11-000-252-600	700	-	700	233	467
Total Undist. Expand-Admin. Info. Technology		40,104	751	40,855	31,966	8,889

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Undist. Expend.-Required Maintenance for School Facilities:						
Cleaning, Repair and Maintenance Services	11-000-261-420	182,100	(27,910)	154,190	145,444	8,746
Travel	11-000-261-580	-	270	270	270	-
General Supplies	11-000-261-610	82,925	(6,996)	75,929	72,560	3,369
Total Undist. Expend.-Required Maintenance for School Facilities		265,025	(34,636)	230,389	218,274	12,115
Undist. Expend.- Custodial Services						
Salaries	11-000-262-100	283,246	(14,051)	269,195	269,195	-
Cleaning, Repair, and Maintenance Services	11-000-262-420	900,500	(7,057)	893,443	893,443	-
Insurance	11-000-262-520	120,000	(1,543)	118,457	118,457	-
Energy (Natural Gas)	11-000-262-621	50,000	2,238	52,238	52,238	-
Energy (Electricity)	11-000-262-622	405,000	(31,059)	373,941	373,941	-
Energy (Gasoline)	11-000-262-626	-	5,035	5,035	5,035	-
Other Objects	11-000-262-800	35,000	2,579	37,579	37,579	-
Total Undist. Expend.- Custodial Services		1,793,746	(43,858)	1,749,888	1,749,888	-
Undist. Expend.- Care & Upkeep of Grounds:						
Cleaning, Repair, and Maintenance Services	11-000-263-420	10,500	(1,045)	9,455	9,455	-
General Supplies	11-000-263-610	55,600	(753)	54,847	54,425	422
Total Undist. Expend. - Care & Upkeep of Grounds		66,100	(1,798)	64,302	63,880	422
Undist. Expend.- Security:						
Purchased Prof & Tech Services	11-000-266-300	110,000	(11,592)	98,408	98,408	-
General Supplies	11-000-266-610	2,000	7,625	9,625	9,625	-
Total Undist. Expend. - Security		112,000	(3,967)	108,033	108,033	-
Total Undist. Expend. - Other Oper. & Maintenance of Plant		2,236,871	(84,259)	2,152,612	2,140,075	12,537
Undist. Expend.-Student Transportation Services:						
Salaries for Non-Instructional Aids	11-000-270-107	-	17,649	17,649	14,589	3,060
Salaries for Pupil Transportation (Between Home and School)-Reg.	11-000-270-160	76,860	(11,530)	65,330	63,251	2,079
Salaries for Pupil Trans. (Between Home and School)-Spec.Ed.	11-000-270-161	73,311	13,019	86,330	81,488	4,842
Other Purchased Professional & Technical Services	11-000-270-390	1,750	-	1,750	1,675	75
Cleaning, Repair and Maintenance Services	11-000-270-420	29,705	(8,455)	21,250	20,896	354
Contract Services (Aid-In-Lieu)-Choice Students	11-000-270-505	-	16,796	16,796	16,796	-
Contract Services (Between Home & School)-Vendors	11-000-270-511	423,085	148,501	571,586	571,419	167
Contract Services (Other Than Between Home & School)-Vendors	11-000-270-512	132,178	(4,399)	127,779	94,695	33,084
Contract Services (Special Education)-Vendors	11-000-270-514	132,852	(4,477)	128,375	124,850	3,525
Contract Services (Special Education)-Joint Agreements	11-000-270-515	60,941	(395)	60,546	60,546	-
Contract Services-Aid in Lieu Payments-Non Public Charter Sch.	11-000-270-503	31,824	(11,050)	20,774	20,750	24
Miscellaneous Purchased Services-Transportation	11-000-270-593	1,300	(242)	1,058	1,054	4
General Supplies	11-000-270-610	33,008	(33,008)	-	-	-
Fuel Expenses offset by Adv.	11-000-270-626	-	19,437	19,437	19,437	-
Other Objects	11-000-270-800	5,000	(330)	4,670	4,670	-
Total Undist. Expend.-Student Transportation Services		1,001,814	141,516	1,143,330	1,096,116	47,214
Unallocated Benefits - Employee Benefits						
Social Security Contributions	11-000-291-220	235,000	30,500	265,500	265,452	48
Other Retirement Contributions-PERS	11-000-291-241	224,000	(24,050)	199,950	199,056	894
Other Retirement Contributions-Regular	11-000-291-249	-	12,161	12,161	11,976	185
Unemployment Compensation	11-000-291-250	5,000	(5,000)	-	-	-
Workman's Compensation	11-000-291-260	140,000	(13,552)	126,448	123,589	2,859
Health Benefits	11-000-291-270	3,793,495	(640,359)	3,153,136	3,090,609	62,527
Tuition Reimbursement	11-000-291-280	15,000	-	15,000	12,925	2,075
Other Employee Benefits	11-000-291-290	15,000	-	15,000	14,591	409
Total Undist. Expend.-Benefits		4,427,495	(640,300)	3,787,195	3,718,198	68,997
On-Behalf TPAF Normal Contributions (Non-Budgeted)		-	-	-	887,171	(887,171)
On-Behalf TPAF Post-Retirement Medical (Non-Budgeted)		-	-	-	1,056,377	(1,056,377)
On-Behalf TPAF NCGI Premiums (Non-Budgeted)		-	-	-	-	-
Reimbursed TPAF Social Security Contributions (Non-Budgeted)		-	-	-	817,153	(817,153)
Total On-Behalf Contributions		-	-	-	2,760,701	(2,760,701)
Total Personal Services-Employee Benefits		4,427,495	(640,300)	3,787,195	6,478,899	(2,691,704)
Total Undistributed Expenditures		12,963,393	(498,285)	12,465,108	14,974,961	(2,509,853)
Total Current Expense		23,564,169	(127,120)	23,437,049	25,798,209	(2,361,160)

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
CAPITAL OUTLAY						
Equipment:						
School-Sponsored and Other Instructional Program	12-4XX-100-730	20,000	-	20,000	14,545	5,455
Undist. Expend - School Administration	12-000-240-730	-	-	-	-	-
Undist. Expend - Admin. Info. Tech.	12-000-252-730	-	-	-	-	-
Undist. Expend - Required Maintenance School Facilities	12-000-263-730	23,000	425	23,425	11,694	11,731
Undist. Expend - Security Equipment	12-000-266-73X	50,000	(50,000)	-	-	-
School Buses - Special	12-000-270-734	44,000	-	44,000	-	44,000
Total Equipment		137,000	(49,575)	87,425	26,239	61,186
Facilities Acquisition and Construction Services:						
Architectural/Engineering Services	12-000-400-334	-	13,561	13,561	13,100	461
Construction Services	12-000-400-450	189,200	-	189,200	182,878	6,322
Lease Purchase Agreements - Principal	12-000-400-721	212,198	133,489	345,687	345,687	-
Assessment for Debt Service on SDA Funding	12-000-400-896	70,671	-	70,671	70,671	-
Total Facilities Acquisition and Construction Services		472,069	147,050	619,119	612,336	6,783
Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	500,000	(500,000)
Total Capital Outlay		609,069	97,475	706,544	1,138,575	(432,031)
General Fund						
Transfer of Funds to cover deficit (enterprise)	10-000-310-93X	-	-	-	-	-
Total Expenditures		24,173,238	(29,645)	24,143,593	26,936,784	(2,793,191)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,895,863)	29,645	(1,866,218)	(663,150)	1,203,068
Other Financing Sources/(Uses):						
Transfer from Capital Projects		-	-	-	-	-
Transfer to Enterprise Fund		-	(74,000)	(74,000)	(73,503)	497
Capital Lease Proceeds (Nonbudgeted)		-	-	-	500,000	(500,000)
Total other Financing Sources/(Uses):		-	(74,000)	(74,000)	426,497	(499,503)
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses		(1,895,863)	(44,355)	(1,940,218)	(236,653)	703,565
Fund Balances, July 1		4,648,590	-	4,648,590	4,648,590	-
Fund Balances, June 30		<u>\$ 2,752,727</u>	<u>\$ (44,355)</u>	<u>\$ 2,708,372</u>	<u>\$ 4,411,937</u>	<u>\$ 1,703,565</u>
RECAPITULATION OF BUDGET TRANSFERS						
Prior Year Encumbrances			\$ 34,855			
Utilization of Capital Reserve			9,500			
Total			<u>\$ 44,355</u>			
RECAPITULATION OF FUND BALANCE:						
Restricted for:						
Capital Reserve				\$ 20,267		
Maintenance Reserve				-		
Excess Surplus				-		
Reserved Excess Surplus Designated for Subsequent Year's Expenditures				65,306		
Reserve for Impact Aid				2,936,120		
Assigned:						
Year-End Encumbrances				60,445		
Designated for Subsequent Year's Expenditures				838,313		
Unassigned				491,486		
Subtotal				<u>4,411,937</u>		
Reconciliation to Governmental Funds Statements (GAAP):						
Last State Aid Payments Not Recognized on GAAP Basis				(1,103,334)		
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,308,603</u>		

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES:					
Local Sources	\$ 25,000	\$ 35,549	\$ 60,549	\$ 33,919	\$ (26,630)
Federal Sources	433,995	173,001	606,996	574,285	(32,711)
Total Revenues	458,995	208,550	667,545	608,204	(59,341)
EXPENDITURES:					
Instruction:					
Salaries	155,965	(35,465)	120,500	109,820	10,680
Purchased Educational Services	24,500	33,741	58,241	52,400	5,841
Tuition	275,495	88,686	364,181	362,281	1,900
General Supplies	3,035	71,059	74,094	48,450	25,644
Total Instruction	458,995	158,021	617,016	572,951	44,065
Support Services:					
Employee Benefits	-	9,218	9,218	8,410	808
Other Purchased Services (400-500 Series)	-	1,292	1,292	1,292	-
Supplies and Materials	-	29,308	29,308	25,551	3,757
Other Objects	-	127	127	-	127
Total Support Services	-	39,945	39,945	35,253	4,692
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	-	10,584	10,584	-	10,584
Total Facilities Acquisition and Construction Services	-	10,584	10,584	-	10,584
Total Expenditures	458,995	208,550	667,545	608,204	59,341
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

	GENERAL FUND	SPECIAL REVENUE FUND
SOURCES/INFLOWS OF RESOURCES		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 26,273,634	\$ 608,204
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 Encumbrances	-	15,474
Current Year Encumbrances	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,101,253	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,103,334)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 26,271,553</u>	<u>\$ 623,678</u>
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 26,936,784	\$ 608,204
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 Encumbrances	-	15,474
Current Year Encumbrances	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 26,936,784</u>	<u>\$ 623,678</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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PLUMSTED TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.02315%	0.02352%	0.02441%
District's proportionate share of the net pension liability (asset)	5,197,444	4,403,440	4,665,430
District's covered-employee payroll	1,630,839	1,452,025	1,402,008
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	318.70%	303.26%	332.77%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	52.08%	48.72%

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	198,054	199,056	193,889
Contributions in relation to the contractually required contribution	198,054	199,056	193,889
Contribution deficiency (excess)	-	-	-
District's covered-employee payroll	1,630,839	1,452,025	1,452,025
Contributions as a percentage of covered- employee payroll	12.14%	13.71%	13.35%

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.

PLUMSTED TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.11084%	0.11085%	0.10921%
State's proportionate share of the net pension liability (asset) associated with the District	70,058,465	59,244,682	55,193,760
District's covered-employee payroll	11,312,720	11,104,989	11,100,021
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.64%	33.76%

**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.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)
CHANGE OF BENEFIT TERMS AND ASSUMPTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Teachers Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	NO CHILD LEFT BEHIND						Local Programs	Totals
	I.D.E.A. - PART B		Title I		Title II			
	Basic	Preschool	Part A	Part A	Part A	Title III		
Revenues:								
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,919	
Federal Sources	336,781	25,500	145,505	25,900	40,599	-	574,285	
Total Revenues	\$ 336,781	\$ 25,500	\$ 145,505	\$ 25,900	\$ 40,599	\$ 33,919	\$ 608,204	
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ 106,530	\$ -	\$ 3,290	\$ -	\$ 109,820	
Purchased Educational Services	-	-	26,500	25,900	-	-	52,400	
Tuition	336,781	25,500	-	-	-	-	362,281	
General Supplies	-	-	4,317	-	37,057	7,076	48,450	
Total Instruction	\$ 336,781	\$ 25,500	\$ 137,347	\$ 25,900	\$ 40,347	\$ 7,076	\$ 572,951	
Support Services:								
Personal Services - Employee Benefits	-	-	8,158	-	252	-	8,410	
Travel	-	-	-	-	-	1,292	1,292	
Supplies and Materials	-	-	-	-	-	25,551	25,551	
Total Support Services	\$ -	\$ -	\$ 8,158	\$ -	\$ 252	\$ 26,843	\$ 35,253	
Total Expenditures	\$ 336,781	\$ 25,500	\$ 145,505	\$ 25,900	\$ 40,599	\$ 33,919	\$ 608,204	

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F. Capital Projects Fund

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PROJECT TITLE/ISSUE	DATE	ORIGINAL APPROPRIATIONS	EXPENDITURES TO DATE		TRANSFER TO GENERAL	UNEXPENDED BALANCE JUNE 30, 2016
			PRIOR YEARS	CURRENT YEAR		
HVAC Project - All Schools	6/11/2014	\$ 267,480	\$ 266,192	\$ -	\$ -	\$ 1,288
High School Roof Project	1/29/2014	811,653	658,287	55,910	-	97,456
		<u>\$ 1,079,133</u>	<u>\$ 924,479</u>	<u>\$ 55,910</u>	<u>\$ -</u>	<u>\$ 98,744</u>

Reconciliation - Unexpended Capital Project
Balances to Fund Balance - June 30, 2016

Unexpended Project Balances June 30, 2016	\$ 98,744
Less:	
Unrequested State Aid - ROD Grants	<u>(105,259)</u>
Total Fund Balance (GAAP Basis) - June 30, 2016	<u>\$ (6,515)</u>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

REVENUES	
Transfer From Capital Reserve	\$ -
State Sources - SDA Grant	-
Lease Purchase Agreement	-
	<hr/>
Total Revenues	<hr/> -
EXPENDITURES	
Construction Services	<hr/> 55,910
Total Expenditures	<hr/> 55,910
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<hr/> (55,910)
Other Financing Sources/(Uses):	
Transfer To Capital Reserve	<hr/> -
Total Other Financing Sources/(Uses)	<hr/> -
Net Change in Fund Balance	(55,910)
Fund Balance - July 1	<hr/> 154,654
Fund Balance - June 30	<hr/> <hr/> \$ 98,744

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
HVAC PROJECT - ALL SCHOOLS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 146,550	\$ -	\$ 146,550	\$ 146,550
State Sources-SDA Transfers	120,930	-	120,930	120,930
	<hr/>			
Total Revenues	267,480	-	267,480	267,480
	<hr/>			
Expenditures and Other Financing Uses:				
Construction Services	266,192		266,192	267,480
	<hr/>			
Total Expenditures	266,192	-	266,192	267,480
	<hr/>			
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 1,288	\$ -	\$ 1,288	\$ -
	<hr/> <hr/>			
Additional Project Information:				
Project Number	SP 4190-010-14-1002-G04			
	SP 4190-080-14-1005-G04			
	SP 4190-050-14-1004-G04			
	SP 4190-040-14-1003-G04			
Percentage Completion	99.52%			

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
HIGH SCHOOL ROOF PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues and Other Financing Sources:				
State Sources-SDA Transfers	\$ 403,653	\$ -	\$ 403,653	\$ 403,653
Lease Purchase Agreement	408,000	-	408,000	408,000
Total Revenues	<u>811,653</u>	<u>-</u>	<u>811,653</u>	<u>811,653</u>
Expenditures and Other Financing Uses:				
Construction Services	<u>658,287</u>	<u>55,910</u>	<u>714,197</u>	<u>811,653</u>
Total Expenditures	<u>658,287</u>	<u>55,910</u>	<u>714,197</u>	<u>811,653</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 153,366</u>	<u>\$ (55,910)</u>	<u>\$ 97,456</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	SP 4190-010-14-1001-G04			
Percentage Completion	87.99%			

G. Proprietary Funds

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Enterprise Funds
(See Exhibits B-4, B-5, B-6)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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PLUMSTED TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	PRIVATE PURPOSE		AGENCY		2016
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	
Assets:					
Cash and Cash Equivalents	\$ 41,492	\$ 3,689	\$ 87,345	\$ 184,787	\$ 317,313
Total Assets	41,492	3,689	87,345	184,787	317,313
Liabilities:					
Payroll Deductions and Withholdings	-	-	-	184,787	184,787
Due To Student Groups	-	-	87,345	-	87,345
Total Liabilities	-	-	87,345	184,787	272,132
Net Position:					
Held in Trust for Unemployment					
Claims and Other Purposes	41,492	-	-	-	41,492
Reserved for Scholarships	-	3,689	-	-	3,689
Total Net Position	\$ 41,492	\$ 3,689	\$ -	\$ -	\$ 45,181

PLUMSTED TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>PRIVATE PURPOSE</u>		
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	2016
Additions:			
Contributions:			
Plan Member	\$ 42,520	\$ -	\$ 42,520
Other	-	3,817	3,817
Total Contributions	<u>42,520</u>	<u>3,817</u>	<u>46,337</u>
Total Additions	<u>42,520</u>	<u>3,817</u>	<u>46,337</u>
Deductions:			
Payment of Claims	42,590	-	42,590
Scholarships Awarded	-	2,575	2,575
Total Deductions	<u>42,590</u>	<u>2,575</u>	<u>45,165</u>
Change in Net Position	(70)	1,242	1,172
Net Position - Beginning of Year	<u>41,562</u>	<u>2,447</u>	<u>44,009</u>
Net Position - End of Year	<u>\$ 41,492</u>	<u>\$ 3,689</u>	<u>\$ 45,181</u>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND
JUNE 30, 2016**

	BALANCE JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
Primary School	\$ 1,179	\$ 2,601	\$ 3,095	\$ 685
Elementary School	21,664	9,945	9,023	22,586
Middle School	28,347	33,030	45,181	16,196
High School	54,131	79,264	85,517	47,878
	<hr/>			
Total Assets	<u>\$ 105,321</u>	<u>\$ 124,840</u>	<u>\$ 142,816</u>	<u>\$ 87,345</u>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
JUNE 30, 2016**

	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
ASSETS				
Cash & Cash Equivalents	\$ 170,071	\$ 16,653,281	\$ 16,638,565	\$ 184,787
	<u>\$ 170,071</u>	<u>\$ 16,653,281</u>	<u>\$ 16,638,565</u>	<u>\$ 184,787</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 170,071	\$ 16,653,281	\$ 16,638,565	\$ 184,787
Total Liabilities	<u>\$ 170,071</u>	<u>\$ 16,653,281</u>	<u>\$ 16,638,565</u>	<u>\$ 184,787</u>

I. Long-Term Debt

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2015	ADDITIONS	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2016
			DATE	AMOUNT					
Bond Refunding (2002 Bonds)	09/16/10	6,410,000	07/15/16	355,000	3.00%				
			07/15/17	370,000	4.00%				
			07/15/18	380,000	4.00%				
			07/15/19	400,000	4.00%				
			07/15/20	420,000	4.00%				
			07/15/21	435,000	4.00%				
			07/15/22	455,000	3.13%				
			07/15/23	465,000	3.25%				
			07/15/24	480,000	4.00%				
			07/15/25	500,000	3.38%				
		07/15/26	520,000	4.00%					
		07/15/27	535,000	3.50%		5,660,000	\$ -	\$ 345,000	\$ 5,315,000
Bond Refunding (2014 Bonds)	06/10/14	7,305,000	09/01/16	1,750,000	2.00%				
			09/01/17	1,805,000	2.00%				
			09/01/18	500,000	2.00%				
			09/01/18	1,365,000	3.00%				
						7,195,000	-	1,775,000	5,420,000
						\$ 12,855,000	\$ -	\$ 2,120,000	\$ 10,735,000

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2016**

DATE OF LEASE	SERIES	INTEREST RATE PAYABLE	BALANCE OUSTANDING JULY 1,	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	BALANCE OUSTANDING JUNE 30,
06/15/2012	Ground Lease	1.83%	\$ 260,137	\$ -	\$ 128,889	\$ 131,248
06/30/2014	Roof Replacement	2.05%	323,328	-	78,389	244,939
07/30/2015	Various Equipment	1.76%	-	500,000	90,000	410,000
			\$ 583,465	\$ 500,000	\$ 297,278	\$ 786,187

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,599,249	\$ -	\$ 1,599,249	\$ 1,599,249	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	848,801	-	848,801	848,801	-
Total Revenues	2,448,050	-	2,448,050	2,448,050	-
Expenditures:					
Regular Debt Service:					
Interest and Other Charges	358,807	-	358,807	358,806	1
Redemption of Principal	2,120,000	-	2,120,000	2,120,000	-
Total Regular Debt Service	2,478,807	-	2,478,807	2,478,806	1
Total Expenditures	2,478,807	-	2,478,807	2,478,806	1
Excess/(Deficiency) of Revenue					
Over/(Under) Expenditures	(30,757)	-	(30,757)	(30,756)	1
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(30,757)	-	(30,757)	(30,756)	1
Fund Balance, July 1	67,390	-	67,390	67,390	-
Fund Balance, June 30	\$ 36,633	\$ -	\$ 36,633	\$ 36,634	\$ 1
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures					
Budgeted Fund Balance	\$ (30,757)	\$ -	\$ (30,757)	\$ (30,756)	\$ 1

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STATISTICAL SECTION (Unaudited)

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that the Exhibits are presented for the last ten fiscal years.

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PLUMSTED TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Government Activities:										
Net Investment in Capital Assets	\$ 14,369,597	\$ 15,156,283	\$ 15,742,953	\$ 16,117,044	\$ 16,292,793	\$ 17,021,145	\$ 17,881,220	\$ 17,590,426	\$ 31,559,324	\$ 19,949,353
Restricted	3,900,468	3,580,472	3,237,500	2,279,757	2,413,374	2,699,596	2,589,289	1,688,483	1,835,509	2,909,217
Unrestricted	273,199	(213,765)	(1,737,518)	(137,154)	(316,947)	750,046	969,702	1,764,981	(15,760,870)	(4,791,522)
Total Government Activities Net Position	\$ 18,543,264	\$ 18,522,990	\$ 17,242,935	\$ 18,259,647	\$ 18,389,220	\$ 20,470,787	\$ 21,440,211	\$ 21,043,890	\$ 17,633,963	\$ 18,067,048
Business-Type Activities:										
Net Investment in Capital Assets	\$ 20,062	\$ 6,710	\$ 2,857	\$ 740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	44,339	87,344	78,024	79,845	99,233	97,700	73,986	73,557	43,582	69,256
Total Business-Type Activities Net Position	\$ 64,401	\$ 94,054	\$ 80,881	\$ 80,585	\$ 99,233	\$ 97,700	\$ 73,986	\$ 73,557	\$ 43,582	\$ 69,256
Government-wide:										
Net Investment in Capital Assets	\$ 14,389,659	\$ 15,162,993	\$ 15,745,810	\$ 16,117,044	\$ 16,292,793	\$ 17,021,145	\$ 17,881,220	\$ 17,590,426	\$ 31,559,324	\$ 19,949,353
Restricted	3,900,468	3,580,472	3,237,500	2,279,757	2,413,374	2,699,596	2,589,289	1,688,483	1,835,509	2,909,217
Unrestricted	317,538	(126,421)	(1,659,494)	(56,570)	(217,714)	847,746	1,043,688	1,838,538	(15,717,288)	(4,722,266)
Total Net Position	\$ 18,607,665	\$ 18,617,044	\$ 17,323,816	\$ 18,340,231	\$ 18,488,453	\$ 20,568,487	\$ 21,514,197	\$ 21,117,447	\$ 17,677,545	\$ 18,136,304

PLUMSTED TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function:										
Instruction:										
Regular	\$ 5,754,950	\$ 6,066,110	\$ 6,403,669	\$ 6,665,619	\$ 6,226,647	\$ 6,470,650	\$ 6,521,331	\$ 6,368,842	\$ 6,550,475	\$ 6,529,649
Special Education	1,965,117	2,237,570	2,387,242	2,507,777	2,492,765	2,577,070	2,644,435	2,586,955	2,637,212	2,665,693
Other Special Education	972,598	957,258	1,057,009	1,145,449	1,174,751	332,832	514,658	816,305	752,140	809,042
Other Instruction	-	-	-	-	652,768	625,794	664,130	719,124	813,288	818,864
Total Instruction	8,692,665	9,260,938	9,847,920	10,318,845	8,894,163	10,006,326	10,344,554	10,491,226	10,753,115	10,823,248
Undistributed:										
Instruction	310,647	423,468	535,324	382,167	484,980	148,796	347,086	275,450	350,228	403,195
Attendance and Social Work	35,182	37,137	38,921	40,479	44,566	43,694	35,066	37,768	37,000	38,999
Health Services	224,957	241,899	253,057	266,760	280,090	291,417	282,747	299,213	317,288	307,958
Other Support Services	1,268,349	1,253,765	1,462,070	1,522,922	1,544,497	1,973,418	1,962,590	1,962,510	2,053,380	2,090,711
Educational Media Services	118,221	124,066	137,941	157,859	57,251	99,079	112,427	125,042	107,015	130,923
Support Services - Students										
Support Services - Instructional Staff	167,804	124,286	143,664	147,236	286,161	79,444	161,725	171,242	213,308	218,932
General Administration	639,637	709,951	731,259	742,555	764,818	515,172	491,168	506,042	529,169	561,081
School Administration	882,210	884,685	929,440	943,591	866,284	910,702	972,721	1,007,641	990,468	1,010,093
Central Services	324,543	346,369	340,157	307,346	392,912	430,004	429,552	435,842	459,107	466,013
Technology	79,455	81,838	90,804	94,313	153,338	44,162	31,080	48,459	34,645	31,966
Operations and Maintenance	2,006,922	2,105,763	2,292,844	2,174,361	1,947,642	2,027,652	1,888,524	2,038,677	2,167,789	2,140,075
Student Transportation	1,165,822	1,194,601	1,173,946	950,799	844,440	934,605	974,839	984,829	972,983	1,096,116
Charter School	-	-	-	-	-	26,225	28,748	-	-	-
Interest on Long-Term Debt	-	-	-	-	-	-	-	-	-	-
Business and Other Support Services:										
Employee Benefits	2,677,050	2,849,959	3,025,491	3,774,207	4,107,734	4,070,436	3,983,388	3,936,772	3,896,663	3,718,198
On-Behalf TPAF Pension Payment	303,975	1,005,227	647,743	669,609	731,756	1,061,448	1,503,596	1,237,803	1,550,601	1,943,548
Reimbursed TPAF Social Security	705,202	807,560	786,362	827,081	806,464	813,058	828,148	841,210	821,432	817,153
Total Undistributed	10,909,976	12,190,574	12,589,023	13,001,285	13,174,933	13,469,292	14,033,405	13,938,734	14,501,076	14,974,961
Capital Outlay:										
Equipment	58,209	21,804	35,095	33,908	16,991	83,508	131,463	206,338	979,376	82,149
Facilities Acquisition and Construction Service	-	-	-	-	88,203	51,294	210,396	220,419	367,600	612,336
Total Capital Outlay	58,209	21,804	35,095	33,908	105,194	134,802	341,859	426,757	1,346,976	694,485
Total General Fund Expenditures	19,660,850	21,473,316	22,472,038	23,354,038	22,174,290	23,610,420	24,719,818	24,856,717	26,601,167	26,492,694
Special Revenue:										
Federal	531,391	630,927	564,444	575,647	757,288	721,696	493,031	568,417	521,380	589,759
State	50,509	46,818	-	-	-	-	-	-	-	-
Other	11,486	21,667	11,516	9,170	19,107	41,470	60,692	13,021	59,826	33,919
Total Special Revenue Expenditures	593,386	699,412	575,960	584,817	776,395	763,166	553,723	581,438	581,206	623,678
Debt Service Expenditures	17,215,188	2,506,496	2,506,620	2,506,824	2,437,013	2,498,318	2,503,420	2,605,504	2,475,087	2,478,806
Total Governmental Fund Expenditures	\$ 37,469,424	\$ 24,679,224	\$ 25,554,618	\$ 26,445,679	\$ 25,387,698	\$ 26,871,904	\$ 27,776,961	\$ 28,043,659	\$ 29,657,460	\$ 29,595,178

PLUMSTED TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 1,536,982	\$ 3,060,091	\$ 2,373,641	\$ 139,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,850,803	(47,068)	(1,593,184)	1,380,817	-	156,369	573,674	1,792,477	2,150,035	3,021,693
Restricted	-	-	-	-	1,764,128	1,915,086	1,817,870	1,438,629	1,531,641	286,910
Assigned	-	-	-	-	-	842,225	1,258,347	433,322	(134,339)	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total General Fund	3,387,785	3,013,023	780,457	1,520,093	1,764,128	2,913,680	3,649,891	3,664,428	3,547,337	3,308,603
All Other Governmental Funds:										
Reserved	-	-	2,211,928	-	-	-	-	-	-	-
Unreserved, Reported In:										
Special Revenue Fund	(2,092)	(2,092)	-	-	-	-	-	-	-	-
Capital Projects Fund	489,966	434,992	609,155	558,229	-	-	-	-	-	-
Debt Service Fund	19,953	20,113	161	2	-	-	-	-	-	-
Restricted:										
Capital Projects Fund	-	-	-	-	206,935	163,630	182,673	447,899	(123,251)	(6,515)
Debt Service Fund	-	-	-	-	86,107	14,902	171	11,234	67,390	36,634
Committed:										
Capital Projects Fund	-	-	-	-	220,060	396,716	-	26,296	112,785	-
Assigned:										
Designated for Subsequent Year Expense	-	-	-	-	-	86,107	14,902	-	-	-
Total All Other Governmental Funds	\$ 507,827	\$ 453,013	\$ 2,821,244	\$ 558,231	\$ 513,102	\$ 661,355	\$ 197,746	\$ 485,429	\$ 56,924	\$ 30,119

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Tax Levy	\$ 9,433,494	\$ 10,421,155	\$ 10,401,215	\$ 10,622,332	\$ 11,075,773	\$ 11,022,988	\$ 11,142,884	\$ 11,539,957	\$ 11,757,885	\$ 12,118,657
Jointures	77,953	79,807	76,488	51,237	180,350	203,754	206,264	226,582	204,524	119,942
Tuition Charges	280,349	187,093	60,689	21,932	18,782	398	-	-	-	-
Interest Earnings	397,415	127,636	49,477	133,547	113,392	175,940	141,180	139,367	206,019	168,338
Miscellaneous	10,874,114	12,186,314	13,042,855	12,516,008	13,322,988	14,048,093	14,630,944	14,380,024	15,315,158	15,323,361
State Sources	1,927,020	1,454,819	565,434	3,840,100	1,650,106	2,755,052	2,307,486	1,550,983	1,628,278	1,672,844
Federal Sources	22,990,345	24,456,824	24,196,158	27,185,156	26,361,391	28,206,205	28,428,758	27,836,913	29,111,864	29,403,142
Total Revenues										
Expenditures:										
Instruction:										
Regular	6,126,736	6,378,440	6,641,941	6,956,123	6,545,234	6,999,511	6,521,331	6,368,842	6,550,475	6,529,649
Special	1,965,117	2,237,570	2,387,242	2,507,777	2,492,765	2,577,070	3,090,988	3,048,332	3,150,910	3,238,644
Other Special	972,598	957,258	1,057,009	1,145,449	652,768	625,794	664,130	816,305	752,140	809,042
Other	310,647	423,468	535,324	382,167	484,980	148,796	347,086	275,450	350,228	403,195
Instruction	35,182	37,137	38,921	40,479	44,566	43,694	35,066	37,768	37,000	38,999
Attendance and Social Work Services	224,957	241,899	253,057	266,760	280,090	291,417	282,747	299,213	317,288	307,958
Health Services	1,489,949	1,640,847	1,799,758	1,817,235	1,883,398	2,109,310	2,056,721	2,082,571	2,120,888	2,141,438
Other Support Services	118,221	124,066	137,941	157,859	57,251	99,079	112,427	125,042	107,015	130,923
Educational Media Services	167,804	124,286	143,664	147,236	286,161	79,444	161,725	171,242	213,308	218,932
Instruction Staff Training	639,637	709,951	731,259	742,556	764,818	515,172	491,168	506,042	529,169	561,081
General Administrative Services	882,210	884,685	929,440	945,391	866,284	910,702	972,721	1,007,641	990,468	1,010,093
School Administrative Services	324,543	346,369	340,157	307,346	392,912	430,004	429,552	435,842	459,107	466,013
Central Services	79,455	81,838	90,804	94,313	15,338	44,162	31,080	48,459	34,645	31,966
Technology	133,332	124,775	118,823	157,000	119,502	173,725	234,640	185,917	248,193	218,274
Allowed Maintenance for School Facilities	1,873,590	1,980,988	2,174,021	2,017,362	1,828,140	1,853,907	1,653,884	1,852,760	1,919,596	1,921,801
Other Operations and Maintenance of Plant	1,165,822	1,194,601	1,173,946	950,799	844,440	934,605	974,839	984,829	972,983	1,096,116
Student Transportation Services	2,677,050	2,849,959	3,025,491	3,774,207	5,645,954	4,070,436	6,315,132	6,015,785	6,268,696	6,478,899
Unallocated Employee Benefits	1,009,177	1,812,787	1,434,105	1,496,690	-	1,874,506	-	-	-	-
Nombudget Expenditures	269,501	161,612	565,723	324,053	371,058	929,691	734,095	426,757	1,346,976	1,194,485
Charter School	15,355,000	1,415,000	1,470,000	1,530,000	1,600,000	1,710,000	1,785,000	1,895,000	2,095,000	2,120,000
Capital Outlay	1,860,188	1,091,496	1,036,620	976,824	837,013	788,318	718,420	710,504	380,087	358,806
Debt Service:										
Principal	37,680,716	24,819,032	26,085,246	26,735,826	26,187,423	27,568,400	28,156,158	28,043,659	29,657,460	30,095,178
Interest and Other Charges	(14,690,371)	(362,208)	(1,889,088)	449,330	173,968	637,805	272,600	(206,746)	(545,596)	(692,036)
Total Expenditures										
Excess/(Deficiency) of Revenues Over/(Under) Expenditures										
Other Financing Sources/(Uses):										
Bond Refunding	-	-	-	-	-	-	-	-	-	-
Cost of Insurance	-	-	-	-	-	-	-	-	-	-
Bond Issue Principal	-	-	-	-	9,614	-	-	-	-	-
Proceeds of Refunding Debt	-	-	-	-	6,551,663	-	-	7,689,665	-	-
Payments To Escrow Agent	-	-	-	-	(6,551,663)	-	-	(7,597,230)	-	-
Lease Purchase Agreement	-	-	-	-	-	-	-	-	-	-
Transfers In	72,487	82,989	936,179	72,000	72,000	660,000	-	337,754	-	-
Transfers Out	(72,487)	(82,989)	(936,179)	(72,000)	(72,000)	(410,304)	-	(329,223)	-	-
Total Other Financing Sources/(Uses)										
Net Change in Fund Balances	(14,690,371)	(362,208)	(1,889,088)	449,330	183,582	1,297,805	272,600	(105,780)	(545,596)	(692,036)
Debt Service as a Percentage of Noncapital Expenditures	46.02%	10.17%	9.82%	9.49%	9.44%	9.38%	9.13%	9.43%	8.74%	8.58%

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.

PLUMSTED TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

FISCAL YEAR ENDING JUNE 30,	INTEREST	TUITION	RENTAL FEES	TRANSPORTATION FEES	MISCELLANEOUS	PAY TO PARTICIPATE FEES	ANNUAL TOTALS
2007	280,349	-	-	-	110,318	-	390,667
2008	187,093	79,807	-	-	127,636	-	394,536
2009	60,689	76,488	-	-	60,843	-	198,020
2010	21,932	51,237	-	-	124,377	-	197,545
2011	18,782	180,349	-	-	94,285	-	293,416
2012	398	203,754	-	-	134,470	-	338,622
2013	-	206,264	-	-	80,488	-	286,751
2014	13	226,582	10,919	-	80,189	35,225	352,928
2015	-	204,524	-	-	109,476	36,547	350,547
2016	-	119,942	-	-	95,604	38,815	254,361

Source: District records

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Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR ENDING JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENTS	TOTAL ASSESSED VALUE	LESS: TAX-EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE	TOTAL DIRECT SCHOOL TAX RATE
2007	36,630,500.00	925,185,000.00	53,677,900.00	2,272,700.00	61,087,500.00	9,030,500.00	4,079,600.00	1,091,963,700.00	200,232,200.00	-	1,091,963,700.00	(194,396,892.00)	0.95
2008	R 34,911,200.00	917,640,700.00	52,447,200.00	2,275,400.00	60,424,600.00	9,030,500.00	4,079,600.00	1,080,809,200.00	201,994,600.00	-	1,080,809,200.00	(119,177,190.00)	0.96
2009	30,510,700.00	922,504,200.00	52,132,200.00	2,550,600.00	63,189,400.00	9,030,500.00	3,884,600.00	1,083,802,200.00	293,299,200.00	-	1,083,802,200.00	(88,338,181.00)	0.98
2010	28,559,100.00	921,009,100.00	51,960,600.00	2,091,800.00	57,401,200.00	14,442,400.00	3,884,600.00	1,079,348,800.00	204,073,400.00	-	1,079,348,800.00	(76,302,957.00)	1.00
2011	26,472,800.00	915,523,100.00	52,092,800.00	2,057,500.00	57,246,700.00	14,072,900.00	3,884,600.00	1,071,350,400.00	205,584,100.00	-	1,071,350,400.00	(114,507,809.00)	1.01
2012	24,795,700.00	900,980,100.00	52,045,600.00	2,061,200.00	54,949,300.00	13,917,000.00	3,884,600.00	1,052,633,500.00	206,344,300.00	-	1,052,633,500.00	(157,823,704.00)	1.06
2013	17,279,100.00	669,291,000.00	38,214,400.00	2,057,100.00	42,871,500.00	10,961,000.00	2,963,200.00	783,637,300.00	201,050,600.00	-	783,637,300.00	36,671,916.00	1.47
2014	16,519,100.00	669,537,700.00	38,677,000.00	2,056,200.00	42,901,500.00	10,961,000.00	2,963,200.00	783,615,700.00	201,170,300.00	-	783,615,700.00	62,056,456.00	1.50
2015	15,888,600.00	667,254,600.00	40,195,000.00	2,068,300.00	42,792,500.00	10,961,000.00	2,963,200.00	782,123,200.00	202,804,300.00	-	783,861,029.00	47,739,748.00	1.55
2016	16,066,000.00	667,340,000.00	40,113,500.00	2,062,500.00	42,603,800.00	10,961,000.00	2,963,200.00	782,110,000.00	203,394,300.00	-	783,700,365.00	N/A	1.58

Source: tax.co ocean.nj.us/tax rates/abstract rates/assessed value tax assessor

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE (a)	GENERAL OBLIGATION DEBT SERVICE (b)	PLUMSTED TOWNSHIP SCHOOL DISTRICT	PLUMSTED TOWNSHIP	FIRE DISTRICT	OCEAN COUNTY		
2007	8,065,539	1,367,955	0.95	0.11	0.07	0.26	1.39	
2008	8,953,109	1,468,046	0.96	0.11	0.07	0.23	1.41	
2009	9,154,554	1,467,778	0.98	0.13	0.09	0.23	1.44	
2010	9,520,736	1,555,037	1.00	0.13	0.10	0.25	1.48	
2011	9,613,840	1,409,148	1.01	0.15	0.11	0.25	1.51	
2012	9,613,840	1,529,044	1.06	0.17	0.12	0.25	1.60	
2013	9,613,840	1,529,044	1.47	0.24	0.18	0.34	2.23	
2014	9,926,117	1,613,840	1.50	0.26	0.20	0.37	2.32	
2015	10,519,408	1,599,249	1.55 #	0.26	0.20	0.37	2.38	
2016	10,886,223	1,534,474	1.58	0.27	0.20	0.39	2.44	

Source: Municipal Tax Assessor

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

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.
 b Rates for debt service are based on each year's requirements.

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

	2016			2007		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer #1	4,662,200	1	0.60%	5,411,900	1	0.50%
Taxpayer #2	4,165,900	2	0.53%	3,589,700	2	0.33%
Taxpayer #3	2,866,100	3	0.37%	2,810,400	3	0.26%
Taxpayer #4	2,740,000	4	0.35%	2,246,400	4	0.21%
Taxpayer #5	2,085,500	5	0.27%	2,214,000	5	0.20%
Taxpayer #6	2,063,300	6	0.26%	2,159,500	6	0.20%
Taxpayer #7	1,878,200	7	0.24%	2,114,300	7	0.19%
Taxpayer #8	1,639,000	8	0.21%	1,193,500	8	0.11%
Taxpayer #9	1,328,800	9	0.17%	1,716,400	9	0.16%
Taxpayer #10	1,304,500	10	0.17%	1,694,700	10	0.16%
Total	\$ 24,733,500		3.16%	\$ 25,150,800		2.30%

Source: Municipal Tax Assessor

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY (a) AMOUNT	PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS
2007	9,433,494	9,433,494	100.00%	-
2008	10,421,155	10,421,155	100.00%	-
2009	10,401,215	10,401,215	100.00%	-
2010	10,622,332	10,622,332	100.00%	-
2011	11,075,773	10,859,773	98.05%	216,000
2012	11,022,988	10,806,988	98.04%	216,000
2013	11,142,884	10,710,884	96.12%	432,000
2014	11,539,957	11,107,957	96.26%	432,000
2015	12,118,657	11,686,657	96.44%	432,000
2016	12,420,697	11,988,697	96.52%	432,000

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

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				BOND ANTICIPATION NOTES (BANs)	TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME (a)	PER CAPITA
	GENERAL OBLIGATION BONDS (b)	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES					
2007	26,046,000	-	-	-	26,046,000	-	3,185	
2008	24,631,000	-	-	-	24,631,000	-	2,998	
2009	23,161,000	-	-	-	23,161,000	-	2,819	
2010	21,631,000	-	-	-	21,631,000	-	2,609	
2011	20,415,000	-	-	-	20,415,000	-	2,412	
2012	17,660,000	-	-	-	17,660,000	-	2,196	
2013	16,920,000	-	514,785	-	17,434,785	-	1,985	
2014	14,950,000	-	794,709	-	15,744,709	-	1,834	
2015	12,855,000	-	583,463	-	13,438,463	-	N/A	
2016	10,735,000	-	786,187	-	11,521,187	-	N/A	

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

b Includes Early Retirement Incentive Plan ("ERIP") refunding and State Loans

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE (a) OF PROPERTY	PER CAPITA (b)	
	GENERAL OBLIGATION BONDS (d)	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING			
2007	R	26,046,000		26,046,000	2.39%	3,185
2008		24,631,000		24,631,000	2.28%	2,998
2009		23,161,000		23,161,000	2.14%	2,819
2010		21,631,000		21,631,000	2.00%	2,609
2011		20,415,000		20,415,000	1.90%	2,412
2012		17,660,000		18,705,000	1.68%	2,073
2013		16,920,000		16,920,000	2.16%	R 1,985
2014	R	14,950,000		14,950,000	1.91%	1,742
2015		12,855,000		12,855,000	1.64%	N/A
2016		10,735,000		10,735,000	1.37%	N/A

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

a	See Exhibit NJ J-6 for property tax data.
b	Population data can be found in Exhibit NJ J-14.
d	Includes State Loans
R	Revaluation
N/A	At the time of CAFR Completion, this data was not available

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
(UNAUDITED)**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt Repaid with Property Taxes:			
Plumsted Township (1)	912,390	100.00%	912,390
Ocean County General Obligation Debt (2)	462,467,711	0.90%	4,161,873
Subtotal, Overlapping Debt			5,074,263
Plumsted Township School District			10,735,000
Total Direct and Overlapping Debt			15,809,263

Sources:

- (1) Plumsted Township Municipality's Chief Financial Officer and Annual Debt Statement - December 31, 2014 (December 31, 2015 N/A)
- (2) Ocean County Treasurer's Office. The County Debt was apportioned to Plumsted Township Municipality by dividing the Municipality's 2015 equalized value by the total 2015 equalized value for Ocean County, which results in an apportionment rate of .0090 *

* The source for this computation was the 2015 Table of Equalized Value, which is supplied by the New Jersey Division of Taxation.

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Plumsted Township. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	19,563,568	38,012,785	39,566,993	39,465,439	38,373,164	36,618,916	35,046,076	33,990,534	33,385,084	33,769,267
Total Net Debt Applicable To Limit	26,046,000	24,631,000	23,161,000	21,631,000	20,415,000	18,705,000	16,920,000	14,950,000	12,855,000	10,735,000
Legal Debt Margin	(6,482,432)	13,381,785	16,405,993	17,834,439	17,958,164	17,913,916	18,126,076	19,040,534	20,530,084	23,034,267
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	133.14%	64.80%	58.54%	54.81%	53.20%	51.08%	48.28%	43.98%	38.51%	31.79%

Legal Debt Margin Calculation for Fiscal Year 2014

	2015	2014	2013
Equalized Valuation Basis	857,685,273	830,299,915	844,709,820
(A)	2,532,695,008		
(A/3)	844,231,669		
Average Equalized Valuation of Taxable Property			
Debt Limit (4.0% of Average Equalization Value)	33,769,267		
Total Net Debt Applicable To Limit	10,735,000		
Legal Debt Margin	23,034,267		

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

a Limit set by N.J.S.A. 18A:24-19 for a K through 12 District; other percentage limits would be applicable for other District types.

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2007	8,177	-	40,368	2.90%
2008	8,215	-	41,347	6.10%
2009	8,215	-	40,612	6.40%
2010	8,292	-	40,689	9.20%
2011	8,463	-	42,121	9.40%
2012	8,519	-	N/A	10.10%
2013	8,523	235,298,978	27,608	8.90%
2014	8,584	238,959,177	27,838	7.70%
2015	N/A	247,529,791	N/A	N/A
2016	N/A	N/A	N/A	N/A

Source:

- a Population information provided by NJ DOE
 - b Personal Income provided by the NJ DOE, state school aid notice, equalization aid
 - c Per Capita Personal Income computed using Census Bureau midyear population estimates by county 2005-20
 - d Unemployment data provided by the NJ Department of Labor and Workforce Development.
- N/A At the time of CAFR Completion, this data was not available

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
FOR 2015 AND NINE YEARS AGO
(UNAUDITED)**

Employer	2016			2007		
	Employees	Rank (Optional)	Percentage of Total Municipal Employment	Employees	Rank (Optional)	Percentage of Total Municipal Employment
Employer #1	N/A	1	N/A	N/A	1	N/A
Employer #2	N/A	2	N/A	N/A	2	N/A
Employer #3	N/A	3	N/A	N/A	3	N/A
Employer #4	N/A	4	N/A	N/A	4	N/A
Employer #5	N/A	5	N/A	N/A	5	N/A
Employer #6	N/A	6	N/A	N/A	6	N/A
Employer #7	N/A	7	N/A	N/A	7	N/A
Employer #8	N/A	8	N/A	N/A	8	N/A
Employer #9	N/A	9	N/A	N/A	9	N/A
Employer #10	N/A	10	N/A	N/A	10	N/A

Source: Local businesses supplied the information for this schedule.
Total township employment could not be verified

N/A At the time of CAFR Completion, this data was not available

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 CURRENT YEAR AND FIVE YEARS AGO
 (UNAUDITED)**

Function/Program	<u>2011</u>	<u>2016</u>
Instruction:		
Regular	96	90
Special Education	61	65
Other Special Education	0	0
Other Instruction	7	5
Nonpublic School Programs	0	0
Adult/Continuing Education Programs	0	0
Support Services:		
Student and Instruction Related Services	37	40
School Administrative Services	12	12
General and Business Administrative Services	3	3
Plant Operations and Maintenance	7	8
Pupil Transportation	5	6
Business and Other Support Services	6	7
	<hr/>	<hr/>
Total	<u>234</u>	<u>236</u>

Source: District Personnel Records

PLUMSTED TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PRIMARY	ELEMENTARY	MIDDLE SCHOOL	HIGH SCHOOL	AVERAGE DAILY ENROLLMENT (ADE)(c)	AVERAGE DAILY ATTENDANCE (ADA)(c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2007	1,843	25,549,581	13,186	9.65%	176	10	12	12	13	1,856	1,753	4.20%	94.45%
2008	1,872	25,364,106	13,863	5.13%	186	8	0	13	16	1,828	1,720	1.80%	94.09%
2009	1,832	26,414,969	13,549	-2.27%	171	6	10	11	11	1,815	1,725	-1.50%	95.10%
2010	1,797	27,014,769	14,419	6.42%	170	6	9	11	11	1,728	1,681	-4.79%	97.30%
2011	1,740	26,672,202	15,033	4.26%	168	4	9	10	11	1,689	1,630	-2.26%	96.50%
2012	1,684	24,373,584	15,329	1.97%	167	7	10	11	10	1,616	1,561	-4.32%	96.60%
2013	1,650	24,918,642	14,474	-5.58%	168	7	9	8	8	1,598	1,535	-1.11%	96.00%
2014	1,543	25,011,398	15,102	4.34%	168	6	10	11	13	1,518	1,456	-1.13%	96.00%
2015	1,473	25,835,397	17,539	21.18%	169	N/A	N/A	N/A	N/A	1,488	1,401	-1.98%	94.15%
2016	1,382	26,421,887	19,119	9.00%	172	N/A	N/A	N/A	N/A	1,430	1,349	-3.87%	94.27%

Source: District records

Note: Enrollment based on annual October District count.

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

b Teaching staff includes only full-time equivalents of certificated staff - Report of Certified Staff

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

N/A At the time of CAFR Completion, this data was not available

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST SEVEN FISCAL YEARS
(UNAUDITED)**

DISTRICT/BUILDINGS	2010	2011	2012	2013	2014	2015	2016
New Egypt Primary School							
Square Feet	45,600	45,600	45,600	45,600	45,600	45,600	45,600
Capacity (Students)	325	325	325	325	325	325	325
Enrollment	206	172	160	208	205	192	183
Dr Gerald H. Woehr Elementary School							
Square Feet	80,680	80,680	80,680	80,680	80,680	80,680	80,680
Capacity (Students)	582	582	582	582	582	582	582
Enrollment	605	572	534	474	423	396	381
New Egypt Middle School							
Square Feet	77,600	77,600	77,600	77,600	77,600	77,600	77,600
Capacity (Students)	461	461	461	461	461	461	461
Enrollment	434	422	457	441	412	403	343
New Egypt High School							
Square Feet	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Capacity (Students)	537	537	537	537	537	537	537
Enrollment	552	574	533	527	503	482	499
Field House							
Square Feet	3,584	3,584	3,584	3,584	3,584	3,584	3,584
New Egypt High School Barn							
Square Feet	1,863	1,863	1,863	1,863	1,863	1,863	1,863
Dr. Gerald H. Woehr Elementary School Barn							
Square Feet	2,792	2,792	2,792	2,792	2,792	2,792	2,792
Concession Stand							
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Press Box							
Square Feet	144	144	144	144	144	144	144
Sewer Plant							
Square Feet	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Number of Schools at June 30, 2016							
Primary = 1							
Elementary = 1							
Middle = 1							
High School = 1							
Other = 6							

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.
Enrollment is based on the annual October District count ASSA report.

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

	PRIMARY SCHOOL	ELEMENTARY SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL	ELEMENTARY SCHOOL BARN	HIGH SCHOOL BARN	SCHOOL BARN	CONCESSION STAND	FIELD HOUSE	PRESS BOX	SEWER PLANT	TOTAL
2007	\$ 13,674	\$ 41,705	\$ 14,609	\$ 31,577	\$ -	\$ -	\$ -	93	\$ 2,704	\$ -	\$ 31,202	\$ 135,564
2008	8,134	41,678	21,273	25,100	-	-	-	208	1,035	243	27,104	124,775
2009	17,980	49,440	35,590	39,605	-	-	-	300	1,800	100	29,320	174,135
2010	18,879	51,912	37,370	41,585	1,000	750	315	1,890	105	30,786	184,592	184,592
2011	10,961	31,483	23,347	37,815	-	-	203	83	-	-	33,054	136,946
2012	15,149	38,740	35,935	48,558	99	-	-	-	-	-	35,245	173,726
2013	36,336	43,849	61,786	51,383	-	1,734	4,711	-	-	-	31,143	230,942
2014	20,988	10,761	53,267	66,528	-	6,210	2,400	1,400	-	-	24,363	185,917
2015	36,256	34,551	62,267	85,016	-	957	2,218	508	-	-	26,421	248,194
2016	27,613	39,718	58,834	61,855	-	-	-	3,500	-	-	26,754	218,274
Total School Facilities	\$ 205,970	\$ 383,837	\$ 404,278	\$ 489,022	\$ 1,099	\$ 9,651	\$ 10,448	\$ 12,920	\$ 448	\$ 295,392	\$ 1,813,065	

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

Source: District records

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF INSURANCE
JUNE 30, 2016
(UNAUDITED)**

	Coverage	Deductible
School Commercial Package Policy-Selective Way Insurance Co.		
Property-blanket building and contents	70,059,798	
boiler and machinery policy	Included in Property Limit	
Commercial general liability	2,000,000	
Commercial inland marine coverage	223,839	500
Electronic Information Systems Equipment and Data	1,481,700	1,000
Virus or Harmful Code	150,000	
Pipeline Distribution System	100,000	1,000
Equipment	15,000	500
Business automobile	1,000,000	
Workers compensation and employer's liability		
NJ School Board Association.	Statutory	
Temporary Disability - NJ School Board Association	Full Salary less 7 day wait WC Benefits Period	
School Board Legal Liability	1,000,000	2,500
Selective Insurance Co.		
Umbrella Liability Policy	10,000,000	
Selective Way Insurance Co.		
Student Accident - Monumental Life Insurance Company	5,000,000	25,000
Commercial Crime Coverage		
Selective Insurance Company of America	500,000	5,000
Surety Bonds Selective Insurance Company of America:		
Treasurer	230,000	
Business Administrator/Board Secretary	140,000	

Source: District Records

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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
Plumsted Township School District
County of Ocean
Plumsted, New Jersey 08533

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

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plumsted Township 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 Plumsted Township School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Plumsted Township School District’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plumsted Township 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.

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert Allison
Certified Public Accountant
Public School Accountant, No. 897

Freehold, New Jersey
November 30, 2016



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08.**

Honorable President and Members
of the Board of Education
Plumsted Township School District
County of Ocean
Plumsted, New Jersey 08533

Report on Compliance for Each Major State Program

We have audited Eagleswood Township School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2016. Eagleswood Township School District’s major state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Eagleswood Township School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain

reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Eagleswood Township 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 Eagleswood Township School District's compliance.

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of Eagleswood Township 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 Eagleswood Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eagleswood Township 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 the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert Allison
Certified Public Accountant
Public School Accountant, No. 897

Freehold, New Jersey
November 30, 2016

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**SCHEDULE A
Exhibit K-3**

**PLUMSTED TOWNSHIP SCHOOL D
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2015	Amounts Paid to Sub-Recipients	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Accounts Receivable	Unearned Revenue
U.S. Department of Education													
Passed-through State Department of Education													
General Fund:													
Impact Aid	84.041	S041B163113	N/A	1,043,464	10/1/15 9/30/16	\$ -	\$ -	\$ -	\$ 1,043,464	\$ (1,043,464)	\$ -	\$ -	\$ -
Medical Assistance Program	93.778			39,621	7/1/15 6/30/16	-	-	-	39,621	(39,621)	-	-	-
Total General Fund									1,083,085	(1,083,085)			
Special Revenue Fund:													
Title I, Part A	84.010A	S010A150030	NCLB-xxxx-16	145,505	9/1/15 8/31/16	-	-	-	132,873	(145,505)	-	(12,632)	-
Title I, Part A	84.010A	S010A150030	NCLB-xxxx-15	133,478	9/1/14 8/31/15	(17,464)	-	-	17,464	-	-	-	-
Subtotal									150,337	(145,505)		(12,632)	
Title II, Part A Improving Teacher Quality	84.367A	S367A150029	NCLB-xxxx-16	25,900	9/1/15 8/31/16	-	-	-	25,900	(25,900)	-	-	-
Title II, Part A Improving Teacher Quality	84.367A	S367A150029	NCLB-xxxx-15	28,815	9/1/14 8/31/15	(4,000)	-	-	4,000	-	-	-	-
Subtotal									29,900	(25,900)			
Title III	84.365A	S365A150030	NCLB-xxxx-16	40,599	9/1/15 8/31/16	-	-	-	36,476	(40,599)	-	(4,123)	-
Title III	84.365A	S365A150030	NCLB-xxxx-15	33,029	9/1/14 8/31/15	(10,896)	-	-	10,896	-	-	-	-
Subtotal									47,372	(40,599)		(4,123)	
ID.E.A. Part B, Basic Regular	84.027	H027A150100	IDEA-xxxx-16	336,781	9/1/15 8/31/16	-	-	-	315,735	(336,781)	-	(21,046)	-
ID.E.A. Part B, Basic Regular	84.027	H027A150100	IDEA-xxxx-15	323,530	9/1/14 8/31/15	(37,093)	-	-	37,093	-	-	-	-
ID.E.A. Part B, Preschool	84.027	H027A150100	IDEA-xxxx-16	25,500	9/1/15 8/31/16	-	-	-	25,500	(25,500)	-	-	-
ID.E.A. Part B, Preschool	84.027	H027A150100	IDEA-xxxx-15	20,842	9/1/14 8/31/15	(215)	-	-	215	-	-	-	-
Subtotal									378,543	(362,281)		(21,046)	
Total Special Revenue Fund						(69,668)	-	-	606,152	(574,285)	-	(37,801)	-
U.S. Department of Agriculture													
Passed-through State Department of Agriculture													
Enterprise Fund:													
Food Distribution Program	10.565	16161N1304N1099	N/A	22,205	7/1/15 6/30/16	-	-	-	22,205	(22,205)	-	-	-
Child Nutrition Cluster													
School Breakfast Program	10.553	16161N1304N1099	N/A	25,020	7/1/15 6/30/16	-	-	-	23,514	(25,020)	-	(1,506)	-
School Breakfast Program	10.553	16161N1304N1099	N/A	32,484	7/1/14 6/30/15	(2,681)	-	-	2,681	-	-	-	-
National School Lunch Program	10.555	16161N1304N1099	N/A	111,179	7/1/15 6/30/16	-	-	-	101,002	(111,179)	-	(10,177)	-
National School Lunch Program	10.555	16161N1304N1099	N/A	122,966	7/1/14 6/30/15	(9,536)	-	-	9,536	-	-	-	-
Total Child Nutrition Cluster						(12,217)	-	-	136,733	(136,199)		(11,683)	
Total Enterprise Fund						(12,217)	-	-	158,938	(158,404)		(11,683)	
Sub-Total Federal Financial Awards						\$ (81,885)	\$ -	\$ -	\$ 1,848,175	\$ (1,815,774)	\$ -	\$ (49,484)	\$ -

**SCHEDULE B
Exhibit K-4**

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Unearned Revenue (Accts Receivable)	Due to Grantor	Carryover (W/allow) Amount	Cash Received	Budgetary Expenditures Pass through Funds	Amounts Paid to Sub-Recipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2016		MEMO	
			From	To									Intergovernmental (Accounts Receivable)	Unearned Revenue Payable		
State Department of Education																
General Fund:																
Education Aid	16-495-034-5120-078	\$10,042,670	7/1/15	6/30/16	\$ -	\$ -	\$ 10,042,670	\$ (10,042,670)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 960,904	\$ 10,042,670
Special Education Categorical Aid	16-495-034-5120-089	975,623	7/1/15	6/30/16	-	-	975,623	(975,623)	-	-	-	-	-	-	93,330	975,623
Extraordinary Aid	16-495-034-5120-044	121,175	7/1/15	6/30/16	(154,121)	-	154,121	(121,175)	-	-	-	-	(121,175)	-	-	121,175
Extraordinary Aid	15-495-034-5120-044	154,121	7/1/14	6/30/15	-	-	-	-	-	-	-	-	-	-	-	-
Security Aid	16-495-034-5120-084	125,293	7/1/15	6/30/16	-	-	125,293	(125,293)	-	-	-	-	-	-	11,988	125,293
Additional Adjustment Aid	16-495-034-5120-085	7,144	7/1/15	6/30/16	-	-	7,144	(7,144)	-	-	-	-	-	-	684	7,144
School Choice Aid	16-495-034-5120-068	221,464	7/1/15	6/30/16	-	-	221,464	(221,464)	-	-	-	-	-	-	21,190	221,464
Transportation Aid	16-495-034-5120-014	130,266	7/1/15	6/30/16	-	-	130,266	(130,266)	-	-	-	-	-	-	12,464	130,266
Additional Nonpublic School Transportation Aid	16-495-034-5120-014	3,654	7/1/15	6/30/16	-	-	-	(3,654)	-	-	-	-	(3,654)	-	-	3,654
Transportation Aid	15-495-034-5120-014	4,002	7/1/14	6/30/15	(4,002)	-	4,002	-	-	-	-	-	-	-	-	-
Per Pupil Growth Aid	16-495-034-5120-097	14,395	7/1/15	6/30/16	-	-	14,395	(14,395)	-	-	-	-	-	-	1,377	14,395
PARCC Readiness Aid	16-495-034-5120-098	14,395	7/1/15	6/30/16	-	-	14,395	(14,395)	-	-	-	-	-	-	1,377	14,395
On Behalf TPAF Pension Contributions	16-495-034-5095-006	887,171	7/1/15	6/30/16	-	-	887,171	(887,171)	-	-	-	-	-	-	-	887,171
On Behalf TPAF Pension Contributions - PRM	16-495-034-5095-001	1,056,377	7/1/15	6/30/16	-	-	1,056,377	(1,056,377)	-	-	-	-	-	-	-	1,056,377
Reimbursed TPAF Social Security Contribution	16-495-034-5095-002	817,153	7/1/15	6/30/16	(36,796)	-	781,064	(817,153)	-	-	-	-	(36,089)	-	-	817,153
Reimbursed TPAF Social Security Contribution	15-495-034-5095-002	841,210	7/1/14	6/30/15	-	-	36,796	-	-	-	-	-	-	-	-	-
Total General Fund					(194,919)	-	14,450,781	(14,416,780)	-	-	-	-	(160,918)	-	1,103,334	14,416,780
Capital Project Fund																
HVAC Projects - All Schools	0120-010-15-1001	120,930	Completion	Completion	-	-	59,861	(59,861)	-	-	-	-	-	-	-	59,861
Total Capital Projects Fund					-	-	59,861	(59,861)	-	-	-	-	-	-	-	59,861
Debt Service Fund																
Debt Service Aid	16-100-034-5120-125	848,801	#####	6/30/2016	-	-	848,801	(848,801)	-	-	-	-	-	-	-	848,801
Total Debt Service Fund					-	-	848,801	(848,801)	-	-	-	-	-	-	-	848,801
Enterprise Fund:																
State Department of Agriculture	16-100-010-3350-023	3,396	7/1/15	6/30/16	-	-	3,043	(3,396)	-	-	-	-	(353)	-	-	3,396
National School Lunch Program (State Share)	16-100-010-3350-023	7,095	7/1/14	6/30/15	(307)	-	307	-	-	-	-	-	-	-	-	7,095
National School Lunch Program (State Share)	15-100-010-3350-023				(307)	-	3,350	(3,396)	-	-	-	-	(353)	-	-	10,491
Total Enterprise Fund					(307)	-	15,362,793	(15,328,838)	-	-	-	-	(161,271)	-	1,103,334	15,335,933
Total State Financial Assistance					(195,226)	\$ -	\$ 15,362,793	\$ (15,328,838)	\$ -	\$ -	\$ -	\$ -	\$ (161,271)	\$ -	\$ 1,103,334	\$ 15,335,933
Less: Grants Not Subject to New Jersey OMB Circular 15-08:																
On Behalf TPAF Pension Contributions		887,171	7/1/15	6/30/16				887,171								
On Behalf TPAF Pension Contributions - PRM	16-495-034-5095-001	1,056,377	7/1/15	6/30/16				1,056,377								
Total State Financial Assistance subject to New Jersey OMB Circular 15-08								\$ (13,385,290)								

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2016**

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

Plumsted Township School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

Note 3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis, with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more

PLUMSTED TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
JUNE 30, 2016

Note 3. Relationship to Basic Financial Statements (continued):

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:22-44.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$2,081) for the general fund and \$15,474 for the special revenue fund. See Exhibit C-3, notes to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	State	Federal	Total
General Fund	\$ 14,414,699	\$1,083,085	\$ 15,497,784
Special Revenue Fund		589,759	589,759
Capital Project Fund	59,861		59,861
Debt Service Fund	848,801		848,801
Food Service Fund	<u>3,396</u>	<u>158,404</u>	<u>161,800</u>
Total Financial Assistance	<u>\$ 15,326,757</u>	<u>\$1,831,248</u>	<u>\$ 17,158,005</u>

Note 4. Relationship to Federal & State Financial Reports

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

Note 5. Other

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

Note 6. Federal and State Loans Outstanding

The Plumsted Township Board of Education had no loan balances outstanding at June 30, 2016.

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
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 2 CFR 200 Section .516(a) of the Uniform Guidance?	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.041	Federal Impact Aid
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended June 30, 2016**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	Unmodified
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable?	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
16-495-034-5120-078	Equalization Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-068	School Choice Aid
16-495-034-5120-089	Special Education Categorical Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5120-085	Additional Adjustment Aid

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings

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

No Current Year Findings

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable

No Current Year Findings

**PLUMSTED TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (¶.511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings