

SCHOOL DISTRICT
OF
POINT PLEASANT BOROUGH
OF OCEAN COUNTY

Point Pleasant Borough Board of Education
Point Pleasant Borough, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2016

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Point Pleasant Borough Board of Education
of Ocean County

Point Pleasant Borough, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

Point Pleasant Borough Board of Education
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

POINT PLEASANT SCHOOLS

Steven W. Corso, CPA
School Business Administrator/Board Secretary

2100 Panther Path
Point Pleasant, NJ 08742
(732) 701-1900, Ext. 2410
Fax: (732) 295-2320

October 14, 2016

Honorable President and Members of the Board of Education
Point Pleasant Borough Schools
Board of Education
County of Ocean, New Jersey

Dear Board Members:

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

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's Organizational chart and a list of officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit and in conformity with the provisions of the Single Audit Act of 1984 and the U. S. Office of Management and Budget Single Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Point Pleasant Schools Board of Education is an independent reporting entity within the criteria adopted by GASB as established by GASB Statement No. 14. All funds and account groups of the Board are included in this report. The Point Pleasant Board of Education and all its schools constitute the Board's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped children. The District had an October 15, 2015 resident enrollment of 2,740 students, which is 105 students lower than the previous year's enrollment. The following details the changes in the enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2015-16	2,740	(4.00%)
2014-15	2,845	(1.00%)
2013-14	2,880	(1.34) %
2012-13	2,919	(.01) %
2011-12	2,952	(1.83) %
2010-11	3,007	(.96) %
2009-10	3,036	(2.8) %
2008-09	3,124	(1.00) %
2007-08	3,161	(2.00) %
2006-07	3,215	(.003) %

2. ECONOMIC CONDITION AND OUTLOOK: The Point Pleasant area sees a decline in its school age population, as families are having fewer children. Enrollment has declined slightly in the last few years.

3. PROFESSIONAL DEVELOPMENT ACTIVITIES – 2015-2016:

The Point Pleasant School District incorporates a four-year comprehensive Teacher Induction Program. The content of these monthly afterschool training sessions includes mastery teaching, lesson dynamics, technology applications, peer assessment, learning styles and current writing models. There are approximately 50 non-tenured teachers involved in the induction program. Though the induction workshops are created for non-tenured staff members, tenured staff members are welcome to attend and are encouraged to present new learning techniques and resources at these workshops.

Spectrum Diversity provided a workshop on the Anti-Bullying Bill of Rights for all employees. This training is mandated so staff members are appropriately trained on issues related to harassment, intimidation and bullying.

This year we have brought in multiple speakers to provide our staff with additional professional development resources in addition to their building-based Professional Learning Communities, which are held throughout the year. Staff are also offered opportunities to attend out-of-district workshops throughout the school year.

The Point Pleasant School District is incorporating a four-year comprehensive Teacher Induction Program. The content of these monthly afterschool training sessions includes mastery teaching, lesson dynamics, technology applications, peer assessment, learning styles and current writing models. There are approximately 32 non-tenured teachers involved in the induction program. Though the induction workshops are created for non-tenured staff members, tenured staff members are welcome to attend any workshop that they wish.

Spectrum Diversity provided a workshop on the Anti-Bullying Bill of Rights for all employees. This training is mandated so staff members are appropriately trained on issues related to harassment, intimidation and bullying.

Building-based Professional Learning Communities are held throughout the year. Additionally, staff is offered opportunities to attend out-of-district workshops throughout the school year.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements, in conformity with generally accepted

accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments made by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-by-line basis. Open encumbrances at year-end are either cancelled or are included as reservations of fund balance in the subsequent year.

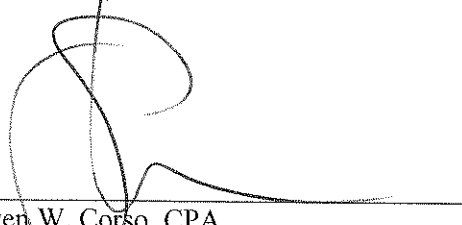
6. ACCOUNTING SYSTEM AND REPORTS: The Board's accounting records reflect generally accepted principles, as promulgated by the governmental accounting standards board (GASB). The accounting system of the Board is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the Board continues to meet its responsibility for sound financial management.

Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8. DEBT ADMINISTRATION: On January 29, 2014, the Board issued \$15,948,000 in additional school bonds. The purpose of this bond issuance was to make needed repairs to all four schools. As of June 30, 2016, the Board's outstanding debt issues included \$19,658,000 of general obligation bonds.
9. CASH MANAGEMENT: The investment policy of the Board is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The Board has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUPDA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
11. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and New Jersey OMB’s Circular 15-08. The auditor’s report on the general purpose financial statement and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.
12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Point Pleasant Schools Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

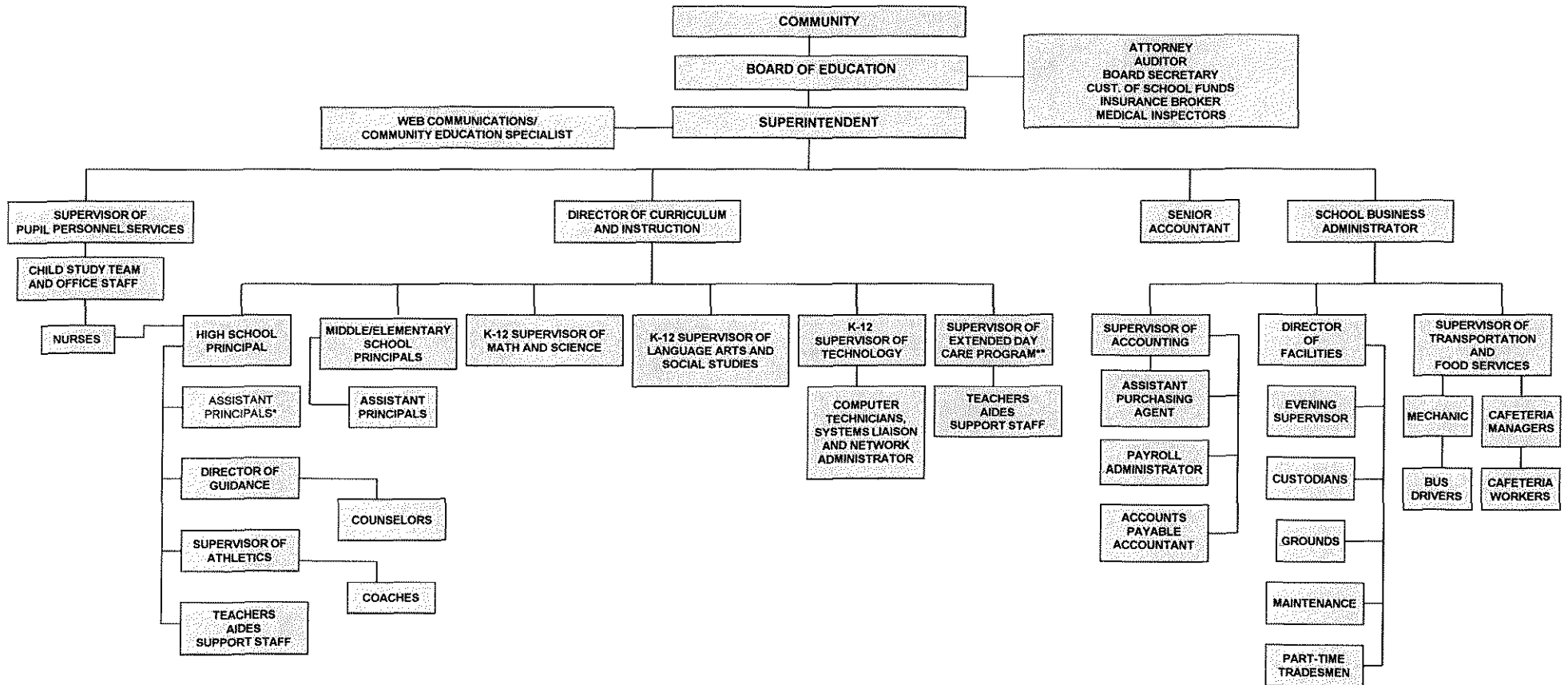


Vincent S. Smith
Superintendent of Schools

Steven W. Corso, CPA
School Business Administrator/Board Secretary

VS:SWC:lt

POINT PLEASANT SCHOOL DISTRICT TABLE OF ORGANIZATION



* Also serve as Department Chairs
 **Not full-time position. Also serves as Elementary Assistant Principal

Adopted June 24, 2013
 Revised: May 18, 2015

Point Pleasant Borough Board of Education
Point Pleasant Borough, New Jersey

Roster of Officials
June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Susan Ward, President	2017
Sean Hagan, Vice President	2016
Susan Byington	2016
Cheryl Salway	2016
Larry Williams	2018
Matthew Jordan	2018
William Munn, Jr.	2018

Other Officials

Vincent S. Smith, Superintendent of Schools

Susan Ladd, Director of Curriculum & Instruction

Steven W. Corso, CPA, School Business Administrator/Board Secretary

Denise L. McCarthy, CPA, Supervisor of Accounting

Laurie Considine, Treasurer of School Monies

Point Pleasant Borough Board of Education
Consultants and Advisors

Architect

Spiezle Architectural Group
120 Sanhican Drive
Trenton, New Jersey 08618

Audit Firm

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

Attorney

Viola S. Lordi, Esq.
Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center Drive
Suite 900, Box 10
Woodbridge, New Jersey 07095

Official Depositories

Investor Savings Bank
2147 Bridge Avenue
Point Pleasant, New Jersey 08742

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable President and
Members of the Board of Education
Point Pleasant Borough Board of Education:
County of Ocean
Point Pleasant, New Jersey

Report of the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

BRICK OFFICE: 514 BRICK BOULEVARD · SUITE 3 · BRICK, NJ · 08723 · PHONE (732) 840-1600 · FAX (732) 840-8349

MANAHAWKIN OFFICE: 21 JENNINGS ROAD · MANAHAWKIN, NJ · 08050 · PHONE (609) 978-9500 · FAX (609) 978-9515

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

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

Other Information

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

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

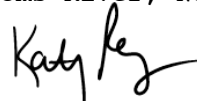
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2016 on our consideration of the Board of Education of the Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,

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



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

Toms River, New Jersey
October 14, 2016

REQUIRED SUPPLEMENTARY INFORMATION - PART I

POINT PLEASANT SCHOOL DISTRICT

Management Discussion and Analysis For the Year Ended June 30, 2016

The Management's Discussion and Analysis (MD&A) of the Board of Education of the Point Pleasant School District provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2016. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal and the School Board's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 fiscal year include the following:

- In total, net position increased \$1,195,583, from 2015.
- Total assets decreased by \$306,697 as cash and cash equivalents decreased by \$1,601,856 and capital assets increased by \$1,544,981. The decrease in cash and cash equivalents is due to the payment of various contractors with bond referendum proceeds. The purpose of this referendum was to make upgrades to each of the schools' capital structures. As the project is completed, the costs become capital improvements resulting in the increase in capital assets.
- Overall total liabilities decreased by \$262,184.
- General revenues account for \$42,439,183 in revenue or 91% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,111,671 or 9% of the total revenues of \$46,550,854.
- Total spending for all programs was \$45,355,271. Expenses in the amount of \$1,096,757 were offset by specific charges for services and grants or contributions. General revenues (primarily local tax levy and state aid) of \$42,439,183 were adequate to provide for the balance of these programs.

USING THE ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net positions and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. For the School Board's governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, such as the School Board's General Fund, Special Revenue Fund and Capital Project Fund. The remaining statement, Statement of Fiduciary Net positions, presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

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

The School Board prepared the Introductory Section and Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

THE SCHOOL DISTRICT AS A WHOLE

Table I provides a summary of the School Board's net position as of June 30, 2016 and 2015.

Table I
Statement of Net Position
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>	<u>Percentage of Change 2015-2016</u>
Assets			
Cash and cash equivalents	\$7,817,087	\$9,418,943	-17%
Receivables	404,136	650,163	-38%
Inventories	19,261	23,056	-16%
Capital Assets	<u>39,197,003</u>	<u>37,652,022</u>	4%
Total Assets	<u>\$47,437,487</u>	<u>\$47,744,184</u>	-1%
Deferred Outflows of Resources	\$1,199,844	\$314,125	74%
	<u>2016</u>	<u>2015</u>	<u>Percentage of Change 2015-2016</u>
Liabilities			
Accounts payable	\$318,811	\$577,941	-45%
Accrued payroll	18,274	38,135	-52%
Other current liabilities	29,135	29,135	0%
Payable to State Government	35,631	34,325	4%
Deferred Revenue	34,202	41,195	-20%
Noncurrent Liabilities			
Due within one year	2,091,463	2,186,453	-4%
Due beyond one year	<u>28,042,125</u>	<u>27,924,641</u>	0%
Total Liabilities	<u>\$30,569,641</u>	<u>\$30,831,825</u>	-1%

Deferred Inflows of Resources	\$923,544	\$1,277,921	-28%
Net positions			
Invested in capital assets	\$19,024,851	\$15,857,067	20%
Restricted for:			
Debt service	0	0	0%
Capital Projects	2,061,396	4,235,498	-51%
Other purposes	4,973,236	4,151,634	20%
Unrestricted	<u>(8,915,337)</u>	<u>(8,295,636)</u>	7%
Total net positions	<u>\$17,144,146</u>	<u>\$15,948,563</u>	7%

Table II shows the changes in net positions for fiscal year 2016 as compared to fiscal year 2015. This table categorizes total revenue generated by the School Board between program and general revenue, and total expenditures between instruction, support services and other items.

Table II
Changes in Net positions
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>	<u>Percentage of Change 2015-2016</u>
Revenue			
Program Revenue			
Charges for services	\$875,002	\$930,526	-6%
Federal, state and local aid-restricted	3,236,669	3,028,622	7%
General revenue:			
Property Tax Aid	33,968,310	33,175,064	2%
Federal and State aid-unrestricted	7,607,932	7,845,048	-3%
Other general revenue	<u>862,941</u>	<u>556,592</u>	55%
Total revenues	<u>\$46,550,854</u>	<u>\$45,535,852</u>	2%
Function/Program Expenses			
Instruction:			
Regular Programs	\$14,819,690	\$14,674,596	1%
Special Education	2,920,712	2,946,981	-1%
Other Special Instruction	1,331,703	1,063,130	25%
Support Services:			
Tuition	1,821,009	2,161,268	-16%
Attendance & Social Work	156,899	154,912	1%
Health Services	437,330	462,161	-5%
Other Support Services	3,473,910	3,242,310	7%
Improvement of Instruction	110,031	133,043	-17%
Educational Media	364,946	328,310	11%
Instructional Staff Training	231,039	198,381	16%
General Administration	712,571	770,622	-8%
School Administration	2,229,154	1,788,050	25%
Central Services	566,109	553,778	2%
School Admin Info Tech	115,541	90,530	28%
Operations and Maintenance	3,415,723	3,389,038	1%
Transportation	1,294,826	1,466,909	-12%
Employee Benefits	6,512,214	6,299,246	3%
Business Type Activities	1,096,757	1,110,516	-1%
Interest Expense	701,887	737,605	-5%
Non-Budgeted Expenditures	<u>3,043,220</u>	<u>2,827,241</u>	8%
 Total Expenses	 <u>45,355,271</u>	 <u>44,398,627</u>	 2%
 Change in Net positions	 <u>\$1,195,583</u>	 <u>\$1,137,225</u>	 5%

Increase (decrease) in net positions

Charges for services are fees and other charges to users or recipients of the services the School Board provides. Charges for services include expenses incurred from the usage of the cafeteria and day care facilities.

Instruction expenses include activities directly dealing with the teaching of elementary and secondary students.

Operations and maintenance activities involve keeping the school grounds, buildings and associated equipment in an effective working condition. Depreciation expense of \$1,793,847 is allocated among the various programs.

Business services and general and school administration include expenses associated with the administrative supervision of the elementary and secondary schools, overall financial supervision of the Board, and all fringe benefits for personnel associated with the elementary and secondary schools.

All other expenses involve costs for the elementary and secondary schools associated with attendance, health services, student transportation, miscellaneous student support expenses, and improvement of instructional services.

Over 44% of instructional activities and over 59% of the support services and special items are supported through the local tax levy, federal and state aid (not restricted) and other general revenue.

THE SCHOOL BOARD'S FUNDS

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

As the School Board completed the fiscal year ended June 30, 2016, it reported a combined net positions of \$17,144,146, which is a increase of \$1,195,583. The Reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3 presents the reader with a detailed explanation of the decrease in fund balance for the fiscal year.

GENERAL FUND BUDGETING HIGHLIGHTS

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

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

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

The General Fund actual current expense totaled \$41,655,273 versus our final budget of \$39,967,592. This increase is due to higher non-budgeted on-behalf expenditures. Actual General Fund revenues were about \$4,965,289 higher than budgeted. The increase in actual revenue received over the budgeted amount is due to the receipt of more Extraordinary Aid and SEMI reimbursement than anticipated, as well as more tuition students received and higher non-budgeted on-behalf revenues.

CAPITAL ASSETS

As of June 30, 2016, the School Board had approximately \$39,197,003 invested in a broad range of capital assets, including land, buildings, vehicles, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table IV below shows the net book value of capital assets at the end of the 2016 and 2015 fiscal years.

Table IV
Capital Assets (net of accumulated depreciation)
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>	<u>Percentage of Change 2016-2015</u>
Capital assets, net	\$39,197,003	\$37,652,022	4%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2015-2016 school budget, the School Board was able to sustain its budget through the local tax levy (although capped at 2%), state education aid and local revenue sources. Approximately 25% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 71% of total revenue is from local tax levy. The balance, or 4%, of the revenue is comprised of tuition, admission fees, and miscellaneous income and fund balance.

The 2015-2016 budget was adopted based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey, funding from the State for the current year was about that of the previous year. Any future increases based on the enrollment formula originally formulated to allocate state education aid among districts will be minimal. Given the current economic condition of the State, we anticipate State Aid to be reduced or remain about the same. The School Board continues to explore other avenues of generating revenue without sacrificing programs due to the relative freeze on State Aid.

On June 24, 2004, the New Jersey Legislature voted and approved Senate Bill No. 1701, which was signed by the Governor and subsequently became P.L. 2004, c.73. This legislation reduced the allowable unreserved and undesignated fund balance (surplus) for all New Jersey school districts to 2%. This law also restricts all school districts budgetary transfers of appropriations and further limits districts' ability to utilize fund balance as well as unanticipated/unbudgeted revenue during the year beginning July 1, 2004.

It is uncertain at this time as to the ultimate impact that this law will have on future operations and resulting financial position of the Point Pleasant School District.

The School Board anticipates enrollment for the 2016-2017 fiscal year to remain relatively the same, but the School Board cannot accurately forecast future enrollment.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The School Board'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 School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Steven W. Corso, CPA, School Business Administrator/Board Secretary.

BASIC FINANCIAL STATEMENTS

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,379,464	\$ 236,117	\$ 6,615,581
Capital reserve cash	1,201,506	-	1,201,506
Receivables - other	43,831	-	43,831
Receivables - state	259,769	273	260,042
Receivables - federal	83,165	14,009	97,174
Other receivable	-	3,089	3,089
Inventory	-	19,261	19,261
Interfund receivable	-	-	-
Capital assets, non-depreciable	-	-	-
Capital assets, net:	37,997,681	1,199,322	39,197,003
Total assets	<u>45,965,416</u>	<u>1,472,071</u>	<u>47,437,487</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	1,134,351	-	1,134,351
Deferred charge on refunding	65,493	-	65,493
Total deferred outflows of resources	<u>1,199,844</u>	<u>-</u>	<u>1,199,844</u>
LIABILITIES			
Accounts payable	318,798	13	318,811
Accrued payroll	17,758	516	18,274
Other liabilities	29,135	-	29,135
Interfund payable	-	-	-
Payable to state government	35,631	-	35,631
Unearned revenue	22,694	11,508	34,202
Noncurrent liabilities:			
Due within one year	2,091,463	-	2,091,463
Due beyond one year	28,042,125	-	28,042,125
Total liabilities	<u>30,557,604</u>	<u>12,037</u>	<u>30,569,641</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	343,899	-	343,899
Deferred premium on refunding	579,645	-	579,645
Total deferred inflows of resources	<u>923,544</u>	<u>-</u>	<u>923,544</u>
NET POSITION			
Net investment in capital assets	17,825,529	1,199,322	19,024,851
Restricted for:			
Debt service	-	-	-
Capital projects	2,061,396	-	2,061,396
Other purposes	4,973,236	-	4,973,236
Unrestricted	(9,176,049)	260,712	(8,915,337)
Total net position	<u>\$ 15,684,112</u>	<u>\$ 1,460,034</u>	<u>\$ 17,144,146</u>

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 14,819,690	\$ -	\$ -	\$ -	\$ (14,819,690)	\$ -	\$ (14,819,690)
Special education instruction	2,920,712	-	-	-	(2,920,712)	-	(2,920,712)
Other special instruction	1,331,703	-	-	-	(1,331,703)	-	(1,331,703)
Support services and undistributed costs:							
Instruction	1,822,569	-	-	-	(1,822,569)	-	(1,822,569)
Attendance and social work	156,899	-	-	-	(156,899)	-	(156,899)
Health services	436,770	-	-	-	(436,770)	-	(436,770)
Other support services	3,472,910	-	-	-	(3,472,910)	-	(3,472,910)
Improvement of instruction	110,031	-	-	-	(110,031)	-	(110,031)
Educational media services	364,946	-	-	-	(364,946)	-	(364,946)
Instruction staff training	231,039	-	-	-	(231,039)	-	(231,039)
General administrative services	712,571	-	-	-	(712,571)	-	(712,571)
School administrative services	2,229,154	-	-	-	(2,229,154)	-	(2,229,154)
School central services	566,109	-	-	-	(566,109)	-	(566,109)
School admin info technology	115,541	-	-	-	(115,541)	-	(115,541)
Allowed maintenance for school facilities	760,504	-	-	-	(760,504)	-	(760,504)
Other operation & maintenance of plant	2,218,791	-	-	-	(2,218,791)	-	(2,218,791)
Care & upkeep of grounds	230,394	-	-	-	(230,394)	-	(230,394)
Security	206,034	-	-	-	(206,034)	-	(206,034)
Student transportation services	1,294,826	-	-	-	(1,294,826)	-	(1,294,826)
Unallocated employee benefits	6,512,214	-	-	-	(6,512,214)	-	(6,512,214)
Non-budgeted expenditures	3,043,220	-	3,043,220	-	-	-	-
Interest expense	701,887	-	-	-	(701,887)	-	(701,887)
Total governmental activities	44,258,514	-	3,043,220	-	(41,215,294)	-	(41,215,294)
Business-type activities:							
Food Service	750,258	499,230	193,449	-	-	(57,579)	(57,579)
Child Care	346,499	375,772	-	-	-	29,273	29,273
Total business-type activities	1,096,757	875,002	193,449	-	-	(28,306)	(28,306)
Total primary government	\$ 45,355,271	\$ 875,002	\$ 3,236,669	\$ -	\$ (41,215,294)	\$ (28,306)	\$ (41,243,600)
General revenues:							
Taxes:							
Property taxes levied for general purpose					32,064,138	-	32,064,138
Taxes levied for debt service					1,904,172	-	1,904,172
Federal and state aid not restricted					7,607,932	-	7,607,932
Miscellaneous income					862,941	-	862,941
Loss on disposal of fixed assets					-	-	-
Total general revenues, special items, extraordinary items and transfers					42,439,183	-	42,439,183
Change in net position					1,223,889	(28,306)	1,195,583
Net position - beginning					14,460,223	1,488,340	15,948,563
Net position - ending					\$ 15,684,112	1,460,034	\$ 17,144,146

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,497,277	\$ (16,052)	\$ 898,239	\$ -	\$ 6,379,464
Capital reserve account	1,201,506	-	-	-	1,201,506
Receivables, net	-	-	-	-	-
Receivables from other funds	-	-	-	-	-
Receivables from state	259,769	-	-	-	259,769
Receivables from federal	3,764	79,401	-	-	83,165
Receivables from other governments	-	-	-	-	-
Other receivables	43,831	-	-	-	43,831
Inventory	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	\$ 7,006,147	\$ 63,349	\$ 898,239	\$ -	\$ 7,967,735
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 277,000	\$ 3,449	\$ 38,349	\$ -	\$ 318,798
Accrued salaries and benefits	16,183	1,575	-	-	17,758
Interfund payable	-	-	-	-	-
Other current liabilities	165,121	-	-	-	165,121
Payable to state government	-	35,631	-	-	35,631
Deferred revenue	-	22,694	-	-	22,694
Total liabilities	458,304	63,349	38,349	-	560,002
Fund Balances:					
Reserved for:					
Unexpended additional spending proposal					
Capital reserve account	1,201,506	-	-	-	1,201,506
Maintenance reserve account	1,177,436	-	-	-	1,177,436
Emergency reserve account	402,804	-	-	-	402,804
Excess surplus - current year	315,293	-	-	315,293	315,293
Excess surplus -- designated for subsequent year's expenditures	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Committed to:					
Other purposes	1,177,703	-	767,196	-	1,944,899
Assigned to:					
Debt service fund	-	-	-	-	-
Designated by the BOE for subsequent year's expenditures	1,900,000	-	-	-	1,900,000
Capital projects fund	-	-	92,694	-	92,694
Other purposes	-	-	-	-	-
Unassigned to:					
General fund	373,101	-	-	-	373,101
Special revenue fund	-	-	-	-	-
Total fund balances	6,547,843	-	859,890	-	7,407,733
Total liabilities and fund balances	\$ 7,006,147	\$ 63,349	\$ 898,239	\$ -	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$66,397,530 and the accumulated depreciation is \$28,399,849.	37,997,681
Deferred outflows related to PERS pension plan	1,134,351
Deferred inflows related to the PERS plan	(343,899)
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$348,570.	65,493
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$756,570.	(579,645)
Long-term liabilities, including bonds payable but not including current portion of compensated absences of \$135,986 are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 10).	(29,997,602)
Net position of governmental activities	\$ 15,684,112

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 32,064,138	\$ -	\$ -	\$ 1,904,172	\$ 33,968,310
Tuition charges	282,985	-	-	-	282,985
Interest on investments	-	-	-	-	-
Interest earned on capital reserve funds	-	-	-	-	-
Interest earned on bond ref	-	-	-	-	-
Transportation fees	121,946	-	-	-	121,946
Miscellaneous	442,331	9,701	-	-	452,032
Total - Local sources	32,911,400	9,701	-	1,904,172	34,825,273
State sources	9,266,685	-	-	420,518	9,687,203
Federal sources	43,121	920,828	-	-	963,949
Other financing sources	5,978	-	-	-	5,978
Total revenues	42,227,184	930,529	-	2,324,690	45,482,403
EXPENDITURES					
Current:					
Regular instruction	\$ 12,442,559	\$ 852,360	\$ -	\$ -	\$ 13,294,919
Special education instruction	2,866,897	-	-	-	2,866,897
Other special instruction	1,322,734	-	-	-	1,322,734
Support services and undistributed costs:					
Instruction	1,652,465	17,627	-	-	1,670,092
Attendance and social work	156,899	-	-	-	156,899
Health services	435,668	1,102	-	-	436,770
Other support services	3,424,400	48,510	-	-	3,472,910
Improvement of instruction	101,990	8,041	-	-	110,031
Educational media services	364,946	-	-	-	364,946
Instruction staff training	231,039	-	-	-	231,039
General administrative services	712,571	-	-	-	712,571
School administrative services	1,835,486	-	-	-	1,835,486
School central services	566,109	-	-	-	566,109
School admin info technology	115,541	-	-	-	115,541
Required maintenance for school facilities	760,504	-	-	-	760,504
Other operation & maintenance of plant	2,150,257	-	-	-	2,150,257
Care & upkeep of grounds	230,394	-	-	-	230,394
Security	206,034	-	-	-	206,034
Student transportation services	1,294,826	-	-	-	1,294,826
Unallocated employee benefits	6,307,407	-	-	-	6,307,407
Non-budgeted expenditures	3,043,220	-	-	-	3,043,220
Debt service:					
Principal	-	-	-	1,580,000	1,580,000
Interest and other charges	-	-	-	744,690	744,690
Capital outlay	1,340,801	2,889	2,061,324	-	3,405,014
Total expenditures	41,562,747	930,529	2,061,324	2,324,690	46,879,290
Excess (Deficiency) of revenues over expenditures	664,437	-	(2,061,324)	-	(1,396,887)
OTHER FINANCING SOURCES (USES)					
Sale of Bonds	-	-	-	-	-
Refunding of bonds	-	-	-	-	-
Costs for bond issuance	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	664,437	-	(2,061,324)	-	(1,396,887)
Fund balance-July 1	5,883,406	-	2,921,214	-	8,804,620
Fund balance-June 30	\$ 6,547,843	\$ -	\$ 859,890	\$ -	\$ 7,407,733

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

Total net change in fund balances - governmental funds (from B-2) **\$ (1,396,887)**

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

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

Depreciation expense	\$ (1,793,847)	
Capital outlays	<u>3,336,480</u>	1,542,633

In the statement of activities, only the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.

Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2016	183,115	
Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2016	<u>(183,115)</u>	-

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey (204,807)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 1,580,000

In the Statement of Activities, the amortization of bond premiums is recorded as interest expense. In the governmental funds, the amortization is not recorded and this change had no effect. 63,294

In the Statement of Activities, the amortization of bond issuance costs is recorded as interest expense. In the governmental funds, the amortization is not recorded. (20,491)

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. (339,853)

Change in net position of governmental activities **\$ 1,223,889**

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-type Activities -		
	Enterprise Funds		
	Food	Child	Totals
	Service	Care	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 54,898	\$ 181,219	\$ 236,117
Investments	-	-	-
Receivables from state	273	-	273
Receivables from federal	8,608	-	8,608
Receivables from other government	5,401	-	5,401
Other receivables	3,089	-	3,089
Inventories	19,261	-	19,261
Total current assets	<u>91,530</u>	<u>181,219</u>	<u>272,749</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	-
Furniture, machinery & equipment	1,524,662	3,487	1,528,149
Less accumulated depreciation	(326,405)	(2,422)	(328,827)
Total noncurrent assets	<u>1,198,257</u>	<u>1,065</u>	<u>1,199,322</u>
Total assets	<u>\$ 1,289,787</u>	<u>\$ 182,284</u>	<u>\$ 1,472,071</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ 13	\$ 13
Deferred revenue	11,508	-	11,508
Interfund payable	-	-	-
Accrued salaries and benefits	-	516	516
Total current liabilities	<u>11,508</u>	<u>529</u>	<u>12,037</u>
Noncurrent Liabilities:			
Compensated absences	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>11,508</u>	<u>529</u>	<u>12,037</u>
NET POSITION			
Net investment in capital assets	1,198,257	1,065	1,199,322
Restricted for:			
Other	-	-	-
Unrestricted	80,022	180,690	260,712
Total net position	<u>1,278,279</u>	<u>181,755</u>	<u>1,460,034</u>
Total liabilities and net position	<u>\$ 1,289,787</u>	<u>\$ 182,284</u>	<u>\$ 1,472,071</u>

See accompanying notes to financial statements.

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

	Business-type Activities -		
	Enterprise Fund		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ 6,141	\$ -	\$ 6,141
School lunch	242,483	-	242,483
Total daily sales reimbursable programs	248,624	-	248,624
Daily sales non-reimbursable programs	181,673	-	181,673
Special functions	3,752	-	3,752
Miscellaneous	65,181	375,772	440,953
Total operating revenues	499,230	375,772	875,002
Operating expenses:			
Salaries	253,970	257,836	511,806
Employee benefits	132,258	53,803	186,061
Other purchased services	17,457	20,390	37,847
Supplies and materials	15,332	1,404	16,736
Utilities	31,044	12,961	44,005
Other objects	355	-	355
Depreciation	6,201	105	6,306
Cost of sales	293,641	-	293,641
Total operating expenses	750,258	346,499	1,096,757
Operating income (loss)	(251,028)	29,273	(221,755)
Nonoperating revenues (expenses):			
Interest income	86	-	86
State sources:			
Vending machine grant		-	-
State school lunch program	5,229	-	5,229
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	13,897	-	13,897
National school lunch program	141,267	-	141,267
Food distribution program	32,970	-	32,970
FEMA disaster funding	-	-	-
Total nonoperating revenues (expenses)	193,449	-	193,449
Income (loss) before contributions & transfers	(57,579)	29,273	(28,306)
Transfers in (out)	-	-	-
Change in net position	(57,579)	29,273	(28,306)
Total net position -beginning	1,335,858	152,482	1,488,340
Total net position -ending	\$ 1,278,279	\$ 181,755	\$ 1,460,034

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Food Services Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Year ended June 30, 2016

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 531,508	\$ 375,918	\$ 907,426
Payments to employees & benefits	(386,228)	(311,123)	(697,351)
Payments to suppliers	(354,042)	(36,343)	(390,385)
Net cash provided by (used for) operating activities	<u>(208,762)</u>	<u>28,452</u>	<u>(180,310)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	5,493	-	5,493
Federal sources	157,105	-	157,105
Board interfund loans	(909)	-	(909)
Net cash provided by (used for) non-capital financing activities	<u>161,689</u>	<u>-</u>	<u>161,689</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	(8,654)	-	(8,654)
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(8,654)</u>	<u>-</u>	<u>(8,654)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	86	-	86
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	<u>86</u>	<u>-</u>	<u>86</u>
Net increase in cash and cash equivalents	(55,641)	28,452	(27,189)
Balances—beginning of year	110,539	152,767	263,306
Balances—end of year	<u>\$ 54,898</u>	<u>\$ 181,219</u>	<u>\$ 236,117</u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating loss	\$ (251,028)	\$ 29,273	\$ (221,755)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	6,201	105	6,306
Federal commodities	32,970	-	32,970
(Increase) decrease in accounts receivable, net	(3,089)	146	(2,943)
(Increase) decrease in inventories	3,795	-	3,795
Increase (decrease) in accounts payable	(8)	(1,588)	(1,596)
Increase (decrease) in accrued salaries benefits	-	516	516
Increase (decrease) in deferred revenue	2,397	-	2,397
Total adjustments	<u>42,266</u>	<u>(821)</u>	<u>41,445</u>
Net cash provided by (used for) operating activities	<u>\$ (208,762)</u>	<u>\$ 28,452</u>	<u>\$ (180,310)</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Statement of Fiduciary Net Position
 June 30, 2016

	Unemployment Compensation Trust	Scholarship Fund	Student Activity	Summer Savings	FSA	Class Reunion	Agency Fund
ASSETS							
Cash and cash equivalents	\$ 151,795	\$ 28,593	\$ 233,882	\$ 1,165,447	\$ 8,958	\$ 8,914	\$ 665
Intergovernmental accounts receivable	-	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-
Total assets	<u>151,795</u>	<u>28,593</u>	<u>233,882</u>	<u>1,165,447</u>	<u>8,958</u>	<u>8,914</u>	<u>665</u>
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Payroll deductions and withholdings	-	-	-	1,165,447	8,958	-	665
Payable to student groups	-	-	233,882	-	-	8,914	-
Accrued wages	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>233,882</u>	<u>1,165,447</u>	<u>8,958</u>	<u>8,914</u>	<u>665</u>
NET POSITION							
Held in trust for unemployment claims and other purposes	151,795	-	-	-	-	-	-
Reserved for scholarships	-	28,593	-	-	-	-	-
Total net position	<u>151,795</u>	<u>28,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 151,795</u>	<u>\$ 28,593</u>	<u>\$ 233,882</u>	<u>\$ 1,165,447</u>	<u>\$ 8,958</u>	<u>\$ 8,914</u>	<u>\$ 665</u>

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	Scholarship Funds	Unemployment Compensation Fund	Total
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	5,141	-	5,141
Total Contributions	<u>5,141</u>	<u>-</u>	<u>5,141</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	35	600	635
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>35</u>	<u>600</u>	<u>635</u>
Total additions	<u>5,176</u>	<u>600</u>	<u>5,776</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	8,296	-	8,296
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>8,296</u>	<u>-</u>	<u>8,296</u>
Change in net position	(3,120)	600	(2,520)
Net position -beginning of the year	<u>31,713</u>	<u>151,195</u>	<u>182,908</u>
Net position -end of the year	<u>\$ 28,593</u>	<u>\$ 151,795</u>	<u>\$ 180,388</u>

See accompanying notes to financial statements.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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

B. Basis of Presentation (Cont'd)

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 11.

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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

B. Basis of Presentation (Cont'd)

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

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

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District 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 the NJDOE, 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, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Fixed Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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

B. Basis of Presentation (Cont'd)

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

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

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

The District reports the following proprietary fund:

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

The District's Enterprise Fund is comprised of the Food Service Fund and School Age Child Care.

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

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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

C. Basis of Accounting

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

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

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital releases are reported as other financing sources.

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

D. Property Taxes

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund as described later. 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 6:20-2A.2(m)1. All budget amendments/transfers must be approved by Board resolution. Budget amendments during the year ended June 30, 2016 were insignificant.

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

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

F. Encumbrances

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the Balance Sheet as deferred revenues at fiscal year-end.

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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

G. Cash, Cash Equivalents and Investments

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

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

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

H. Tuition Receivable

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

I. Tuition Payable

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

J. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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

K. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. All interfund receivables and payables between the governmental and proprietary funds have been eliminated in the district-wide statements.

L. Capital Assets

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

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

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

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

M. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2016, the amount earned by these employees but not disbursed was \$1,165,447.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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

N. Compensated Absences

District employees are granted varying amounts of vacation and sick leave in accordance with the District's employment contracts. Vacation day allotments per year cannot be accumulated into the next fiscal year. Sick leave benefits provide for ordinary sick pay and are reimbursable in accordance with the individual's employment contract. The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental fund. The balance at June 30, 2016 is 1,487,339.

O. Unearned/Deferred Revenue

Unearned/Deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

P. Accrued Liabilities and Long-Term Obligations

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables are accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Bonds are recognized as a liability on the fund financial statements when due.

Q. Net Position

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

R. Fund Balance Reserves

The fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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

R. Fund Balance Reserves (Cont'd)

2) Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

3) Committed – includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

5) Unassigned – includes all spendable amounts not contained in the other classifications.

S. Revenues - Exchange and Nonexchange Transactions

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

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

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

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and intramural. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

U. Deferred Outflows/Inflows of Resources

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

V. Allocation of Indirect Expenses:

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

W. Management Estimates

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

2. Cash, Cash Equivalents and Investments

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2016, the carrying amount of the District's deposits was \$9,415,341 and the bank balance was \$10,308,597. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

At June 30, 2016, the Board's bank balances of \$10,308,597 were exposed to Custodial Credit Risk as follows:

	<u>2016</u>
Insured	\$ 8,710,343
Uninsured and Uncollateralized	<u>1,598,254</u>
	<u>\$ 10,308,597</u>

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA").

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

3. Investments

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

As of June 30, 2016, the District had \$- of investments on deposit.

4. Capital Reserve Account

A Capital Reserve Account was established by the Point Pleasant Borough Board of Education by inclusion of \$165,641 in the original 1999 budget, which was certified for taxes, 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 deposit funds at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April 2004 transfers must be in compliance with P.L. 2004, C.73 (S1701). 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.

During the fiscal year ended June 30, 2016, the District had actual interest earnings of \$2,222 and had no transfers.

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	\$ 1,314,284
Add:	
Increase per Resolution	250,000
Interest Earnings	2,222
Deposits	-
Less:	
Withdrawals per Budget	<u>(365,000)</u>
Ending Balance, June 30, 2016	\$ <u>1,201,506</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted Capital Projects is \$41,301,607. There were no withdrawals from the capital reserve for DOE approved facilities projects.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

5. Maintenance Reserve Account

A maintenance Reserve Account was established by the Point Pleasant Borough Board of Education for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

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

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2016.

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

Balance, June 30, 2015	\$ 1,124,677
Add:	
Increase per resolution	300,000
Interest earnings	2,759
Withdrawals per budget	<u>(250,000)</u>
Balance, June 30, 2016	\$ <u>1,177,436</u>

6. Emergency Reserve Account

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

6. Emergency Reserve Account (Cont'd)

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

Balance, June 30, 2015	\$ 402,168
Add:	
Interest earnings	636
Less:	
Reduction to bring to the not to exceed allowable	<u> -</u>
Balance, June 30, 2016	<u>\$ 402,804</u>

7. Receivables

Receivables at June 30, 2016, consisted of amounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$ 259,769	\$ 260,042
Federal Aid	83,165	97,174
Other	<u>43,831</u>	<u>43,831</u>
Gross Receivables	386,765	401,047
Less: Allowance for Uncollectibles	<u> -</u>	<u> -</u>
Total Receivables, Net	<u>\$ 386,765</u>	<u>\$ 401,047</u>

8. Inventory

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$ 7,341
Commodities	7,546
Supplies	<u>4,374</u>
	<u>\$ 19,261</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

9. Contingent liabilities

Grant Programs

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

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

10. Capital Assets

Capital assets consisted of the following at June 30, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Site and Site improvements	275,324	-	-	275,324
Construction in Progress	<u>13,093,069</u>	<u>2,061,323</u>	-	<u>15,154,392</u>
Total Capital Assets Not Being Depreciated	<u>13,368,393</u>	<u>2,061,323</u>	-	<u>15,429,716</u>
Capital Assets Being Depreciated				
Building and Building Improvements	42,974,500	1,057,434	-	44,031,934
Machinery and Equipment	<u>6,901,272</u>	<u>217,723</u>	<u>(183,115)</u>	<u>6,935,880</u>
Totals at Historical Cost	<u>49,875,772</u>	<u>1,275,157</u>	<u>(183,115)</u>	<u>50,967,814</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	21,607,165	1,281,057	-	22,888,222
Machinery and Equipment	<u>5,181,952</u>	<u>512,790</u>	<u>(183,115)</u>	<u>5,511,627</u>
Total Accumulated Depreciation	<u>26,789,117</u>	<u>1,793,847</u>	<u>(183,115)</u>	<u>28,399,849</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>23,086,655</u>	<u>(518,690)</u>	-	<u>22,567,965</u>
Government Activity Capital Assets, Net	<u>\$ 36,455,048</u>	<u>1,542,633</u>	-	<u>\$ 37,997,681</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ 1,173,439	-	-	\$ 1,173,439
Equipment	347,340	8,654	(1,284)	354,710
Less Accumulated Depreciation	<u>323,805</u>	<u>6,306</u>	<u>(1,284)</u>	<u>328,827</u>
Business-type activities capital assets, Net	<u>\$ 1,196,974</u>	<u>\$ 2,348</u>	<u>\$ -</u>	<u>\$ 1,199,322</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

10. Capital Assets (Cont'd)

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 1,524,771
Student and Instruction Related Services	152,477
School Administration Services	53,815
Other Special Instruction	8,969
Special Education Instruction	<u>53,815</u>
Total depreciation expense	<u>\$ 1,793,847</u>

11. Operating Leases

The District has no material commitments under operating leases at June 30, 2016.

12. Non-current Liabilities

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

	<u>Balance</u> <u>June 30, 2015</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental</u>				
<u>Activities:</u>				
Compensated				
Absences Payable	\$ 1,286,945	\$ 200,394	\$ 1,487,339	\$ 135,986
Bonds Payable	21,238,000	(1,580,000)	19,658,000	1,610,000
Pension liability-				
PERS	<u>7,586,149</u>	<u>1,402,100</u>	<u>8,988,249</u>	<u>345,477</u>
Total	<u>\$ 30,111,094</u>	<u>\$ 22,494</u>	<u>\$ 30,133,588</u>	<u>\$ 2,091,463</u>

A. Bonds Payable

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

12. Non-current Liabilities (Cont'd)

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,610,000	\$ 697,440	\$ 2,307,440
2018	1,165,000	650,965	1,815,965
2019	1,215,000	610,365	1,825,365
2020	1,270,000	568,015	1,838,015
2021	1,320,000	523,715	1,843,715
2022-2026	5,190,000	1,929,375	7,119,375
2027-2031	4,645,000	1,180,275	5,825,275
2032-2034	<u>3,243,000</u>	<u>269,795</u>	<u>3,512,795</u>
	<u>\$ 19,658,000</u>	<u>\$ 6,429,945</u>	<u>\$ 26,087,945</u>

B. Bonds Authorized But Not Issued

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

13. Pension Plans

Description of Systems

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

Teachers' Pension and Annuity Fund ("TPAF")

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

13. Pension Plans (Cont'd)

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

For the year ended June 30, 2016, the District recognized pension expense of \$1,433,327 and revenue of \$1,433,327 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.

At June 30, 2016, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.1781194611% of the total plan. The information below was provided from the State of New Jersey June 30, 2015 audit of the TPAF fund and has been adjusted to the District's proportionate share:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 568,802	\$ 33,714
Changes of assumptions	12,749,513	-
Net difference between projected and actual earnings on pension plan investments	-	947,976
Changes in proportion and differences between District contributions and proportionate share of contributions	81,417	128,645
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 13,399,732</u>	<u>\$ 1,110,335</u>

The District's proportionate share of the pension liability at June 30, 2015 as it relates to the District is \$112,579,106.

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

Year ended June 30:	
2016	\$ 1,457,790
2017	1,457,790
2018	1,457,790
2019	2,233,160
2020	1,890,027
Thereafter	<u>3,912,991</u>
Total	<u>12,409,548</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

13. Pension Plans (Cont'd)

Public Employees' Retirement System ("PERS")

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

For the year ended June 30, 2016, the District recognized pension expense of \$345,477. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.0385013092% of the total plan. The information below was provided from the State of New Jersey June 30, 2015 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	928,165	-
Net difference between projected and actual experience	206,186	-
Net difference between projected and actual earnings on pension plan investments	-	138,959
Changes in proportion and differences between District contributions and proportionate share of contributions	-	204,940
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 1,134,351</u>	<u>\$ 343,899</u>

The District's proportionate share of the pension liability at June 30, 2015 as it relates to the District is \$8,642,772 and has been recorded on the district-wide financials. The current portion due in April 2017 for the June 30, 2016 liability is \$345,477 and has been included on the district-wide financials. The total PERS pension liability at June 30, 2016 is \$8,988,249.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

13. Pension Plans (Cont'd)

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

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

Year ended June 30:	
2016	\$ 181,211
2017	181,211
2018	181,211
2019	288,608
2020	163,149
Thereafter	-
Total	<u>995,390</u>

Long-Term Expected Rate of Return:

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

13. Pension Plans (Cont'd)

Discount Rate:

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

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

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

	1% Decrease (3.90 %)	Current Discount Rate (4.90 %)	1% Increase (5.90 %)
District's proportionate share of the net pension liability	10,741,909	8,642,772	6,882,872

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

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by the N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years or service prior to retirement (or highest three years' compensation if other than the final three years).

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

13. Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Contribution Requirements

Three-Year Trend Information for PERS

Year Funding June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2016	\$ 328,284	100 %	\$ -
2015	316,156	100 %	-
2014	295,902	100 %	-

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

Year Funding June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2016	\$ 3,140,024	100 %	\$ -
2015	2,491,708	100 %	-
2014	1,964,152	100 %	-

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution included funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

There was a current year contribution to the TPAF post-retirement medical benefits made by the state of New Jersey on behalf of the Board in the amount of \$3,140,024. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,336,523 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

13. Pension Plans (Cont'd)

These amounts have been included in the general-purpose financial statements, and the combining individual fund and account group statements and schedules as revenues and expenditures in accordance with Governmental Accounting Standards.

Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2016 were \$15,287. There was no liability for unpaid contributions at June 30, 2016.

14. Post-Retirement Benefits

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

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free 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.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

15. Deferred Compensation

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

Ameriprise Financial Services, Inc	Fidelity Investments
AIG/Variable Annuity Life Insurance Co	Metropolitan Life Insurance Co
AXA Equitable Financial Company	Lincoln Investments

16. Risk Management

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest income</u>	<u>Ending Balance</u>
2015 / 2016	\$ -	\$ -	\$ 600	\$ 151,795
2014 / 2015	-	-	350	151,195
2013 / 2014	-	-	382	150,845

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

17. Interfund Receivables and Payables

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution.

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	-	-
Special Revenue Fund	-	-
Capital Projects Fund	-	-
Debt Service Fund	-	-
Enterprise Fund	-	-
Trust and Agency Fund	-	-
	<u>-</u>	<u>-</u>

18. Compensated Absences

The District accounts for compensated absences (e.g., sick leave) as directed by Governmental Accounting Standards. 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 sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions. The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental activities fund (see footnote 12).

19. Fund Balances

General Fund – of the \$6,547,843 General Fund balance at June 30, 2016, \$1,177,703 of encumbrances is committed to other purposes, \$1,201,506 is restricted for capital reserve, \$1,177,436 is restricted for maintenance reserve, \$402,804 is restricted for emergency reserve, \$315,293 is restricted for excess surplus, \$- is restricted for excess surplus for subsequent year expenditures \$1,900,000 has been classified as assigned fund balance designated for subsequent year expenditures, and \$373,101 is unassigned.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2016

20. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$315,293. The excess fund balance at June 30, 2015 was \$-. Pursuant to the provisions of Executive Order No. 14, \$- of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund account group due to the 2015-16 withholding of state aid.

21. Uncertain Tax Positions

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

22. Subsequent Events

Management has evaluated subsequent events through October 14, 2016, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 32,064,136	\$ -	\$ 32,064,136	32,064,138	\$ 2
Interest on investments	-	-	-	-	-
Interest earned on current expense emergency reserve	600	(600)	-	-	-
Interest earned on maintenance reserve	1,800	(1,800)	-	-	-
Interest earned on capital reserve funds	1,900	(1,900)	-	-	-
Interest earned on bond ref	-	-	-	-	-
Transportation fees from other LEA's	55,000	-	55,000	121,946	66,946
Tuition - from individuals	137,000	-	137,000	140,575	3,575
Tuition - from other LEA's within the state	28,000	-	28,000	139,378	111,378
Tuition - from Summer School	-	-	-	3,032	3,032
Rents and Royalties	10,000	-	10,000	24,253	14,253
Sale of Property	5,000	-	5,000	-	(5,000)
Textbook Sales And Rentals	500	-	500	-	(500)
Miscellaneous	142,500	4,300	146,800	418,078	271,278
Total - local sources	32,446,436	-	32,446,436	32,911,400	464,964
State sources:					
Categorical Transportation aid	85,308	-	85,308	85,308	-
Special Education Categorical Aid	1,663,733	-	1,663,733	1,663,733	-
Security aid	184,043	-	184,043	184,043	-
Equalization aid	3,924,507	-	3,924,507	3,924,507	-
Adjustment Aid	98,493	-	98,493	98,493	-
Under Adequacy Aid	83,119	-	83,119	83,119	-
Extraordinary aid	190,000	-	190,000	192,335	2,335
Non-public transportation	-	-	-	1,392	1,392
TFAP pension (on-behalf - Non-budgeted)	-	-	-	3,140,024	3,140,024
TFAP social security (reimbursed - Non-budgeted)	-	-	-	1,336,523	1,336,523
Total state sources	6,229,203	-	6,229,203	10,709,477	4,480,274
Federal sources:					
FEMA	-	-	-	133	133
Other federal aids-SEMI	29,048	-	29,048	42,988	13,940
Total Federal sources	29,048	-	29,048	43,121	14,073
Other financing sources					
Sale or compensation for loss of F/A	-	-	-	5,978	5,978
Total other financing sources	-	-	-	5,978	5,978
Total revenues	38,704,687	-	38,704,687	43,669,976	4,965,289
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	674,005	(40,838)	633,167	612,540	20,627
Grades 1-5 - Salaries of teachers	3,883,703	(33,706)	3,849,997	3,844,709	5,288
Grades 6-8 - Salaries of teachers	3,086,282	9,518	3,095,800	3,091,795	4,005
Grades 9-12 - Salaries of teachers	4,110,344	(248,814)	3,861,530	3,824,805	36,725
Regular Programs - Home Instruction:					
Salaries of teachers	50,000	37,668	87,668	87,668	-
Purchased professional-educational services	54,000	(12,887)	41,113	10,528	30,585
Regular Programs - Undistributed Instruction					
Other salaries for instruction	-	130	130	130	-
Purchased professional-educational services	17,950	5,611	23,561	18,677	4,884
Purchased technical services	23,750	6,941	30,691	29,962	729
Other purchased services (400-500 series)	139,140	(7,559)	131,581	116,740	14,841
General supplies	662,450	131,804	794,254	747,127	47,127
Textbooks	63,650	(6,994)	56,656	50,775	5,881
Other objects	14,318	(1,066)	13,252	7,103	6,149
TOTAL REGULAR PROGRAMS - INSTRUCTION	12,779,592	(160,192)	12,619,400	12,442,559	176,841
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	63,426	1,659	65,085	65,070	15
Other salaries for instruction	12,868	61	12,929	12,929	-
General supplies	500	-	500	427	73
Textbooks	200	-	200	-	200
Total Behavioral Disabilities	76,994	1,720	78,714	78,426	288
Multiple Disabilities:					
Salaries of Teachers	302,330	71,983	374,313	366,205	8,108
Other salaries for instruction	19,113	23,786	42,899	40,041	2,858
General supplies	1,200	-	1,200	1,000	200
Total Multiple Disabilities	322,643	95,769	418,412	407,246	11,166

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 2,053,981	\$ 29,692	\$ 2,083,673	2,069,628	\$ 14,045
Other Salaries for Instruction	138,854	(48,633)	90,221	83,519	6,702
General supplies	5,500	2,806	8,306	7,477	829
Textbooks	1,300	(1,300)	-	-	-
Total Resource Room/Resource Center	2,199,635	(17,435)	2,182,200	2,160,624	21,576
Autism:					
Salaries of Teachers	127,302	(56,864)	70,438	70,365	73
Other Salaries for Instruction	-	52	52	52	-
Other purchased services (400-500 series)	250	-	250	-	250
General Supplies	1,250	(205)	1,045	445	600
Total Autism	128,802	(57,017)	71,785	70,862	923
Preschool Disabilities - Full-Time:					
Salaries of Teachers	91,668	3,892	95,560	95,040	520
Other Salaries for Instruction	59,747	(4,645)	55,102	51,857	3,245
General Supplies	1,650	317	1,967	1,942	25
Total Preschool Disabilities - Full-Time	153,065	(436)	152,629	148,839	3,790
Home Instruction:					
Salaries of Teachers	22,500	(6,371)	16,129	900	15,229
Purchased Professional-Educational Services	500	-	500	-	500
Total Home Instruction	23,000	(6,371)	16,629	900	15,729
TOTAL SPECIAL EDUCATION- INSTRUCTION	2,904,139	16,230	2,920,369	2,866,897	53,472
Basic Skills/Remedial - Instruction					
Salaries of Teachers	113,976	173,891	287,867	285,006	2,861
Other Purchased Services (400-500 series)	75,000	24,041	99,041	82,661	16,380
General Supplies	1,300	10,000	11,300	9,701	1,599
Other Objects	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	190,276	207,932	398,208	377,368	20,840
Bilingual Education - Instruction					
Salaries of Teachers	85,377	-	85,377	84,265	1,112
Other Purchased Services (400-500 series)	350	-	350	-	350
General Supplies	600	-	600	200	400
Total Bilingual Education - Instruction	86,327	-	86,327	84,465	1,862
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	187,575	(48)	187,527	172,536	14,991
Purchased Services (300-500 series)	16,700	800	17,500	11,246	6,254
Supplies and Materials	19,610	57,797	77,407	17,661	59,746
Other Objects	4,935	-	4,935	3,312	1,623
Total School-Spon. Cocurricular Actvts. - Instruction	228,820	58,549	287,369	204,755	82,614
School-Spon. Athletics - Instruction					
Salaries	438,587	240	438,827	424,168	14,659
Purchased Services (300-500 series)	150,800	(26,078)	124,722	123,517	1,205
Supplies and Materials	84,850	51,176	136,026	108,461	27,565
Other Objects	500	(500)	-	-	-
Total School-Spon. Cocurricular Actvts. - Instruction	674,737	24,838	699,575	656,146	43,429
Other Instructional Programs - Instruction					
Purchased prof & tech services	-	5,900	5,900	-	5,900
Total Other Instructional Programs - Instruction	-	5,900	5,900	-	5,900
Total Instruction	16,863,891	153,257	17,017,148	16,632,190	384,958
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - Special	125,745	196,766	322,511	180,059	142,452
Tuition to other LEAs within the state - Regular	40,000	(16,607)	23,393	20,286	3,107
Tuition to Co. Voc. School Dist. - reg.	-	73,335	73,335	63,000	10,335
Tuition to Co.Spec. Serv. & Reg. Day schools	270,414	9,865	280,279	277,200	3,079
Tuition to Private Sch for Disbl w/i State	1,838,996	(649,255)	1,189,741	1,064,372	125,369
Tuition Priv Sch Disbl & Otr LEA o/s State	83,089	9,000	92,089	13,294	78,795
Tuition - State Facilities	-	-	-	-	-
Tuition - Other	33,913	9,162	43,075	34,254	8,821
Total Undistributed Expenditures - Instruction:	2,392,157	(367,734)	2,024,423	1,652,465	371,958
Undistributed Expend. - Attend. & Social Work					
Salaries	158,618	-	158,618	155,730	2,888
Other Purchased Services (400-500 series)	-	500	500	6	494
Supplies and Materials	1,725	(460)	1,265	1,163	102
Total Undistributed Expend. - Attend. & Social Work	160,343	40	160,383	156,899	3,484

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Health Services					
Salaries	\$ 380,050	\$ 15,546	\$ 395,596	392,801	\$ 2,795
Purchased professional and technical services	31,000	21,716	52,716	36,391	16,325
Other purchased services (400-500 series)	2,510	(250)	2,260	578	1,682
Supplies and materials	6,800	227	7,027	5,898	1,129
Total Undistributed Expenditures - Health Services	420,360	37,239	457,599	435,668	21,931
Undist. Expend. - Other Support Services - Students - Related Service					
Salaries	277,229	(8,797)	268,432	268,002	430
Purchased Prof. Ed. Services	176,008	235,752	411,760	356,915	54,845
Supplies and Materials	2,400	(527)	1,873	1,565	308
Total Undist. Expend. - Other Support Services - Students - Related Service	455,637	226,428	682,065	626,482	55,583
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	755,642	(14,711)	740,931	705,966	34,965
Purchased Prof. Ed. Services	48,400	23,163	71,563	42,806	28,757
Total Undist. Expend. - Other Support Services Students - Extraordinary Serv	804,042	8,452	812,494	748,772	63,722
Undist. Expend. - Other Support Services Students-Regular					
Salaries of Other Professional Staff	732,684	7,205	739,889	739,157	732
Salaries of Secretarial and Clerical Assistants	138,760	-	138,760	138,310	450
Other Salaries	5,000	(2,465)	2,535	2,212	323
Other Purch. Prof. & Tech. Svc.	7,870	-	7,870	1,417	6,453
Other Purchased Services (400-500 series)	10,400	(1,000)	9,400	3,880	5,520
Supplies and Materials	15,650	(568)	15,082	11,357	3,725
Other Objects	880	-	880	454	426
Total Undist. Expend. - Other Support Services - Students-Regular	911,244	3,172	914,416	896,787	17,629
Undist. Expend. - Other Support Services - Students-Special					
Salaries of Other Professional Staff	938,217	(3,659)	934,558	934,185	373
Salaries of Secretarial and Clerical assistants	150,968	4,869	155,837	153,071	2,766
Purchased Professional - Educational Services	32,000	30,398	62,398	22,994	39,404
Other Purchased Prof. & Tech. Services	21,000	(13,000)	8,000	8,000	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Misc. Purch Serv	16,800	1,941	18,741	16,938	1,803
Supplies and Materials	6,600	13,033	19,633	16,311	3,322
Other Objects	1,350	(488)	862	860	2
Total Undist. Expend. - Other Support Services - Students-Special	1,166,935	33,094	1,200,029	1,152,359	47,670
Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.					
Salaries Superv. Of Instr.	77,700	-	77,700	77,700	-
Salaries Other Prof. Staff	-	-	-	-	-
Salaries Secr. & Clerical Asst.	11,916	-	11,916	11,913	3
Other Salaries	18,600	(10,920)	7,680	7,680	-
Supplies and Materials	2,600	2,260	4,860	4,697	163
Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.	110,816	(8,660)	102,156	101,990	166
Undist. Expend. - Educational Media Services/School Library					
Salaries	257,682	(428)	257,254	253,895	3,359
Salaries of Technology Coordinators	45,386	22,692	68,078	68,078	-
Purchased Prof & Tech Svc.	4,900	(10)	4,890	4,760	130
Other Purchased Services (400-500)	-	-	1,100	-	1,100
Supplies and Materials	43,050	(97)	42,953	38,213	4,740
Total Undist. Expend. - Educational Media Services/School Library	352,118	22,157	374,275	364,946	9,329
Undist. Expend. - Instruction Staff Training Services					
Salaries of Supervisors of Instruction	77,700	-	77,700	77,700	-
Salaries of Other Professional Staff	24,700	-	24,700	13,044	11,656
Salaries of Secretarial & Clerical Assistants	35,747	-	35,747	35,739	8
Purchased Professional - Educational Services	39,500	4,996	44,496	26,536	17,960
Other Purchased Services (400-500 series)	34,300	2,736	37,036	27,369	9,667
Supplies and Materials	24,500	31,478	55,978	50,651	5,327
Total Undist. Expend. - Instruction Staff Training Services	236,447	39,210	275,657	231,039	44,618
Undist. Expend. - Support Service - General Administration					
Salaries	324,925	11,100	336,025	332,181	3,844
Legal Services	105,000	21,130	126,130	71,297	54,833
Audit Fees	22,500	(1,000)	21,500	21,000	500
Architectural/Engineering Services	18,000	30,644	48,644	33,696	14,948
Other Purchased Professional Services	1,200	(650)	550	-	550
Communications/Telephone	63,000	1,658	64,658	55,102	9,556
BOE Other Purchased Services	14,150	(5,904)	8,246	5,093	3,153
Misc. Purch. Serv.(400-500)	165,578	13,474	179,052	163,814	15,238
General Supplies	3,500	1,166	4,666	2,584	2,082
BOE In-house Training/Meeting Supplies	2,500	(908)	1,592	1,592	-
Judgments Against the School District	25,000	(1,654)	23,346	-	23,346
Miscellaneous Expenditures	29,500	1,396	30,896	26,212	4,684
Total Undist. Expend. - Support Service - General Administration	774,853	70,452	845,305	712,571	132,734

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant principals	\$ 1,386,281	\$ 14,998	\$ 1,401,279	1,352,734	\$ 48,545
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	451,802	(3,513)	448,289	443,535	4,754
Other Purchased Services (400-500 series)	14,200	970	15,170	13,261	1,909
Supplies and Materials	18,400	15,972	34,372	12,504	21,868
Other Objects	14,100	629	14,729	13,452	1,277
Total Undist. Expend. - Support Service - School Administration	1,884,783	29,056	1,913,839	1,835,486	78,353
Undistributed Expenditures- Central Services					
Salaries	513,303	25,849	539,152	504,340	34,812
Purchased Technical Services	38,980	1,248	40,228	38,136	2,092
Purchase Professional Services	3,300	1,617	4,917	4,317	600
Misc. Purchased Services	3,800	-	3,800	2,764	1,036
Supplies and Materials	6,500	5,197	11,697	7,304	4,393
Miscellaneous Expenditures	3,250	5,998	9,248	9,248	-
Total Central Services	569,133	39,909	609,042	566,109	42,933
Administration Information Technology					
Salaries	92,848	22,693	115,541	115,541	-
Total Admin info tech	92,848	22,693	115,541	115,541	-
Interest Earned on Maintenance Reserve					
Interest earned on maintenance reserve	1,800	(1,800)	-	-	-
Total Interest Earned on Maintenance Reserve	1,800	(1,800)	-	-	-
Required Maint for School Facilities					
Salaries	30,000	407	30,407	30,407	-
Cleaning, Repair and Maintenance Services	890,788	25,893	916,681	672,855	243,826
General Supplies	94,100	19,113	113,213	54,136	59,077
Other Objects	3,750	(62)	3,688	3,106	582
Total Required Maintenance for School Facilities	1,018,638	45,351	1,063,989	760,504	303,485
Custodial Services					
Salaries	151,944	1,050	152,994	152,993	1
Purchased Professional and Technical Services	1,188,625	(3,515)	1,185,110	1,178,008	7,102
Cleaning, Repair and Maintenance Services	73,450	(9,752)	63,698	45,190	18,508
Rental of Land and Building Other than Lease	12,000	-	12,000	-	-
Other Purchased Property Services	46,650	1,167	47,817	39,961	7,856
Insurance	128,100	(3,855)	124,245	114,852	9,393
Miscellaneous Purchased Services	20,000	66,155	86,155	14,684	71,471
General Supplies	2,500	7,123	9,623	9,169	454
Energy (Natural Gas)	336,000	25,033	361,033	169,421	191,612
Energy (Electricity)	455,000	(19,640)	435,360	413,979	21,381
Total Custodial services	2,414,269	63,766	2,478,035	2,150,257	327,778
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	152,039	(6,168)	145,871	134,233	11,638
Cleaning, Repair and Maintenance Services	49,000	59,300	108,300	88,712	19,588
General Supplies	25,000	(14,190)	10,810	7,449	3,361
Total Care and Upkeep of Grounds	226,039	38,942	264,981	230,394	34,587
Security					
Salaries	54,490	209	54,699	47,195	7,504
Purchased Professional and Technical Services	-	-	-	-	-
Cleaning, Repair and Maintenance Services	48,000	66,264	114,264	98,732	15,532
General Supplies	15,000	117,857	132,857	60,107	72,750
Total Security	117,490	184,330	301,820	206,034	95,786
Total Oper. And Maintenance of Plant Services	3,776,436	332,389	4,108,825	3,347,189	761,636
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	296,305	780	297,085	296,362	723
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	162,328	(12,588)	149,740	137,218	12,522
Salaries for Pupil Transportation (Other than Between Home and School)	85,050	14,579	99,629	97,192	2,437
Salaries for Pupil Transportation (Between Home and School) - Non Public S	25,089	(1,063)	24,026	16,971	7,055
Management Fee - ESC Trans. Program	16,000	(467)	15,533	14,407	1,126
Other Purchased Professional & Technical Services	9,500	475	9,975	9,456	519
Cleaning, Repair and Maint. Services	11,500	(475)	11,025	2,949	8,076
Contract Svc (btw Home & Sch.)-vendors	309,000	21,593	330,593	288,513	42,080
Contr Serv (Oth.than Bet Home & Sch) - Vend	5,300	-	5,300	3,799	1,501
Contract Svc (btw home & sch.)-joint agree	19,000	(15,914)	3,086	256	2,830
Contract Serv. (Sp Ed Stds) - Vendors	116,000	(5,536)	110,464	77,916	32,548
Contract Serv. (Sp Ed Stds) - Joint Agrmnts	-	-	-	-	-
Contract Serv. (Reg Students) - ESCs & CSTAs	61,000	-	61,000	45,754	15,246
Contract Serv. (Spl. Ed. Students) - ESCs & CTAS	265,000	-	265,000	228,562	36,438
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	7,072	(143)	6,929	5,304	1,625
Misc. Purchased Services - Transportation	19,000	1,792	20,792	15,029	5,763
General Supplies	5,000	-	5,000	2,430	2,570
Transportation Supplies	105,000	(1,792)	103,208	52,500	50,700
Other Objects	500	-	500	200	300
Total Student Transportation Services	1,517,644	1,241	1,518,885	1,294,826	224,059

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
Interest Earned on Current Expense Emergency Reserve					
Interest earned on current expense emergency reserve	\$ 600	\$ (600)	\$ -	-	\$ -
Total Interest Earned on Current Expense Emergency Reserve	<u>600</u>	<u>(600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Personal Services- Employee Benefits					
Social Security Contributions	375,000	-	375,000	344,986	30,014
Other Retirement Contributions-Regular	388,845	(7,945)	380,900	328,284	52,616
Unemployment Compensation	92,000	7,945	99,945	87,838	12,107
Workmen's Compensation	185,000	-	185,000	148,779	36,221
Health Benefits	6,054,454	(420,695)	5,633,759	5,380,465	253,294
Tuition Reimbursement	22,000	3,906	25,906	12,133	13,773
Other Employee Benefits	135,000	-	135,000	4,922	130,078
Total Personal Services-Employee Benefits	<u>7,252,299</u>	<u>(416,789)</u>	<u>6,835,510</u>	<u>6,307,407</u>	<u>528,103</u>
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	3,140,024	(3,140,024)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,336,523	(1,336,523)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,476,547</u>	<u>(4,476,547)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>7,252,299</u>	<u>(416,789)</u>	<u>6,835,510</u>	<u>10,783,954</u>	<u>(3,948,444)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>22,880,495</u>	<u>69,949</u>	<u>22,950,444</u>	<u>25,023,083</u>	<u>(2,072,639)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>39,744,386</u>	<u>223,206</u>	<u>39,967,592</u>	<u>41,655,273</u>	<u>(1,687,681)</u>
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	1,900	(1,900)	-	-	-
Equipment					
Regular Programs - Instruction:					
Grades 1-5	35,000	(32,223)	2,777	2,247	530
Grades 6-8	5,000	5,411	10,411	10,411	-
Grades 9-12	10,000	26,220	36,220	21,367	14,853
Special Education- Instruction:					
School - Sponsored and Other Instructional Program	6,500	33,033	39,533	12,795	26,738
General Administration					
Undist. Expend.-Support Serv.-Child Study Teams	5,000	(5,000)	-	-	-
Undist. Exp.-Req. Maint. Schl Facilities					
Support Services-students- Regular	-	2,495	2,495	2,495	-
Support Services-students- Special Education	-	2,030	2,030	2,030	-
Undist. Exp.-Req. Maint. Schl Facilities	670,367	194,094	864,461	491,257	373,204
Undistributed exp.-Non-instructional services					
Non-instructional Equip.	93,000	(93,000)	-	-	-
School Buses -Regular	-	181,954	181,954	90,586	91,368
Total Equipment	<u>824,867</u>	<u>315,014</u>	<u>1,139,881</u>	<u>633,188</u>	<u>506,693</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	40,000	(11,750)	28,250	25,832	2,418
Construction Services	540,000	32,872	572,872	572,872	-
Assessment for Debt Service on SDA Funding	68,534	-	68,534	68,534	-
Supplies & Materials	-	184,245	184,245	40,375	143,870
Capital Outlay transfer to Capital Projects	-	-	-	-	-
Capital Reserve transfer to Capital Projects	-	-	-	-	-
Total	<u>648,534</u>	<u>205,367</u>	<u>853,901</u>	<u>707,613</u>	<u>146,288</u>
TOTAL CAPITAL OUTLAY	<u>1,475,301</u>	<u>518,481</u>	<u>1,993,782</u>	<u>1,340,801</u>	<u>652,981</u>
TOTAL EXPENDITURES	<u>41,219,687</u>	<u>741,687</u>	<u>41,961,374</u>	<u>42,996,074</u>	<u>(1,034,700)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,515,000)</u>	<u>(741,687)</u>	<u>(3,256,687)</u>	<u>673,902</u>	<u>3,930,589</u>
Fund Balance, July 1	<u>6,464,958</u>	<u>-</u>	<u>6,464,958</u>	<u>6,464,958</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 3,949,958</u>	<u>\$ (741,687)</u>	<u>\$ 3,208,271</u>	<u>7,138,860</u>	<u>\$ 3,930,589</u>
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				1,177,436	
Emergency Reserve				402,804	
Excess surplus - current year				315,293	
Excess surplus-designated for subsequent year's expenditures				-	
Capital reserve				1,201,506	
Committed Fund Balance:					
Other purposes				-	
Year-end encumbrances				1,177,703	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				1,900,000	
Unrestricted/undesignated				964,118	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				(591,017)	
Fund balance per governmental funds (GAAP)				<u>373,101</u>	

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	-	\$ -	\$ 11,588	\$ 11,588
State sources	-	-	-	-	-
Federal sources	971,757	-	971,757	913,352	(58,405)
Total Revenues	<u>971,757</u>	<u>-</u>	<u>971,757</u>	<u>924,940</u>	<u>(46,817)</u>
EXPENDITURES					
Instruction:					
Personal services-salaries	200,803	15,592	216,395	192,467	23,928
Purchased professional and technical services	4,845	(121)	4,724	2,763	1,961
General supplies	38,707	(2,356)	36,351	22,652	13,699
Tuition	627,500	(55)	627,445	627,445	-
Other objects	1,805	(361)	1,444	1,444	-
Total instruction	<u>873,660</u>	<u>12,699</u>	<u>886,359</u>	<u>846,771</u>	<u>39,588</u>
Support services:					
Personal services - salaries	6,457	(226)	6,231	6,079	152
Purchased professional and technical services	28,723	(11,957)	16,766	11,548	5,218
Other purchased services	1,214	-	1,214	1,102	112
Employee benefits	50,953	(2,443)	48,510	48,510	-
Supplies- materials	7,750	1,927	9,677	8,041	1,636
Total support services	<u>95,097</u>	<u>(12,699)</u>	<u>82,398</u>	<u>75,280</u>	<u>7,118</u>
EXPENDITURES:					
Facilities acquisition and const. serv.:					
Instructional equipment	3,000	-	3,000	2,889	111
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>2,889</u>	<u>111</u>
Total expenditures	<u>971,757</u>	<u>-</u>	<u>971,757</u>	<u>924,940</u>	<u>46,817</u>
Total outflows	<u>971,757</u>	<u>-</u>	<u>971,757</u>	<u>924,940</u>	<u>46,817</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				\$ -	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2016

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 43,669,976	[C-2]	\$ 924,940
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		5,589
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,433,327)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(591,017)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		581,552		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 42,227,184	[B-2]	\$ 930,529
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 42,996,074	[C-2]	\$ 924,940
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,433,327)		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		5,589
Pension expense recognized for GAAP but not for budgetary purposes.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 41,562,747	[B-2]	\$ 930,529

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.0387504353%	0.0385013092%
District's proportionate share of the net pension liability	\$ 7,586,149	\$ 8,988,249
District's covered-employee payroll	\$ 2,649,489	\$ 2,581,190
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	34.93%	28.72%
Plan fiduciary net position as a percentage of the total pension liability	67.89%	61.84%

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

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

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

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
Contractually required contributions	\$ 319,453	\$ 331,008
Contributions in relation to the contractually required contribution	<u>316,156</u>	<u>328,284</u>
Contribution deficiency (excess)	<u>\$ 3,297</u>	<u>\$ 2,724</u>
District's covered-employee payroll	\$ 2,649,489	\$ 2,581,190
Contributions as a percentage of covered-employee payroll	12.06%	12.82%

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

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

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
District's proportionate share of the net pension liability	0.1758938202%	0.1781194611%
District's proportionate share of the net pension liability	\$94,009,522	\$ 112,579,106
District's covered-employee payroll	\$17,900,386	\$ 18,691,714
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	19.04%	16.60%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%

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

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

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

Point Pleasant Borough Board of Education

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2016

Assumptions

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

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

	Title I <u>14/15</u>	Title I <u>15/16</u>	IDEA-Part B-Basic Reg Prog <u>15/16</u>	IDEA-Part B Preschool <u>15/16</u>
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	<u>14,308</u>	<u>168,934</u>	<u>636,042</u>	<u>25,847</u>
Total revenues	<u>14,308</u>	<u>168,934</u>	<u>636,042</u>	<u>25,847</u>
Expenditures:				
Instruction:				
Salaries	10,786	127,931	-	-
Purchased services	-	193	-	-
General supplies	-	-	14,522	4,468
Tuition	-	-	609,945	17,500
Other Objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>639</u>
Total instruction	<u>10,786</u>	<u>128,124</u>	<u>624,467</u>	<u>22,607</u>
Support services:				
Other support services - students - special:				
Salaries	2,400	3,679	-	-
Prof. and tech. services	-	4,100	4,800	1,088
Other purchased services	-	-	1,000	-
Employee benefits	1,122	32,917	-	-
Supplies and materials	<u>-</u>	<u>114</u>	<u>5,775</u>	<u>2,152</u>
Total other support services - students - special	<u>3,522</u>	<u>40,810</u>	<u>11,575</u>	<u>3,240</u>
Total support services	<u>3,522</u>	<u>40,810</u>	<u>11,575</u>	<u>3,240</u>
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 14,308</u>	<u>\$ 168,934</u>	<u>\$ 636,042</u>	<u>\$ 25,847</u>

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

(Continued from prior page)

	Title II Part A 15/16	Title III 15/16	Other	Total 2016
Revenues:				
Local sources	\$ -	\$ -	\$ 11,588	\$ 11,588
State sources	-	-	-	-
Federal sources	55,728	12,493	-	913,352
Total revenues	55,728	12,493	11,588	924,940
Expenditures:				
Instruction:				
Salaries	44,000	9,750	-	192,467
Purchased services	-	-	2,570	2,763
General supplies	-	-	3,662	22,652
Tuition	-	-	-	627,445
Other objects	-	-	805	1,444
Total instruction	44,000	9,750	7,037	846,771
Support services:				
Other support services - students - special:				
Salaries	-	-	-	6,079
Prof. and tech. services	-	-	1,560	11,548
Other purchased services	-	-	102	1,102
Employee benefits	11,728	2,743	-	48,510
Supplies and materials	-	-	-	8,041
Total other support services - students - special	11,728	2,743	1,662	75,280
Total support services	11,728	2,743	1,662	75,280
Equipment:				
Instruction equipment	-	-	2,889	2,889
Non-instructional equipment	-	-	-	-
Total equipment	-	-	2,889	2,889
Total expenditures	\$ 55,728	\$ 12,493	\$ 11,588	\$ 924,940

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2016

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2016
			Prior Years	Current Year	
Reroofing and MEP Upgrades - Memorial Middle School	1/2/2014	4,048,287	3,268,420	709,612	70,255
Reroofing and MEP Upgrades - Nellie Bennett School	1/2/2014	3,660,713	3,071,338	309,095	280,280
Reroofing and MEP Upgrades - Ocean Road Elementary School	1/2/2014	2,079,600	1,451,011	194,171	434,418
Reroofing and MEP Upgrades - Point Pleasant High School	1/2/2014	6,159,400	5,305,798	848,446	5,156
Security Cameras - Memorial Middle School	7/31/2014	105,392	74,181	-	31,211
Security Cameras - Nellie Bennett School	7/31/2014	49,290	41,615	-	7,675
Security Cameras - Ocean Road Elementary School	7/31/2014	51,156	40,074	-	11,082
Security Cameras - Point Pleasant High School	7/31/2014	155,193	135,380	-	19,813
Totals		<u>\$ 16,309,031</u>	<u>\$ 13,387,817</u>	<u>\$ 2,061,324</u>	<u>\$ 859,890</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2016

Revenues and Other Financing Sources

State Sources - Grants	\$	-
Bond proceeds and transfers		-
Contribution from private source		-
Transfer from capital reserve		-
Transfer from capital outlay		-
Total revenues		-

Expenditures and Other Financing Uses

Purchased professional and technical services		40,041
Land and improvements		-
Construction services		2,021,283
Other objects		-
Equipment purchases		-
Transfer to debt service fund		-
Total expenditures		2,061,324
Excess of revenues over expenditures		(2,061,324)
Fund balance - beginning		2,921,214
Fund balance - ending	\$	859,890

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Reroofing and MEP Upgrades - Memorial Middle School
 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 - SCC Grant	\$ -	-	\$ -	\$ -
Bond proceeds and transfers	3,896,000	152,287	4,048,287	4,048,287
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>3,896,000</u>	<u>152,287</u>	<u>4,048,287</u>	<u>4,048,287</u>
Expenditures and Other Financing				
Uses				
Purchased prof. and tech. services	280,678	12,606	293,284	663,846
Land and improvements	-	-	-	-
Construction services	2,987,742	697,006	3,684,748	3,384,441
Equipment purchases	-	-	-	-
Total expenditures	<u>3,268,420</u>	<u>709,612</u>	<u>3,978,032</u>	<u>4,048,287</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 627,580</u>	<u>(557,325)</u>	<u>\$ 70,255</u>	<u>\$ -</u>
Additional project information:				
Project Number	4210-030-13-3000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	3,896,000			
Bonds Issued	3,896,000			
Original Authorized Cost	3,896,000			
Additional Authorized Cost	152,287			
Revised Authorized Cost	4,048,287			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	98.26%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Reroofing and MEP Upgrades - Nellie Bennett School
 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 - SCC Grant	\$ -	-	\$ -	\$ -
Bond proceeds and transfers	3,813,000	(152,287)	3,660,713	3,660,713
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	3,813,000	(152,287)	3,660,713	3,660,713
Expenditures and Other Financing				
Uses				
Purchased prof. and tech. services	226,974	9,248	236,222	621,174
Land and improvements	-	-	-	-
Construction services	2,844,364	299,847	3,144,211	3,039,539
Equipment purchases	-	-	-	-
Total expenditures	3,071,338	309,095	3,380,433	3,660,713
Excess (deficiency) or revenues over (under) expenditures	\$ 741,662	(461,382)	\$ 280,280	\$ -
Additional project information:				
Project Number	4210-030-13-2000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	3,813,000			
Bonds Issued	3,813,000			
Original Authorized Cost	3,813,000			
Additional Authorized Cost	(152,287)			
Revised Authorized Cost	3,660,713			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	92.34%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Reroofing and MEP Upgrades - Ocean Road Elementary School
 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 - SCC Grant	\$ -	-	\$ -	\$ -
Bond proceeds and transfers	2,268,000	(188,400)	2,079,600	2,079,600
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>2,268,000</u>	<u>(188,400)</u>	<u>2,079,600</u>	<u>2,079,600</u>
Expenditures and Other Financing				
Uses				
Purchased prof. and tech. services	179,289	8,741	188,030	371,534
Land and improvements	-	-	-	-
Construction services	1,271,722	185,430	1,457,152	1,708,066
Equipment purchases	-	-	-	-
Total expenditures	<u>1,451,011</u>	<u>194,171</u>	<u>1,645,182</u>	<u>2,079,600</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 816,989</u>	<u>(382,571)</u>	<u>\$ 434,418</u>	<u>\$ -</u>
Additional project information:				
Project Number	4210-030-13-3000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	2,268,000			
Bonds Issued	2,268,000			
Original Authorized Cost	2,268,000			
Additional Authorized Cost	(188,400)			
Revised Authorized Cost	2,079,600			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	79.11%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Reroofing and MEP Upgrades - Point Pleasant High School
 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 - SCC Grant	\$ -	-	\$ -	\$ -
Bond proceeds and transfers	5,971,000	188,400	6,159,400	6,159,400
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	5,971,000	188,400	6,159,400	6,159,400
Expenditures and Other Financing				
Uses				
Purchased prof. and tech. services	407,016	9,446	416,462	1,001,763
Land and improvements	-	-	-	-
Construction services	4,898,782	839,000	5,737,782	5,157,637
Equipment purchases	-	-	-	-
Total expenditures	5,305,798	848,446	6,154,244	6,159,400
Excess (deficiency) or revenues over (under) expenditures	\$ 665,202	(660,046)	\$ 5,156	\$ -
Additional project information:				
Project Number	4210-030-13-2000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	5,971,000			
Bonds Issued	5,971,000			
Original Authorized Cost	5,971,000			
Additional Authorized Cost	188,400			
Revised Authorized Cost	6,159,400			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	99.92%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Security Cameras - Memorial Middle School
 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 Grant	\$ 42,157	-	\$ 42,157	\$ 42,157
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	63,235	-	63,235	63,235
Transfer from capital outlay	-	-	-	-
Total revenues	105,392	-	105,392	105,392
Expenditures and Other Financing				
Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	74,181	-	74,181	105,392
Total expenditures	74,181	-	74,181	105,392
Excess (deficiency) or revenues over (under) expenditures	\$ 31,211	-	\$ 31,211	\$ -
Additional project information:				
Project Number	4210-050-14-1002			
Grant Date	7/31/2014			
Grant Amount	42,157			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	105,392			
Additional Authorized Cost	-			
Revised Authorized Cost	105,392			
Percentage Increase over Original				
Authorized Cost	-			
Percentage Completion	70.39%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Security Cameras - Nellie Bennett School
 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 Grant	\$ 19,716	-	\$ 19,716	\$ 19,716
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	29,574	-	29,574	29,574
Transfer from capital outlay	-	-	-	-
Total revenues	49,290	-	49,290	49,290
Expenditures and Other Financing				
Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	41,615	-	41,615	49,290
Total expenditures	41,615	-	41,615	49,290
Excess (deficiency) or revenues over (under) expenditures	\$ 7,675	-	\$ 7,675	\$ -
Additional project information:				
Project Number	4210-055-14-11003			
Grant Date	7/31/2014			
Grant Amount	19,716			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	49,290			
Additional Authorized Cost	-			
Revised Authorized Cost	49,290			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	84.43%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Security Cameras - Ocean Road Elementary School
 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 Grant	\$ 20,462	-	\$ 20,462	\$ 20,462
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	30,694	-	30,694	30,694
Transfer from capital outlay	-	-	-	-
Total revenues	51,156	-	51,156	51,156
Expenditures and Other Financing				
Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	40,074	-	40,074	51,156
Total expenditures	40,074	-	40,074	51,156
Excess (deficiency) or revenues over (under) expenditures	\$ 11,082	-	\$ 11,082	\$ -
Additional project information:				
Project Number	4210-060-14-1004			
Grant Date	7/31/2014			
Grant Amount	20,462			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	51,156			
Additional Authorized Cost	-			
Revised Authorized Cost	51,156			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	78.34%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Security Cameras - Point Pleasant High School
 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 Grant	\$ 62,077	-	\$ 62,077	\$ 62,077
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	93,116	-	93,116	93,116
Transfer from capital outlay	-	-	-	-
Total revenues	155,193	-	155,193	155,193
Expenditures and Other Financing				
Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	135,380	-	135,380	155,193
Total expenditures	135,380	-	135,380	155,193
Excess (deficiency) or revenues over (under) expenditures	\$ 19,813	-	\$ 19,813	\$ -
Additional project information:				
Project Number	4210-030-14-1001			
Grant Date	7/31/2014			
Grant Amount	62,077			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	155,193			
Additional Authorized Cost	-			
Revised Authorized Cost	155,193			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	87.23%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2016

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 54,898	\$ 181,219	\$ 236,117
Accounts receivable:			
State	273	-	273
Federal	8,608	-	8,608
Other government	5,401	-	5,401
Other	3,089	-	3,089
Interfund	-	-	-
Inventories	19,261	-	19,261
Total current assets	<u>91,530</u>	<u>181,219</u>	<u>272,749</u>
Fixed assets:			
Equipment	351,223	3,487	354,710
Buildings and improvements	1,173,439	-	1,173,439
Accumulated depreciation	(326,405)	(2,422)	(328,827)
Total fixed assets	<u>1,198,257</u>	<u>1,065</u>	<u>1,199,322</u>
Total assets	<u>\$ 1,289,787</u>	<u>\$ 182,284</u>	<u>\$ 1,472,071</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	-	13	13
Accrued salaries and benefits	-	516	516
Deferred revenue	11,508	-	11,508
Compensated absences	-	-	-
Interfund payable	-	-	-
Total liabilities	<u>11,508</u>	<u>529</u>	<u>12,037</u>
Net position :			
Net investment in capital assets	1,198,257	1,065	1,199,322
Restricted for other purposes	-	-	-
Unrestricted net position	80,022	180,690	260,712
Total fund equity	<u>1,278,279</u>	<u>181,755</u>	<u>1,460,034</u>
Total liabilities and fund equity	<u>\$ 1,289,787</u>	<u>\$ 182,284</u>	<u>\$ 1,472,071</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Funds
Combined Statement of Revenues, Expenses and
Changes in Net Position
For the Fiscal Year ended June 30, 2016

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales-reimbursable programs:			
School breakfast program	\$ 6,141	\$ -	\$ 6,141
School lunch program	242,483	-	242,483
Total-daily sales-reimbursable programs	248,624	-	248,624
Daily sales non-reimbursable programs	181,673	-	181,673
Special functions	3,752	-	3,752
Miscellaneous	65,181	375,772	440,953
Total operating revenues	<u>499,230</u>	<u>375,772</u>	<u>875,002</u>
Operating expenses:			
Salaries	253,970	257,836	511,806
Employee benefits	132,258	53,803	186,061
Other purchased services	17,457	20,390	37,847
Supplies and materials	15,332	1,404	16,736
Utilities	31,044	12,961	44,005
Dues/Workshops	355	-	355
Depreciation	6,201	105	6,306
Cost of sales	293,641	-	293,641
Total operating expenses	<u>750,258</u>	<u>346,499</u>	<u>1,096,757</u>
Operating income (loss)	<u>(251,028)</u>	<u>29,273</u>	<u>(221,755)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	5,229	-	5,229
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	13,897	-	13,897
National school lunch program	141,267	-	141,267
Food distribution program	32,970	-	32,970
FEMA disaster funding	-	-	-
Interest	86	-	86
Total nonoperating revenues	<u>193,449</u>	<u>-</u>	<u>193,449</u>
Change in net position before transfers	(57,579)	29,273	(28,306)
Transfers in (out)	-	-	-
Change in net position	(57,579)	29,273	(28,306)
Total unrestricted net position beginning	<u>1,335,858</u>	<u>152,482</u>	<u>1,488,340</u>
Total unrestricted net position ending	<u>\$ 1,278,279</u>	<u>\$ 181,755</u>	<u>\$ 1,460,034</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Food Services Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Year ended June 30, 2016

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 531,508	\$ 375,918	\$ 907,426
Payments to employees & benefits	(386,228)	(311,123)	(697,351)
Payments to suppliers	(354,042)	(36,343)	(390,385)
Net cash provided by (used in) operating activities	(208,762)	28,452	(180,310)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	5,493	-	5,493
Federal sources	157,105	-	157,105
Board interfund loans	(909)	-	(909)
Net cash provided by non-capital financing activities	161,689	-	161,689
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	(8,654)	-	(8,654)
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used in) capital and related financing activities	(8,654)	-	(8,654)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	86	-	86
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	86	-	86
Net increase in cash and cash equivalents	(55,641)	28,452	(27,189)
Balances—beginning of year	110,539	152,767	263,306
Balances—end of year	\$ 54,898	\$ 181,219	\$ 236,117
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating income (loss)	\$ (251,028)	\$ 29,273	\$ (221,755)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	6,201	105	6,306
Federal commodities	32,970	-	32,970
(Increase) decrease in accounts receivable, net	(3,089)	146	(2,943)
(Increase) decrease in inventories	3,795	-	3,795
Increase (decrease) in accounts payable	(8)	(1,588)	(1,596)
Increase (decrease) in accrued salaries benefits	-	516	516
Increase (decrease) in deferred revenue	2,397	-	2,397
Increase (decrease) in compensated absences	-	-	-
Total adjustments	42,266	(821)	41,445
Net cash provided by (used in) operating activities	\$ (208,762)	\$ 28,452	\$ (180,310)

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
June 30, 2016

	Student Activity	Payroll Agency	Scholarship Fund	Summer Savings	FSA	Class Reunion	Unemployment Compensation Trust	Total
ASSETS								
Cash and cash equivalents	\$ 233,882	\$ 665	\$ 28,593	\$ 1,165,447	\$ 8,958	\$ 8,914	\$ 151,795	\$ 1,598,254
Deposits	-	-	-	-	-	-	-	-
Total assets	<u>233,882</u>	<u>665</u>	<u>28,593</u>	<u>1,165,447</u>	<u>8,958</u>	<u>8,914</u>	<u>151,795</u>	<u>1,598,254</u>
LIABILITIES								
Payroll deductions and withholdings	-	665	-	-	8,958	-	-	9,623
Payable to student groups	233,882	-	-	-	-	8,914	-	242,796
Accrued wages	-	-	-	-	-	-	-	-
Total liabilities	<u>233,882</u>	<u>665</u>	<u>-</u>	<u>-</u>	<u>8,958</u>	<u>8,914</u>	<u>-</u>	<u>252,419</u>
Fund Balances								
Reserved for future payment	-	-	28,593	1,165,447	-	-	151,795	1,345,835
Total fund balances	<u>-</u>	<u>-</u>	<u>28,593</u>	<u>1,165,447</u>	<u>-</u>	<u>-</u>	<u>151,795</u>	<u>1,345,835</u>
Total liabilities and fund balances	<u>\$ 233,882</u>	<u>\$ 665</u>	<u>\$ 28,593</u>	<u>\$ 1,165,447</u>	<u>\$ 8,958</u>	<u>\$ 8,914</u>	<u>\$ 151,795</u>	<u>\$ 1,598,254</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2016

	Scholarship Funds	Unemployment Compensation Fund	Total
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	5,141	-	5,141
Total Contributions	<u>5,141</u>	<u>-</u>	<u>5,141</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	35	600	635
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>35</u>	<u>600</u>	<u>635</u>
Total additions	<u>5,176</u>	<u>600</u>	<u>5,776</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	8,296	-	8,296
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>8,296</u>	<u>-</u>	<u>8,296</u>
Change in net position	(3,120)	600	(2,520)
Net position –beginning of the year	<u>31,713</u>	<u>151,195</u>	<u>182,908</u>
Net position –end of the year	<u>\$ 28,593</u>	<u>\$ 151,795</u>	<u>\$ 180,388</u>

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

	<u>Balance</u> <u>July 1, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Student Activities Funds	<u>\$ 241,628</u>	<u>\$ 549,577</u>	<u>\$ 557,323</u>	<u>\$ 233,882</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and cash equivalents	\$ 149,732	\$ 11,765,431	\$ 11,914,498	\$ 665
Total assets	<u>149,732</u>	<u>11,765,431</u>	<u>11,914,498</u>	<u>665</u>
LIABILITIES:				
Payroll deductions and withholdings	149,732	11,765,431	11,914,498	665
Accrued salaries and wages	-	-	-	-
Interfund payable	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	<u>\$ 149,732</u>	<u>\$ 11,765,431</u>	<u>\$ 11,914,498</u>	<u>\$ 665</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Serial Bonds
 June 30, 2016

Exhibit I-1

Issue	Date of Issue	Amount Of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2015	Issued	Retired	Refinanced	Balance June 30, 2016
2014 Bonds		15,948,000								
			1/15/2017	580,000	3.000%					
			1/15/2018	600,000	3.000%					
			1/15/2019	625,000	3.000%					
			1/15/2020	650,000	3.000%					
			1/15/2021	680,000	3.000%					
			1/15/2022	705,000	3.000%					
			1/15/2023	735,000	3.000%					
			1/15/2024	760,000	3.000%					
			1/15/2025	795,000	3.000%					
			1/15/2026	825,000	3.000%					
			1/15/2027	860,000	3.125%					
			1/15/2028	890,000	3.250%					
			1/15/2029	925,000	3.500%					
			1/15/2030	965,000	3.500%					
			1/15/2031	1,005,000	4.000%					
			1/15/2032	1,045,000	4.000%					
			1/15/2033	1,100,000	4.000%					
			1/15/2034	1,098,000	4.250%	\$ 15,398,000	\$ -	\$ (555,000)	\$ -	\$ 14,843,000
Refunding 1998 Bonds	10/4/2011	7,165,000								
			3/15/2017	545,000	4.000%					
			3/15/2018	565,000	4.000%					
			3/15/2019	590,000	4.000%					
			3/15/2020	620,000	4.000%					
			3/15/2021	640,000	4.000%					
			3/15/2022	670,000	5.000%					
			3/15/2023	700,000	5.000%	4,860,000	-	(530,000)	-	4,330,000
Refunding 2003 Bonds	5/16/2012	2,025,000								
			7/15/2016	485,000	3.000%	980,000	-	(495,000)	-	485,000
						\$ 21,238,000	\$ -	\$ (1,580,000)	\$ -	\$ 19,658,000

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,904,172	-	\$ 1,904,172	\$ 1,904,172	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	420,518	-	420,518	420,518	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	420,518	-	420,518	420,518	-
Total Revenues	2,324,690	-	2,324,690	2,324,690	-
EXPENDITURES:					
Regular Debt Service:					
Interest	744,690	-	744,690	744,690	-
Redemption of Principal	1,580,000	-	1,580,000	1,580,000	-
Total Regular Debt Service	2,324,690	-	2,324,690	2,324,690	-
Total Expenditures	2,324,690	-	2,324,690	2,324,690	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

**Point Pleasant Borough School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	96-101
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	102-105
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	106-109
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	110-111
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	112-116

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Net Assets/Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 11,748,634	\$ 12,139,361	\$ 12,514,561	\$ 13,402,758	\$ 13,881,928	\$ 13,367,679	\$ 14,476,105	\$ 5,000,313	\$ 14,660,093	\$ 17,825,529
Restricted	2,602,232	1,949,325	2,714,481	3,789,844	4,322,700	5,893,952	6,644,698	17,019,535	8,387,132	7,034,632
Unrestricted	(1,028,511)	(219,137)	(81,555)	(1,190,938)	(952,815)	(977,682)	(761,492)	(694,024)	(8,587,002)	(9,176,049)
Total governmental activities net assets/position	13,322,355	13,869,549	15,147,487	16,001,664	17,251,813	18,283,949	20,359,311	21,325,824	14,460,223	15,684,112
Business-type activities										
Net investment in capital assets	1,223,731	1,191,640	1,217,761	1,213,886	1,215,887	1,212,358	1,204,803	1,198,619	1,196,974	1,199,322
Restricted	31,313	31,313	31,313	-	-	-	-	-	-	-
Unrestricted	114,934	117,920	56,722	142,709	149,912	183,801	215,718	268,330	291,366	260,712
Total business-type activities net assets/position	1,369,978	1,340,873	1,305,796	1,356,595	1,365,799	1,396,159	1,420,521	1,466,949	1,488,340	1,460,034
District-wide										
Net investment in capital assets	12,972,365	13,331,001	13,732,322	14,616,644	15,097,815	14,580,037	15,680,908	6,198,932	15,857,067	19,024,851
Restricted	2,633,545	1,980,638	2,745,794	3,789,844	4,322,770	5,893,952	6,644,698	17,019,535	8,387,132	7,034,632
Unrestricted	(913,577)	(101,217)	(24,833)	(1,048,229)	(802,903)	(793,881)	(545,774)	(425,694)	(8,295,636)	(8,915,337)
Total district net assets/position	\$ 14,692,333	\$ 15,210,422	\$ 16,453,283	\$ 17,358,259	\$ 18,617,682	\$ 19,680,108	\$ 21,779,832	\$ 22,792,773	\$ 15,948,563	\$ 17,144,146

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Changes in Net Assets/Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 13,103,968	\$ 13,842,022	\$ 13,964,403	\$ 14,643,062	\$ 14,129,061	\$ 15,105,900	\$ 14,529,984	\$ 14,230,525	\$ 14,674,596	\$ 14,819,690
Special education	2,176,721	2,343,372	2,513,311	2,596,337	2,666,187	2,634,211	2,795,280	2,860,902	2,946,981	2,920,712
Other special education	978,313	957,324	989,942	1,066,562	978,129	982,274	1,043,182	995,149	1,063,130	1,331,703
Support Services:										
Instruction	548,033	632,197	935,011	827,080	1,011,338	1,491,483	1,141,009	1,722,477	2,161,268	1,822,569
Attendance and social work	168,529	181,851	192,738	201,891	169,016	166,807	167,135	181,977	154,912	156,899
Health services	330,176	342,555	364,328	391,529	387,386	404,587	423,198	424,009	462,261	436,770
Improvement of instr. services	61,229	54,124	45,420	48,460	102,802	99,744	111,442	130,029	133,043	110,031
Educational media services	353,330	360,250	385,431	375,710	273,996	254,831	271,900	350,934	328,310	364,946
Instruction staff training	190,527	174,266	161,649	170,315	125,119	124,189	192,240	180,212	198,381	231,039
School Administrative services	1,470,623	1,603,409	1,704,258	1,374,383	1,569,789	1,606,476	1,477,634	1,852,303	1,788,050	2,229,154
General administration	618,521	762,942	694,460	735,427	660,177	753,927	748,283	700,125	770,622	712,571
Central Services	423,022	466,820	481,931	483,544	500,948	514,930	529,115	535,384	553,778	566,109
Plant operations and maintenance	3,385,650	3,397,226	3,661,588	3,493,059	3,442,422	3,141,947	3,451,589	3,620,345	3,389,038	3,415,723
Administrative information technology	128,566	135,375	141,323	117,859	92,162	94,200	66,341	88,248	90,530	115,541
Pupil transportation	1,026,518	1,106,688	1,177,184	1,196,252	1,090,749	1,079,301	1,160,576	1,256,351	1,466,909	1,294,826
Other support services	2,353,928	2,578,478	2,446,081	2,613,264	2,695,387	2,811,171	2,940,450	3,074,900	3,242,310	3,472,910
Business and other support services	-	360	-	-	-	-	-	-	-	-
Non-budgeted expenditures	2,700,065	3,981,895	2,413,623	2,524,023	2,515,647	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	735,156	685,427	631,082	571,733	516,192	570,179	462,128	271,922	737,605	701,887
Unallocated employee benefits	5,325,337	5,230,309	4,417,831	5,204,436	5,613,916	5,511,376	5,773,040	5,918,470	6,299,246	6,512,214
Total governmental activities expenses	<u>36,078,212</u>	<u>38,836,890</u>	<u>37,321,594</u>	<u>38,634,926</u>	<u>38,540,423</u>	<u>40,339,945</u>	<u>41,021,142</u>	<u>41,662,017</u>	<u>43,288,111</u>	<u>44,258,514</u>
Business-type activities:										
Food service	871,279	857,939	823,841	750,605	770,828	784,820	782,055	748,018	754,676	750,258
Child Care	388,837	433,481	341,113	292,519	285,804	309,940	312,060	358,565	355,840	346,499
Total business-type activities expense	<u>1,260,116</u>	<u>1,291,420</u>	<u>1,164,954</u>	<u>1,043,124</u>	<u>1,056,632</u>	<u>1,094,760</u>	<u>1,094,115</u>	<u>1,106,583</u>	<u>1,110,516</u>	<u>1,096,757</u>
Total district expenses	<u>\$ 37,338,328</u>	<u>\$ 40,128,310</u>	<u>\$ 38,486,548</u>	<u>\$ 39,678,050</u>	<u>\$ 39,597,055</u>	<u>\$ 41,434,705</u>	<u>\$ 42,115,257</u>	<u>\$ 42,768,600</u>	<u>\$ 44,398,627</u>	<u>\$ 45,355,271</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,700,065	3,981,895	2,413,623	2,524,023	2,524,023	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>2,700,065</u>	<u>3,981,895</u>	<u>2,413,623</u>	<u>2,524,023</u>	<u>2,524,023</u>	<u>2,992,512</u>	<u>3,736,616</u>	<u>3,267,755</u>	<u>2,827,241</u>	<u>3,043,220</u>
Business-type activities:										
Charges for services										
Food service	\$ 744,148	\$ 703,586	\$ 681,816	\$ 627,533	\$ 627,533	\$ 604,085	\$ 569,263	\$ 562,342	\$ 572,540	\$ 499,230
Child Care	389,592	427,414	314,075	315,058	315,058	333,160	332,864	381,118	357,986	375,772
Operating grants and contributions	127,156	131,315	133,985	151,333	151,333	187,875	216,350	209,551	201,381	193,449
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>1,260,896</u>	<u>1,262,315</u>	<u>1,129,876</u>	<u>1,093,924</u>	<u>1,093,924</u>	<u>1,125,120</u>	<u>1,118,477</u>	<u>1,153,011</u>	<u>1,131,907</u>	<u>1,068,451</u>
Total district program revenues	<u>\$ 3,960,961</u>	<u>\$ 5,244,210</u>	<u>\$ 3,543,499</u>	<u>\$ 3,617,947</u>	<u>\$ 3,617,947</u>	<u>\$ 4,117,632</u>	<u>\$ 4,855,093</u>	<u>\$ 4,420,766</u>	<u>\$ 3,959,148</u>	<u>\$ 4,111,671</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Changes in Net Assets/Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Governmental activities	\$ (36,078,212)	\$ (38,836,890)	\$ (37,321,594)	\$ (38,634,926)	\$ (38,540,423)	\$ (40,339,945)	\$ (41,021,142)	\$ (41,662,017)	\$ (43,288,111)	\$ (44,258,514)
Business-type activities	(1,260,116)	(1,291,420)	(1,164,954)	(1,043,124)	(1,056,632)	(1,094,760)	(1,094,115)	(1,106,583)	(1,110,516)	(1,096,757)
Total district-wide net expense	\$ (37,338,328)	\$ (40,128,310)	\$ (38,486,548)	\$ (39,678,050)	\$ (39,597,055)	\$ (41,434,705)	\$ (42,115,257)	\$ (42,768,600)	\$ (44,398,627)	\$ (45,355,271)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 23,810,271	\$ 25,101,110	\$ 25,919,800	\$ 26,615,115	\$ 26,615,115	\$ 29,037,269	\$ 29,683,659	\$ 30,466,932	\$ 31,294,686	\$ 32,064,138
Taxes levied for debt service	2,091,623	1,984,203	1,968,875	1,969,090	1,969,090	1,604,425	1,553,426	1,177,423	1,880,378	1,904,172
Unrestricted grants and contributions	7,455,499	7,649,420	7,642,264	7,941,808	7,941,808	7,213,489	7,518,751	7,213,043	7,845,048	7,607,932
Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	378,920	300,119	243,401	83,667	83,667	-	-	-	-	-
Miscellaneous income	272,870	367,337	447,389	355,400	355,400	524,316	604,052	503,377	556,592	862,941
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	34,009,183	35,402,189	36,221,729	36,965,080	36,965,080	38,379,499	39,359,888	39,360,775	41,576,704	42,439,183
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 34,009,183	\$ 35,402,189	\$ 36,221,729	\$ 36,965,080	\$ 36,965,080	\$ 38,379,499	\$ 39,359,888	\$ 39,360,775	\$ 41,576,704	\$ 42,439,183
Change in Net Assets/Position										
Governmental activities	\$ 631,036	\$ 547,194	\$ 1,313,758	\$ 854,177	\$ 948,680	\$ 1,032,066	\$ 2,075,362	\$ 966,513	\$ 1,115,834	\$ 1,223,889
Business-type activities	780	(29,105)	(35,078)	50,800	37,292	30,360	24,362	46,428	21,391	(28,306)
Total district	\$ 631,816	\$ 518,089	\$ 1,278,680	\$ 904,977	\$ 985,972	\$ 1,062,426	\$ 2,099,724	\$ 1,012,941	\$ 1,137,225	\$ 1,195,583

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 2,556,359	\$ 2,361,452	\$ 2,932,696	\$ 3,789,844	\$ 4,322,770	\$ 5,841,731	\$ 6,557,225	\$ 5,501,195	\$ 5,465,918	\$ 6,174,742
Unreserved	376,482	393,303	393,303	103,183	333,420	284,764	300,152	396,976	417,488	373,101
Total general fund	<u>\$ 2,932,841</u>	<u>\$ 2,754,755</u>	<u>\$ 3,325,999</u>	<u>\$ 3,893,027</u>	<u>\$ 4,656,190</u>	<u>\$ 6,126,495</u>	<u>\$ 6,857,377</u>	<u>\$ 5,898,171</u>	<u>\$ 5,883,406</u>	<u>\$ 6,547,843</u>
All Other Governmental Funds										
Reserved	\$ 75,208	\$ -	\$ 4,130	\$ -	\$ -	\$ -	\$ -	\$ 8,474,260	\$ 1,749,259	\$ 767,196
Unreserved, reported in:										
Special revenue fund	-	-	2,602	-	-	-	-	-	-	-
Capital projects fund	26,078	19,675	-	-	-	-	-	3,008,828	1,171,955	92,694
Debt service fund	1,402	-	-	-	-	-	87,473	35,252	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 102,688</u>	<u>\$ 19,675</u>	<u>\$ 6,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,473</u>	<u>\$ 11,518,340</u>	<u>\$ 2,921,214</u>	<u>\$ 859,890</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues											
Tax levy	24,722,511	25,901,894	27,085,313	27,888,675	28,584,205	29,804,075	30,641,694	31,237,085	31,644,355	33,175,064	33,968,310
Tuition charges	52,351	94,067	74,161	111,863	120,548	107,720	287,912	245,274	266,030	189,795	282,985
Interest earnings	372,194	378,920	300,119	243,401	83,667	63,850	24,036	32,263	55,814	60,219	-
Miscellaneous	150,244	154,546	284,576	328,947	227,680	306,118	181,999	279,783	168,966	234,288	452,032
Transportation fees	7,683	31,819	8,600	6,579	22,550	42,197	58,318	54,342	34,830	69,491	121,946
State sources	9,238,654	9,143,056	10,791,234	9,230,404	8,434,755	8,106,190	9,040,095	10,039,078	9,530,503	9,699,903	9,687,203
Federal sources	1,014,060	1,012,508	840,081	825,483	2,031,076	1,311,414	1,165,906	1,216,289	950,295	972,386	963,949
Other financing sources	-	-	-	-	-	-	-	-	-	2,799	5,978
Total revenue	35,557,697	36,716,810	39,384,084	38,635,352	39,504,481	39,741,564	41,399,960	43,104,114	42,650,793	44,403,945	45,482,403
Expenditures											
Instruction											
Regular instruction	11,954,708	12,198,434	12,599,045	12,787,664	13,288,836	12,892,381	13,062,667	13,261,218	13,000,663	13,235,531	13,294,919
Special education instruction	2,082,519	2,144,761	2,299,502	2,471,779	2,548,541	2,622,539	2,562,097	2,750,500	2,817,495	2,896,191	2,866,897
Other special instruction	1,010,770	972,986	950,012	983,020	1,058,596	970,855	970,255	1,035,719	987,914	1,054,665	1,322,734
Support Services:											
Instruction	525,199	457,480	507,899	817,337	691,657	887,670	1,287,160	1,014,132	1,599,491	2,017,361	1,670,092
Attendance and social work	160,829	168,529	181,851	192,738	201,891	169,016	166,807	167,135	181,977	154,912	156,899
Health services	320,930	330,176	342,555	364,328	391,529	387,386	404,587	423,198	424,009	462,161	436,770
Other support services	2,243,754	2,353,928	2,578,478	2,446,081	2,613,264	2,695,387	2,811,171	2,940,450	3,074,900	3,242,310	3,472,910
Improvement of instruction	56,964	61,229	54,124	45,420	48,460	102,802	99,744	111,442	130,029	133,043	110,031
Educational media services	337,477	353,330	360,250	385,431	375,710	273,996	254,831	271,900	350,934	328,310	364,946
Instruction staff training	169,091	190,527	174,266	161,649	170,315	125,119	124,189	192,240	180,212	198,381	231,039
General administrative services	586,218	618,521	762,942	694,460	735,427	660,177	753,927	748,283	700,125	770,622	712,571
School administrative services	1,417,715	1,491,714	1,571,972	1,542,687	1,601,880	1,534,027	1,558,150	1,633,656	1,779,540	1,816,759	1,835,486
School central services	413,170	423,022	466,820	481,931	483,544	500,948	514,830	529,115	535,384	553,778	566,109
School admin info technology	46,860	128,566	135,375	141,323	117,859	92,162	94,200	66,341	88,248	90,530	115,541
Allowed maintenance for school facilities	813,836	838,137	878,462	1,037,973	942,677	919,054	810,731	1,103,589	1,168,015	826,065	760,504
Other operation & maintenance of plant	2,519,739	2,547,513	2,506,401	2,618,904	2,617,526	2,475,679	2,288,510	2,286,854	2,383,788	2,461,693	2,586,685
Student transportation services	1,029,601	1,026,518	1,106,688	1,177,184	1,196,252	1,090,749	1,079,301	1,160,576	1,256,351	1,466,909	1,294,826
Business and other support services	-	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	5,190,170	5,325,337	5,230,309	4,417,831	5,204,436	5,613,916	5,511,376	5,773,040	5,918,470	6,287,691	6,307,407
Non-budgeted expenditures	2,682,995	2,700,065	3,981,895	2,413,623	2,524,023	2,515,647	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220
Special Schools	-	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	2,978,742	1,219,640	260,774	160,486	729,995	658,056	773,323	1,416,179	6,994,232	9,856,054	3,405,014
Debt service:											
Principal	1,555,000	1,610,000	1,635,000	1,670,000	1,730,000	1,305,000	1,375,000	1,410,000	1,005,000	1,565,000	1,580,000
Interest and other charges	750,855	704,799	655,070	600,725	541,376	485,835	382,066	305,797	282,600	770,629	744,690
Total expenditures	38,847,142	37,865,212	39,239,690	37,612,575	39,813,794	38,978,401	39,877,434	42,337,980	48,127,132	53,015,836	46,879,290
Excess (Deficiency) of revenues over (under) expenditures	(3,289,445)	(1,148,402)	144,394	1,022,777	(309,313)	763,163	1,522,526	766,134	(5,476,339)	(8,611,891)	(1,396,887)
Other Financing sources (uses)											
Proceeds from borrowing	-	-	-	-	-	-	-	-	15,948,000	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-	-
Transfers in	125,000	-	-	-	-	-	-	-	-	216,619	-
Transfers out	(125,000)	(17,562)	-	-	-	-	-	-	-	(216,619)	-
Total other financing sources (uses)	-	(17,562)	-	-	-	-	-	-	15,948,000	-	-
Net change in fund balances	(3,289,445)	(1,165,964)	144,394	1,022,777	(309,313)	763,163	1,522,526	766,134	10,471,661	(8,611,891)	(1,396,887)
Debt service as a percentage of noncapital expenditures	6.43%	6.32%	5.88%	6.06%	5.81%	4.67%	4.49%	4.19%	3.13%	5.41%	5.35%
Source: District records											

Note: Noncapital expenditures are total expenditures less capital outlay.
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Sale of Capital Assets	Interest on Investments	Event Receipts	Rentals	Prior Year Refunds	Transportation Fees	Miscellaneous	Annual Totals
2007	-	378,920	46,526	24,702	-	31,819	59,125	541,092
2008	-	300,120	54,091	34,530	-	7,140	140,338	536,219
2009	-	243,401	52,088	41,345	95,463	6,579	75,365	514,241
2010	-	83,667	49,119	40,061	18,648	22,550	96,503	310,548
2011	-	63,850	53,891	33,296	79,643	42,197	104,199	377,076
2012	5,370	24,036	47,854	23,143	52,217	58,318	98,772	309,710
2013	9,734	32,263	48,491	11,970	87,216	54,342	98,666	342,682
2014	-	55,815	41,694	17,539	7,745	34,830	92,115	249,738
2015	-	60,219	45,997	58,503	28,678	69,490	83,644	346,531
2016	-	47,009	56,459	24,253	256,670	121,946	57,940	564,277

Source: District records

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities *	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2007	22,958,900	1,230,660,600			106,646,400		14,294,700	1,374,560,600	98,328,300	1,863,476	1,274,368,824	3,538,613,763 c	1.9680
2008	22,958,900	1,229,902,500			106,646,400		14,294,700	1,373,802,500	99,801,100	4,242,574	1,269,758,826	3,762,722,649 c	2.0080
2009	25,484,700	1,243,006,700			108,023,200		11,019,700	1,387,534,300	99,617,300	4,245,574	1,283,671,426	3,811,358,194 c	2.0420
2010	39,584,500	2,956,937,600			250,854,710		27,301,500	3,274,678,310	167,502,200	4,341,758	3,102,834,352	3,700,619,628 c	0.9090
2011	40,101,500	2,937,797,800			250,474,310		27,010,000	3,255,383,610	166,699,300	3,868,500	3,084,815,810	3,653,629,191 c	0.9400
2012	39,556,600	2,929,105,600			249,877,410		26,624,300	3,245,163,910	168,540,500	3,790,128	3,072,833,282	3,310,307,759 c	0.9600
2013	35,320,300	2,908,460,800			241,133,010		23,838,400	3,208,752,510	170,961,600	2,639,560	3,035,151,350	3,114,034,975 c	0.9840
2014	35,320,300	2,908,460,800			241,133,010		23,838,400	3,208,752,510	170,961,600	2,639,560	3,035,151,350	3,248,393,667 c	1.0330
2015	37,746,200	2,909,611,100			239,980,710		23,838,400	3,211,176,410	172,747,200	-	3,038,429,210	3,285,090,957 c	1.0580
2016	31,578,300	2,933,192,900			240,622,900		23,838,400	3,229,232,500	173,739,000	-	3,055,493,500	3,295,135,214 c	1.0710

Source: Municipal 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 occurs when the County Board of Taxation requests Treasury to order a reassessment

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

b Tax rates are per \$100 and for year following calendar year end as shown

c Based on county abstract of ratables column 11 net valuation for county tax apportionment

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

	Point Pleasant Borough School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal c	Ocean County c	
Fiscal Year Ended June 30,						
2007	1.8237	0.1442	1.9679	0.7990	0.0799	3.6620
2008	1.8658	0.1417	2.0075	0.8180	0.8300	3.7410
2009	1.9017	0.1407	2.0424	0.8530	0.8410	1.6440
2010	0.8606	0.0484	0.9090	0.3660	0.3690	1.6720
2011	0.8909	0.0486	0.9395	0.3820	0.3810	1.7365
2012	0.9133	0.0472	0.9605	0.4060	0.3910	1.7775
2013	0.9480	0.0380	0.9860	0.4200	0.3970	1.8030
2014	0.9745	0.0586	1.0331	0.4260	0.4120	1.8711
2015	0.9985	0.0593	1.0578	0.4320	0.4250	1.9148
2016	1.0129	0.0584	1.0713	0.4380	0.4290	1.9380

Source: Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calcu

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.

c 2010 municipal and county tax rate from local tax assessor

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Ten Years Ago

	2016			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Clark's Landing	13,944,900		0.43%	4,221,600		0.3100%
Point 88 Realty	8,000,000		0.25%	5,782,600		0.4200%
Johnson Bros Boat Works, LLC	6,126,300		0.19%	2,150,000		0.1600%
Robelander Realty Inc.	4,468,800		0.14%	1,800,300		0.1300%
CAM Trust	4,100,000		0.13%	-		0.0000%
Taxpayer 1	4,089,000		0.13%	-		0.0000%
CNL Income Crystal PT Marina LLC	3,981,000		0.12%	1,889,500		0.1400%
Taxpayer 2	3,800,000		0.12%	1,984,700		0.1500%
Canal Point Marine Inc.	3,499,000		0.11%	-		0.0000%
Dad Realty, Inc.	3,444,200		0.11%	1,600,800		0.0000%
Butler Real Estate LLC	3,286,600		0.10%	-		0.0000%
Manasquan Savings Bank	2,559,200		0.08%	-		0.0000%
Claremont Health Systems	-		0.00%	4,204,000		0.3100%
Verizon	-		0.00%	1,863,476		0.1400%
Pulte Homes	-		0.00%	5,423,000		0.4000%
Robert Enterprises	-		0.00%	-		0.1800%
Total	\$ 61,299,000		1.91%	\$ 30,919,976		2.34%

Source: Municipal Tax Assessor

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	49,081,108	47,820,984	97.43%	817,279
2008	50,872,401	49,393,149	97.09%	951,634
2009	52,352,741	50,799,422	97.03%	N/A
2010	53,913,656	50,796,681	94.24%	N/A
2011	55,635,545	53,822,115	96.74%	N/A
2012	57,901,688	55,828,445	96.42%	N/A
2013	57,972,061	55,828,445	96.30%	N/A
2014	60,085,149	58,694,307	97.69%	N/A
2015	61,853,741	60,862,639	98.40%	N/A
2016	62,582,526	N/A	N/A	N/A

Source: Municipal Chief Financial Officer

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2007	17,393,000	-	-	-	-	17,393,000	0.23%	871.22
2008	15,758,000	-	-	-	-	15,758,000	0.26%	781.80
2009	14,088,000	-	-	-	-	14,088,000	0.29%	692.76
2010	12,358,000	-	-	-	-	12,358,000	0.33%	671.01
2011	11,053,000	-	-	-	-	11,053,000	0.38%	600.09
2012	9,270,000	-	-	-	-	9,270,000	0.46%	502.60
2013	7,860,000	-	-	-	-	7,860,000	0.55%	424.41
2014	22,803,000	-	-	-	-	22,803,000	N/A	1,221.70
2015	21,238,000	-	-	-	-	21,238,000	N/A	N/A
2016	19,658,000	-	-	-	-	19,658,000	N/A	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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	17,393,000	-	17,393,000	0.49%	872.39
2008	15,758,000	-	15,758,000	0.42%	782.46
2009	14,088,000	-	14,088,000	0.37%	692.76
2010	12,358,000	-	12,358,000	0.33%	670.68
2011	11,053,000	-	11,053,000	0.34%	598.07
2012	9,270,000	-	9,270,000	0.28%	502.46
2013	7,860,000	-	7,860,000	0.24%	424.38
2014	22,803,000	-	22,803,000	0.70%	1,231.20
2015	21,238,000	-	21,238,000	0.65%	1,137.85
2016	19,658,000	-	19,658,000	0.61%	1,053.20

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

a Use Estimated County equalized value from J-6

b Population data can be found in Exhibit NJ J-14.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Point Pleasant Borough's Share (100%)	\$ 19,658,000	100.00% d	\$ 19,658,000
Other debt	-	-	-
County of Ocean - Borough's Share (XXX%)	a \$ 451,253,286	3.54%	\$ 15,974,366
Ocean County Utility Authority	b 154,190,632	3.49%	<u>5,381,253</u>
Subtotal, overlapping debt			41,013,619
Point Pleasant School District Direct Debt			<u>19,658,000</u>
Total direct and overlapping debt			<u>\$ 60,671,619</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Ocean County Board of Taxation.
 Debt outstanding data provided by each governmental unit. Pt Boro county debt from Steven Marrus County of Ocean
 a = June 30 2011 county of ocean total net debt b = as provided by OCUA Santo Manilito allocated based on flow gallons

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized valuation basis	
	2016	\$ 3,295,135,214 c
	2015	3,292,501,189 c
	2014	3,285,250,823 c
	[A]	<u>\$ 9,872,887,226</u>
Average equalized valuation	[A/3]	\$ 3,290,962,409
Debt limit (4 % of average)	[B]	131,638,496 a
	[C]	<u>\$ 19,658,000</u>
	[B-C]	<u>\$ 111,980,496</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 122,793,908	\$ 122,793,908	\$ 146,726,968	\$ 150,832,416	\$ 150,633,503	\$ 144,364,034	\$ 134,372,959	\$ 134,337,050	\$ 131,250,565	\$ 131,638,496
Total net debt applicable to limit	<u>17,393,000</u>	<u>15,758,000</u>	<u>14,088,000</u>	<u>12,358,000</u>	<u>11,053,000</u>	<u>9,270,000</u>	<u>7,860,000</u>	<u>22,803,000</u>	<u>21,238,000</u>	<u>19,658,000</u>
Legal debt margin	<u>\$ 105,400,908</u>	<u>\$ 107,035,908</u>	<u>\$ 132,638,968</u>	<u>\$ 138,474,416</u>	<u>\$ 139,580,503</u>	<u>\$ 135,094,034</u>	<u>\$ 126,512,959</u>	<u>\$ 111,534,050</u>	<u>\$ 110,012,565</u>	<u>\$ 111,980,496</u>
Total net debt applicable to the limit as a percentage of debt limit	14.16%	12.83%	9.60%	8.19%	7.34%	6.42%	5.85%	16.97%	16.18%	14.93%

Source:

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

c from Ocean County Abstract of ratables net valuation for county tax apportionment column 11

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

The debt applicable to
 the limit may be offset

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2007	19,964	799,398,488	40,042	4.50%
2008	20,156	833,027,324	41,329	7.50%
2009	20,336	808,274,656	39,746	7.50%
2010	18,417	734,559,000	39,900	8.20%
2011	18,419	762,698,160	41,460	8.40%
2012	18,444	780,961,624	42,499	8.20%
2013	18,520	784,620,390	42,573	6.30%
2014	18,665	821,226,024	44,381	6.30%
2015	18,523	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

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

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago

Employer	2016			2007		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Point Pleasant Board of Education	439		0%	-		0.00%
Point Pleasant Hospital	-		-	-		0.00%
Borough of Point Pleasant	-		0%	-		0.00%
Claremont Nursing Home	-		0%	-		0.00%
Stop and Shop(formerly Grand Union)	-		0%	-		0.00%
Weisleder	-		0%	-		0.00%
	<u>439</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source: Municipal Tax Collector

Municipality didn't have the information available a time to publication of this report.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	193	188	188	190	182	204	185.5	185.5	185.5	180.0
Special education	34	35	41	41	41	41	39.5	41.5	42.0	43.0
Other special education										
Vocational										
Other instruction	19	21	37	41	38	23	24.5	21.5	21.5	23.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	52	54	52	54	56	56	63.5	68.0	78.0	74.0
General administration	4	4	4	4	4	4	5.0	5.0	5.0	5.0
School administrative services	12	12	12	12	11	11	20.0	21.0	21.5	20.5
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	4	4	5	5	6	6	6.5	6.5	6.5	6.5
Administrative Information Technology	1	1	1	1	1	1	1.0	1.0	1.0	2.0
Plant operations and maintenance	3	3	8	8	5	5	7.5	8.5	8.0	8.5
Pupil transportation	16	14	11	10	11	11	13.0	13.5	13.5	11.0
Other support services	17	17	17	17	14	14	13.0	14.0	14.0	14.0
Special Schools										
Food Service	16	15	15	14	14	14	14.0	15.0	15.0	11.5
Child Care										
Total	<u>371.0</u>	<u>368.0</u>	<u>388.5</u>	<u>394.5</u>	<u>383.0</u>	<u>390.0</u>	<u>393.0</u>	<u>401.0</u>	<u>411.5</u>	<u>399.0</u>

Source: District Personnel Records

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Operating Statistics,
 Last Ten Fiscal Years

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2007	3,215	31,124,621	9,681	4.52%	229	13	11	11	3229	3,046	0.01%	94.33%
2008	3,162	32,312,871	10,219	5.56%	223	15	14	13	3165	2,971	-0.20%	93.87%
2009	3,124	31,888,418	10,208	-0.11%	248	12	11	12	3116	2,956	-0.15%	94.87%
2010	3,037	32,249,703	10,384	1.73%	231	13	11	11	3048	2,888	-0.22%	94.77%
2011	3,008	32,847,824	10,817	4.17%	232	13	12	11	2998	2,839	-0.16%	94.70%
2012	2,952	33,474,068	11,280	8.63%	245	13 e	11 e	11 e	2951	2,805	-0.16%	95.05%
2013	2,919	34,311,286	11,754	8.67%	250	13.5 e	11 e	11 e	2918	2,489	-0.11%	85.30%
2014	2,880	35,674,045	12,342	14.68%	267	13 e	11 e	10 e	2878	2,752	-0.14%	95.62%
2015	2,801	37,124,407	12,920	4.68%	249	13 e	12 e	11 e	2785	2,664	-0.32%	95.66%
2016	2,739	37,178,728	12,988	5.23%	246	12.5 e	11 e	11 e	2739	2,627	-0.17%	95.91%

Sources: District records

Note: Enrollment based on annual October district count ASSA 10/15/12 count for FYE 2013.

- a Operating expenditures equal total expenditures less debt service, on behalf and capital outlay per schedule c -1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). From Gvancardo
- d from 2012-13 proposed budget schedule D1
- e from School report card issued in current fiscal year

POINT PLEASANT BOROUGH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
District Building										
<u>Elementary</u>										
Nellie Bennet										
Square Feet	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497
Capacity (students)	674	674	674	674	674	674	674	674	674	674
Enrollment	822	800	800	800	800	732	741	727	725	765
<u>Ocean Road</u>										
Square Feet	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406
Capacity (students)	556	556	556	556	556	556	556	556	556	556
Enrollment	565	546	568	568	568	550	577	575	535	554
<u>Middle School</u>										
Memorial Middle School										
Square Feet	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002
Capacity (students)	742	742	742	742	742	742	742	742	742	742
Enrollment	765	748	716	716	716	720	663	673	641	644
<u>High School</u>										
Point Pleasant High School										
Square Feet	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636
Capacity (students)	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Enrollment	1,026	1,053	1,030	1,030	1,030	919	959	901	914	952
<u>Other</u>										
Administration Building										
Square Feet	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320
Bus Garage										
Square Feet	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970

Number of Schools at June 30, 2015

Elementary = 2
Middle School = 1
Senior High School = 1
Other = 2

Source: District Facilities Office

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

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

* School Facilities Project # (s)	Point Pleasant High School	Memorial Middle School	Nellie F. Bennett Elementary	Ocean Road Elementary School	Administra- tive and Maintenance Building	Total
2007	311,332	191,677	168,709	130,399	36,021	838,138
2008	328,234	195,318	164,623	163,516	26,770	878,461
2009	406,115	243,411	177,295	162,915	48,237	1,037,973
2010	387,354	183,925	189,144	132,512	49,742	942,677
2011	292,612	236,600	164,496	169,884	55,465	919,057
2012	307,978	173,789	128,555	141,960	58,448	810,730
2013	465,527	240,109	197,539	162,631	37,783	1,103,589
2014	453,069	303,768	224,011	148,760	38,407	1,168,015
2015	298,946	151,837	145,466	129,625	100,191	826,065
2016	269,033	150,613	150,072	102,623	88,163	760,504
Total School Facilities	\$ 3,866,053	\$ 2,263,524	\$ 1,843,643	\$ 1,568,626	\$ 557,199	\$ 10,099,045

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

Source: District records

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2016

	<u>Coverage</u>	<u>Deductible</u>
School package policy -		
Property, Inland Marine and Auto Physical Damage	\$ 250,000,000	2,500
Valuable Papers	Included	
Electronic Data Processing	Included	
Extra Expense	50,000,000	
Demolition Cost and Increased Cost of Construction	25,000,000	
Boiler and Machinery	100,000,000	
General Liability / Occurrence	5,000,000	
Aggregate	5,000,000	
Medical Payments	Included	
Personal Injury	Included	
Auto Liability	5,000,000	
Environmental Liability/Occurrence	1,000,000	
Fund Aggregate	25,000,000	
Umbrella Liability Occurrence	5,000,000	
Aggregate	5,000,000	
Sexual Abuse and Molestation	5,000,000	
Employee Dishonesty- Per Loss	500,000	1,000
Money and Securities	2,500,000	1,000
Forgery or Alteration	50,000	1,000
Computer Fraud	50,000	1,000
Employee Benefits Liability	5,000,000	
Flood-Zones A or V Occurrence	25,000,000	
Aggregate	50,000,000	
All Other Zones Occurrence	10,000,000	
Aggregate	100,000,000	
Earthquake Occurrence/Member	25,000,000	
Aggregate	25,000,000	
Auto Comprehensive and Collision		1,000
Other Policies:		
Public Officials Bond Treasurer	260,000	
Public Officials Bond Board Secretary	20,000	
School Board Legal Liability	1,000,000	10,000
Employment Practices Liability	Included	25,000
Excess Liability	Each Occurrence	
Aggregate	10,000,000	
Excess Environmental	1,000,000	10,000

SINGLE AUDIT SECTION

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

Honorable President and
Members of the Board of Education
Point Pleasant Borough Board of Education
County of Ocean
Point Pleasant Borough, 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 activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Point Pleasant Borough Board of Education basic financial statements, and have issued our report thereon dated October 14, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

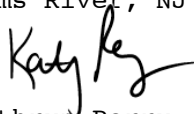
As part of obtaining reasonable assurance about whether the Point Pleasant Borough Board of Education financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which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

Purpose of this Report

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

Respectfully Submitted,

Jump, Perry and Company L.L.P.
Toms River, NJ



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

October 14, 2016

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

Honorable President and
Members of the Board of Education
Point Pleasant Borough Board of Education
County of Ocean
Point Pleasant Borough, New Jersey 08533

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Point Pleasant Borough School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Point Pleasant Borough Board of Education's major federal programs for the year ended June 30, 2016. Point Pleasant Borough Board of Education's major federal 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 Point Pleasant Borough Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and the New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Point Pleasant Borough Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Point Pleasant Borough Board of Education's compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of Point Pleasant Borough Board of Education 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 Point Pleasant Borough Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and the New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Point Pleasant Borough Board of Education's internal control over compliance.

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

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

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 Uniform Guidance and New Jersey State OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

Jump, Perry and Company L.L.P.
Toms River, NJ



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

October 14, 2016

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2015	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2015	Accounts Receivable at June 30, 2016	Due to Grantor at June 30, 2016
General Fund											
U.S. Department of Education FEMA	83.516	7/1/15-6/30/16	\$ 133.00	\$ -	\$ -	\$ 133	\$ (133)	\$ -	\$ -	\$ -	\$ -
Medical Assistance Program	93.778	9/1/13-8/31/14	42,518	(12,194)	-	12,194	-	-	-	-	\$ -
Medical Assistance Program	93.778	9/1/15-8/31/16	42,988	-	-	39,224	(42,988)	-	-	(3,764)	-
Total General Fund				(12,194)	-	51,551	(43,121)	-	-	(3,764)	-
U.S. Department of Education Passed-through State Department of Education:											
Title I, Basic Allocation	84.010	7/1/15-6/30/16	199,262	-	-	125,554	(168,934)	-	-	(43,380)	-
Title I, Basic Allocation	84.010	7/1/14-6/30/15	202,954	(37,162)	-	37,162	(14,308)	-	-	(14,308)	-
Title I, Basic Allocation - Carryover	84.010	9/1/13-8/31/14	184,435	(9,000)	-	9,000	-	-	-	-	-
Title II - Part A	84.340	7/1/15-6/30/16	55,728	-	-	39,599	(55,728)	-	-	(16,129)	-
Title II - Part A	84.340	7/1/14-6/30/15	56,806	(15,644)	-	15,644	-	-	-	-	-
Title III	84.365	7/1/14-6/30/15	10,749	(2,970)	-	2,970	-	-	-	-	-
Title III	84.365	7/1/15-6/30/16	12,493	-	-	8,773	(12,493)	-	-	(3,720)	-
I.D.E.A. Part B Basic	84.027	07/1/15-6/30/16	636,042	-	-	634,233	(636,042)	-	-	(1,809)	-
I.D.E.A. Part B Basic	84.027	07/1/14-6/30/15	624,685	(74,016)	-	74,016	-	-	-	-	-
I.D.E.A. Part B Preschool	84.173	07/1/15-6/30/16	25,847	-	-	25,792	(25,847)	-	-	(55)	-
I.D.E.A. Part B Preschool	84.173	07/1/14-6/30/15	25,374	(1,292)	-	1,292	-	-	-	-	-
Total Special Revenue Fund				(140,084)	-	974,035	(913,352)	-	-	(79,401)	-
U.S. Department of Agriculture Passed-through State Department of Education:											
School Breakfast Program	10.553	7/1/15-6/30/16	13,897	-	-	12,722	(13,897)	-	-	(1,175)	-
Food Distribution Program	10.550	7/1/15-6/30/16	32,970	-	-	32,970	(32,970)	-	-	-	-
National School Lunch Program	10.555	7/1/14-6/30/15	150,144	(10,549)	-	10,549	-	-	-	-	-
National School Lunch Program	10.555	7/1/15-6/30/16	141,267	-	-	133,834	(141,267)	-	-	(7,433)	-
Total Enterprise (Food Service) Fund				(10,549)	-	190,075	(188,134)	-	-	(8,608)	-
Total Expenditures of Federal Awards				\$ (162,827)	\$ -	\$ 1,215,661	\$ (1,144,607)	\$ -	\$ -	\$ (91,773)	\$ -

See accompanying notes to schedules of expenditures.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year ended June 30, 2016

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2016	(Accounts Receivable) at June 30, 2016	Due to Grantor at June 30, 2016	MEMO		
												Budgetary Receivable	Cumulative Total Expenditures	
New Jersey Department of Education														
General Fund:														
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	\$ 233,308	\$ (233,308)	\$ -	\$ 233,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	192,335	-	-	-	(192,335)	-	-	(192,335)	-	-	-	(192,335)
Special Education Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	1,663,733	(581,552)	-	(581,552)	-	-	-	-	-	-	-	-
Special Education Categorical Aid	16-495-034-5120-089	7/1/15-6/30/16	1,663,733	-	-	1,072,716	(1,663,733)	-	-	-	-	(591,017)	-	(1,663,733)
Nonpublic Transportation Aid	15-495-034-5120-045	7/1/14-6/30/15	2,248	(2,248)	-	2,248	-	-	-	-	-	-	-	-
Nonpublic Transportation Aid	16-495-034-5120-045	7/1/15-6/30/16	1,392	-	-	-	(1,392)	-	-	(1,392)	-	-	-	(1,392)
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	3,924,507	-	-	3,924,507	(3,924,507)	-	-	-	-	-	-	(3,924,507)
Categorical Security Aid	16-495-034-5120-084	7/1/15-6/30/16	184,043	-	-	184,043	(184,043)	-	-	-	-	-	-	(184,043)
Categorical Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	85,308	-	-	85,308	(85,308)	-	-	-	-	-	-	(85,308)
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	98,493	-	-	98,493	(98,493)	-	-	-	-	-	-	(98,493)
Under Adequacy Aid	16-495-034-5120-083	7/1/15-6/30/16	26,399	-	-	26,399	(26,399)	-	-	-	-	-	-	(26,399)
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	28,360	-	-	28,360	(28,360)	-	-	-	-	-	-	(28,360)
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	28,360	-	-	28,360	(28,360)	-	-	-	-	-	-	(28,360)
PBSIS	16-495-034-5120-097	7/1/14-6/30/15	26,299	(26,299)	-	26,299	-	-	-	-	-	-	-	-
On-behalf TPAF Pension Contribution	15-100-034-5095-001	7/1/15-6/30/16	3,140,024	-	-	3,140,024	(3,140,024)	-	-	-	-	-	-	(3,140,024)
Reimbursed TPAF Social Security Tax Contribution	15-100-034-5095-002	7/1/14-6/30/15	1,298,512	(63,650)	-	63,650	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	16-100-034-5095-002	7/1/15-6/30/16	1,336,523	-	-	1,270,481	(1,336,523)	-	-	(66,042)	-	-	-	(1,336,523)
Total General Fund				(907,057)	-	9,602,644	(10,709,477)	-	-	(259,769)	-	(591,017)	-	(10,709,477)
Debt Service Fund:														
Debt service aid	16-495-034-5120-017	7/1/15-6/30/16	420,518	-	-	420,518	(420,518)	-	-	-	-	-	-	-
Total Debt service Aid				-	-	420,518	(420,518)	-	-	-	-	-	-	-
Enterprise Fund:														
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	5,985	(537)	-	537	-	-	-	-	-	-	-	-
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	5,229	-	-	4,956	(5,229)	-	-	(273)	-	-	-	-
Total Enterprise Fund				(537)	-	5,493	(5,229)	-	-	(273)	-	-	-	-
Total Expenditures of State Awards				\$ (907,594)	\$ -	\$ 10,028,655	\$ (11,135,224)	\$ -	\$ -	\$ (260,042)	\$ -	\$ (591,017)	\$ -	\$ (10,709,477)
State Financial Assistance Not Subject to Single Audit Determination				-	-	(3,140,024)	3,140,024	-	-	-	-	-	-	3,140,024
Total Expenditures of State Awards Subject to Single Audit Determination				\$ (907,594)	\$ -	\$ 6,888,631	\$ (7,995,200)	\$ -	\$ -	\$ (260,042)	\$ -	\$ (591,017)	\$ -	\$ (7,569,453)

See accompanying notes to schedules of expenditures.

Point Pleasant Borough Board of Education

Notes to Schedules of Awards and Financial Assistance

June 30, 2016

1. General

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

2. Basis of Accounting

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

3. Relationship to General Purpose Financial Statements

Relationship to Basic Financial Statements

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

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

Point Pleasant Borough Board of Education

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2016

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,442,792) for the general fund and \$(7,476) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 43,121	9,266,685	\$ 9,309,806
Special Revenue Fund	920,828	-	920,828
Capital Projects Fund	-	-	-
Debt Service Fund	-	420,518	420,518
Food Service Fund	<u>188,134</u>	<u>5,229</u>	<u>193,363</u>
Total awards and financial assistance	<u>\$ 1,152,083</u>	<u>9,692,432</u>	<u>\$10,844,515</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

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

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

Point Pleasant Borough Board of Education
Schedule of Findings and Questioned Costs
June 30, 2016

Section I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.02	IDEA Part B Basic Regular
84.173	IDEA Part B Preschool

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

Auditee qualified as low-risk auditee? X yes no

Point Pleasant Borough Board of Education
Schedule of Findings and Questioned Costs (continued)
June 30, 2016

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

State Awards Section

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

Auditee qualified as low-risk auditee? X yes none reported

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

Internal Control over major programs:

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

2) Significant deficiencies identified that
are not considered to be material
weaknesses? yes X none reported

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

Identification of major programs:

GMIS Number(s)	Name of State Program
State Aid-Public (Cluster)	
495-034-5120-089	Special Education Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness

Section II – Financial Statement Findings

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

Section III – State Award Findings and Questioned Costs

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

Point Pleasant Borough Board of Education

Summary Schedule of Prior Audit Findings

June 30, 2016

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