

SCHOOL DISTRICT
OF
POINT PLEASANT BEACH
OF OCEAN COUNTY

Point Pleasant Beach School District Board Of Education
Point Pleasant Beach, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2016

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Point Pleasant Beach School District
of Ocean County

Point Pleasant Beach, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

Point Pleasant Beach Board of Education
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION	Page
Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
Official Depository	9
FINANCIAL SECTION	
Independent Auditor's Report	11-13
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion and Analysis	15-23
BASIC FINANCIAL STATEMENTS	
A. District Wide Financial Statements	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	28
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	29
Proprietary Funds	
B-4 Statement of Net Position	30
B-5 Statement of Revenues, Expenses and Changes in Fund Net Positions	31
B-6 Statement of Cash Flows	32
Fiduciary Funds	
B-7 Statement of Fiduciary Net Position	33
B-8 Statement of Changes in Fiduciary Net Position	34
Notes to the Financial Statements	35-62

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule - General Fund	64-68
C-1a	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b	Community Development Block Grant - Budget and Actual	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	69

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	70
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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	72
L-2	Schedule of District Contributions - PERS	73
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	74

	Notes to the Required Supplementary Information - Part III	75
--	--	----

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3	Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A

E. Special Revenue Fund

E-1	Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund - Budgetary Basis	77-78
E-2	Preschool Education Aid Schedule of Expenditures - All Programs - Budgetary Basis	N/A

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures	79
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis,	80
F-2a	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis, High School Renovation	81
F-2b	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis, Elementary School Reno	82
F-2c	Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis, Roofing & Parking Lot	83

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

G.	Proprietary Funds	
	Enterprise Fund	
	G-1 Combining Schedule of Net Position	84
	G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	85
	G-3 Combining Statement of Cash Flows	86
H.	Fiduciary Funds	
	H-1 Combining Statement of Fiduciary Net Position	87
	H-2 Combining Statement of Changes in Fiduciary Net Position	88
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	89
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	90
I.	Long-Term Debt	
	I-1 Schedule of Serial Bonds	91
	I-2 Schedule of Obligations Under Capital Leases	92
	I-3 Debt Service Fund Budgetary Comparison Schedule	93
J.	Introduction to the Statistical Section	
	Financial Trends	
	J-1 Net Assets by Component	96
	J-2 Changes in Net Assets / Net Position	97
	J-3 Fund Balances - Governmental Funds	98
	J-4 Changes in Fund Balances - Governmental Funds	99
	J-5 General Fund Other Local Revenue by Source	100
	Revenue Capacity	
	J-6 Assessed Value and Estimated Actual Value of Taxable Property	101
	J-7 Direct and Overlapping Property Tax Rates	102
	J-8 Principal Property Taxpayers	103
	J-9 Property Tax Levies and Collections	104
	Debt Capacity	
	J-10 Ratios of Outstanding Debt by Type	105
	J-11 Ratios of General Bonded Debt Outstanding	106
	J-12 Direct and Overlapping Governmental Activities Debt	107
	J-13 Legal Debt Margin Information	108
	Demographic and Economic Information	
	J-14 Demographic and Economic Statistics	109
	J-15 Principal Employers	110

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

J.	Introduction to the Statistical Section (continued)	
	Operating Information	
	J-16 Full-time Equivalent District Employees by Function/Program	111
	J-17 Operating Statistics	112
	J-18 School Building Information	113
	J-19 Schedule of Required Maintenance Expenditures by School Facility	114
	J-20 Insurance Schedule	115
K.	Single Audit Section	
	K-1 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	117-118
	K-2 Independent Auditor's Report on Compliance for Each Major Program And on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular Letter 15-08	119-121
	K-3 Schedule of Expenditures of Federal Awards, Schedule A	122
	K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	123
	K-5 Notes to the Schedules of Awards and Financial Assistance	124-125
	K-6 Summary of Findings and Questioned Costs	126-127
	K-7 Summary Schedule of Prior Audit Findings	128

INTRODUCTORY SECTION

POINT PLEASANT BEACH BOARD OF EDUCATION

Brian F. Savage, Ed. D.
School Business Administrator
Board Secretary

299 Cook's Lane
Point Pleasant Beach, NJ 08742
(732) 899-8840 x1105 • Fax: (732) 899-1730

Honorable President and
Members of the Board of Education
Point Pleasant Beach School District
County of Ocean, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the 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 the NJOMB Circular Letter 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: Point Pleasant Beach School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and account groups of the District are included in this report. The Point Pleasant Beach Board of Education and both its schools constitute the District's reporting entity. The Point Pleasant Beach School District provides a comprehensive full range of educational services appropriate to grade levels Pre-School Handicapped through 12. These include regular, vocational, as well as special education for handicapped youngsters. Additionally community groups such as Pop Warner Football, Scouts, and Baseball Leagues regularly use the facilities.

The programs are provided at two locations: Point Pleasant Beach High School on Bay and Trenton Avenues and the G. Harold Antrim Elementary School on Niblick Street. There are 44 employees at the high school, 78 at the elementary school and 25.5 in district positions. School enrollment during 2015-2016 was 399 high school, 431 elementary school, which is 18 students below the 14-15 student enrollment. The School District receives students from three other communities in the grades indicated: Bay Head (9-12), Lavallette (9-12) and Mantoloking (PKH-12). Additionally, some parents in nearby communities pay tuition to send their children to the District schools. During 2015-2016 there were 109 private tuition students. The following details the changes in the student enrollment of the District over the last ten years.

Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2015-16	830	(2.12%)
2014-15	839	(0.47%)
2013-14	843	(3.21%)
2012-13	871	(4.91%)
2011-12	916	2.46
2010-11	894	(0.33%)
2009-10	897	1.90%
2008-09	880	3.30%
2007-08	851	(1.65%)
2006-07	865	(1.62%)

2) ECONOMIC CONDITION AND OUTLOOK: Point Pleasant Beach is a shore community; tourism and fishing are the biggest industries. The larger state and national economic picture as well as weather, ocean conditions, etc influence these industries. In recent years the town has been having good summers. The Point Pleasant Beach area has reached a point at which there is very limited land to be built on. With there being limited land available for future housing developments there is a constraint on population growth. In a 1999 Long-Range Enrollment and Facility Use Study it was predicted that the population of Point Pleasant Beach area would remain at or near the current figures. The inability for any significant growth will result in a stable tax base in the years to come. Point Pleasant Beach recently reassessed the town which has dramatically increased the ratable base. The ratable were \$1,974,515,000 in 2015-2016.

3) MAJOR INITIATIVES: Students from Point Pleasant Beach generally continue to score at or above state averages and cutoffs on all measures. 100% of all Grade 11 general education students have passed the New Jersey Language Arts and Math testing requirements. High School SAT scores averaged 519 Critical Reading and 537 Mathematics and 509 Writing. 90% of the Class of 2016 went to college, 5% unknown, 1% to the military, 2% to work, and 2% other. This year only 8.9% of Grade 8 students in ELA, 10.3% in Mathematics and 13% in Science are not meeting grade level expectations. Students from our school attend the Ocean County Vocational Technical High School for Vocational Training. The District is a member of the Monmouth-Ocean Educational Services Commission, the New Jersey State Inter Scholastic Athletic Association, The Shore Conference of High Schools and the New Jersey School Boards Association. It is accredited by the Middle States Association of College and Schools and certified by the State of New Jersey.

The School District has focused on physical plant needs and academic technology in recent years. Multi year plans have been developed for both schools and there has been a sizable financial commitment as well. The voters of Point Pleasant Beach have approved the financing of a \$9,900,000 renovation project to the G. Harold Antrim Elementary School and Point Pleasant Beach High School.

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

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

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

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

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

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Managements Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8) DEBT ADMINISTRATION: At June 30, 2016, the District's outstanding debt issues included a \$2,500,000 short term note to start funding the new capital projects on the elementary school and high school. The 2010 Bonds will be paid off in the 2016-17 school year. The new bonds for \$9,900,000 were issued in July 2016 to fund the voter approved school renovations. The \$2,500,000 short term note was paid off in July 2016. The proceeds of this issue were placed in the District's capital projects fund for use to provide funds for capital improvements to the District' buildings and grounds. The monies from the 2016 Referendum Bonds were used to fund the costs of such expenses as the work done at the G. Harold Antrim Elementary School and the Point Pleasant Beach High School. The projects consisted of parking lot expansion and paving, sidewalk repair/replacement, fencing, masonry restoration, roofing, as well as repairs and replacement of various HVAC systems throughout the district.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statue as detailed in "Notes to the Financial Statements", Note 2. 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 finds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit finds only in public depositories located in New Jersey, where the finds are secured in accordance with the Act.

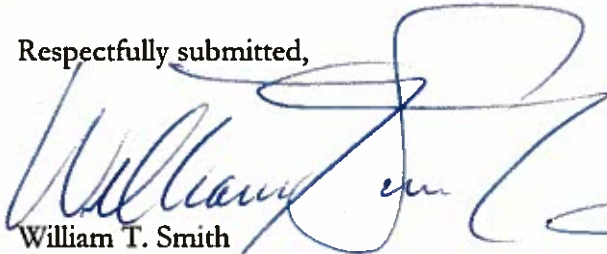
10) RISK MANAGEMENT: The Board carries various forms of insurance include but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11) OTHER INFORMATION: Independent Audit: State statues require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Jump, Perry and Company, LLP, was selected by the Board of Education. 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 1996 and the related Uniform Guidance

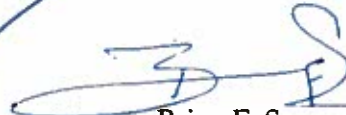
and State Treasury Circular Letter 15-08. The auditor's report in the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

12) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Point Pleasant Beach 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 fiscal operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the Point Pleasant Beach Superintendent's Office and Business Office staff.

Respectfully submitted,



William T. Smith
Superintendent of Schools

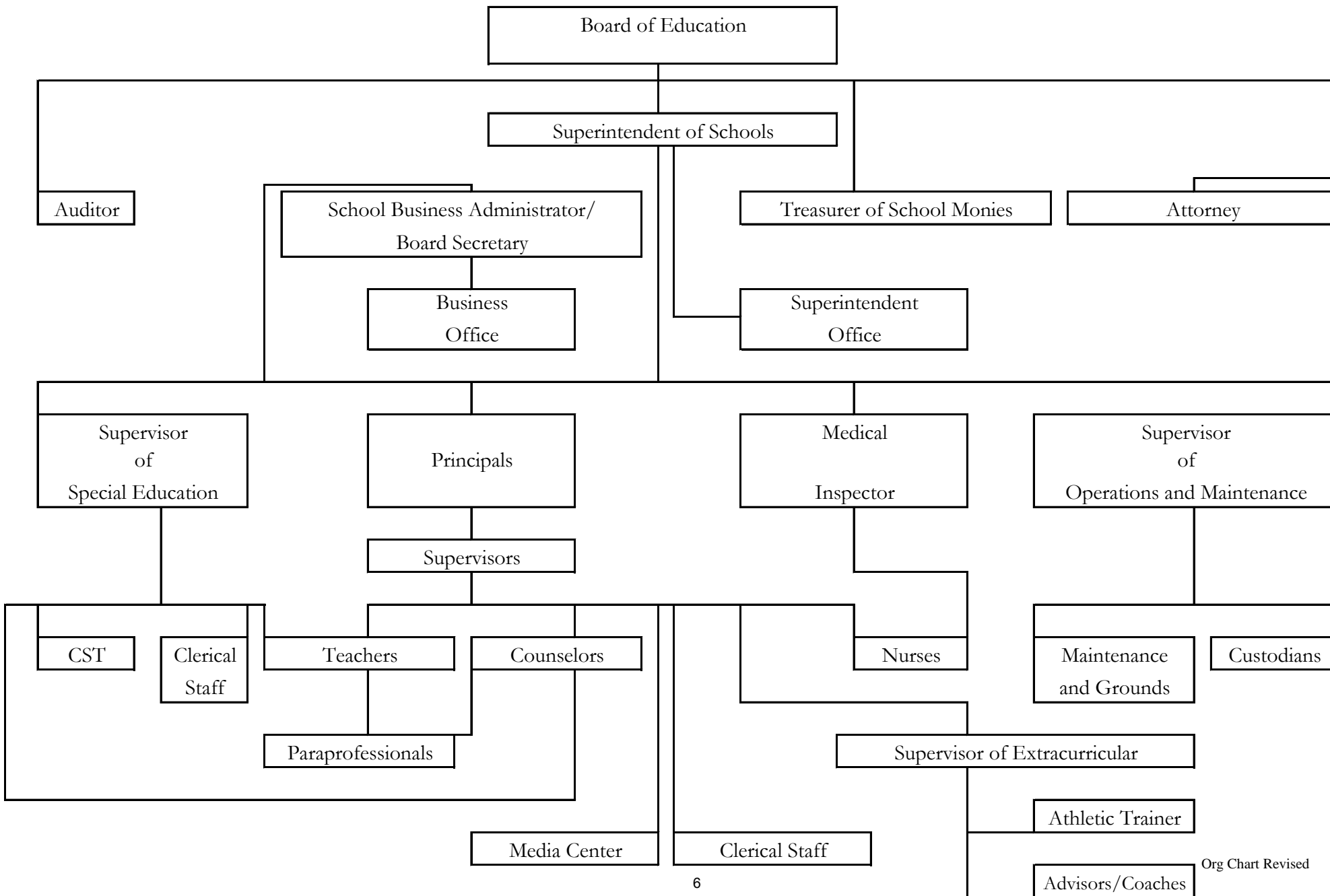


Brian F. Savage, Ed. D.
School Business Administrator
Board Secretary

Point Pleasant Beach Board of Education

Organizational Chart

(Unit Control)



Point Pleasant Beach School District
Point Pleasant Beach, New Jersey

Roster of Officials
June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Eileen Laterza, President	2016
James Ireland, Vice President	2018
Joyce Papaca	2016
Michael Spader	2018
Michael Ramos	2016
Steve Shohfi, Lavallette Representative	2018
<u>Other Officials</u>	
William T. Smith, Superintendent of Schools	
Dr. Brian F. Savage, School Business Administrator/Board Secretary	
Barbara Scharmann, Treasurer	
Frank Campbell, Esq., Solicitor	

Point Pleasant Beach School District
Consultants and Advisors

Architect

The 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

Campbell & Pruchnik, LLC
43 West Front Street, Suite 10
Red Bank, New Jersey 07701

Fiscal Agent

N/A

Official Depository

Ocean First Bank
Hooper Avenue
Toms River, NJ 08754

NJ Cash Management
2 Montgomery Street
Jersey City, NJ 07302

NJARM
224 Strawbridge Drive
Suite 104
Moorestown, NJ 08057

Bank of America
Arnold Avenue
Point Pleasant Beach, NJ 08742

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable President and
Members of the Board of Education
Point Pleasant Beach:
County of Ocean
Point Pleasant Beach, 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 the Board of Education of Point Pleasant Beach 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 and 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 judgement, 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.

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 the Board of Education of the Point Pleasant Beach School District 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 Beach School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical sections, 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 is 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 November 16, 2016 on our consideration of the Board of Education of the Point Pleasant Beach School District 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 the Board of Education of the Point Pleasant Beach School District in the County of Ocean, State of New Jersey's 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

November 16, 2016

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Point Pleasant Beach School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

The discussion and analysis of Point Pleasant Beach School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

In total, net position totaled \$18,422,860, which represents a 1.78 percent increase from 2015.

General revenues accounted for \$15,733,456 in revenue or 91.66 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,431,774 or 8.34 percent of total revenues of \$17,165,230.

Total assets increased by \$2,083,958 as cash and cash equivalents increased by \$1,458,517, receivables increased by \$195,264 and capital assets increased by \$440,682.

The School Board had \$16,842,107 in expenses; only \$1,431,774 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$15,733,456 were adequate to provide for these programs.

Among major funds, the General Fund had \$15,879,374 in revenues and \$15,786,894 in expenditures and transfers. The General Fund's balance increased \$92,480 over 2015. The General Fund's balance is \$1,918,699.

Using this Comprehensive Annual Financial Report (CAFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Point Pleasant Beach School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Point Pleasant Beach School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the School Board to provide programs and activities viewing the School Board as a whole and reports the culmination of all financial transactions. The report answers the question "How Did We Do Financially During Fiscal Year 2016?" The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board's net position and changes in those assets. This change in net position is important because reports whether the School Board's financial position has improved or diminished.

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

Governmental Activities - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and EBS Program Enterprise Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins on page 23. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

The School Board's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for 2016 and 2015.

Table 1

Net Position as of June 30, 2016 and 2015

	2016	2015
Assets:		
Cash and Cash Equivalents	\$ 3,182,554	\$ 1,724,037
Receivables, Net	531,980	336,716
Inventory	4,086	4,958
Other Assets	-	9,633
Capital Assets, Net	<u>25,121,974</u>	<u>24,681,292</u>
Total Assets	<u>28,840,594</u>	<u>26,756,636</u>
Deferred Outflow of Resources:		
Deferred outflows - PERS	<u>854,450</u>	<u>124,852</u>
Liabilities:		
Accounts Payable	9,600	8,515
Other liabilities	16,849	-
Unearned Revenue	3,614	2,785
Due to other governments	10,365	-
Noncurrent Liabilities:		
Due Within One Year	3,681,719	1,144,296
Due Beyond One Year	<u>7,393,614</u>	<u>7,297,127</u>
Total Liabilities	<u>11,115,761</u>	<u>8,452,723</u>
Deferred Inflow of Resources:		
Deferred inflows - PERS	<u>156,423</u>	<u>328,758</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	21,297,863	20,863,124
Restricted for:		
Capital Projects	200,000	-
Debt Service	-	-
General Fund	1,383,529	1,508,083
Unrestricted	<u>(4,458,532)</u>	<u>(4,271,200)</u>
Total Net Position	<u>\$18,422,860</u>	<u>\$18,100,007</u>

The School Board's combined net position were \$18,422,860 on June 30, 2016. This is a change of 1.78% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years 2016 and 2015.

Table 2

Changes in Net Position

	2016	2015
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 268,355	\$ 292,720
Operating Grants and Contributions	1,163,419	89,944
Capital Grants and Contributions	-	-
General Revenues:		
Property Taxes	12,883,402	12,528,267
Grants and Entitlements	1,005,557	942,918
Other	<u>1,844,497</u>	<u>1,961,240</u>
Total Revenues	<u>17,165,230</u>	<u>15,815,089</u>
<u>Program Expenses</u>		
Instruction	7,010,884	7,077,470
Support Services:		
Pupils and Instructional Staff	2,296,010	1,936,491
General Administration, School Administration Business Operations and Maintenance of Facilities	6,728,883	5,321,853
Pupil Transportation	322,133	322,118
Food Service	345,027	354,213
Interest on Long-Term Debt	<u>139,170</u>	<u>145,948</u>
Total Expenses	<u>16,842,107</u>	<u>15,158,093</u>
Increase in Net Position	\$ <u>323,123</u>	\$ <u>656,996</u>

The tax levy increase was due in general to cover increased costs in salaries and benefits, utilities and the debt service. The Federal and State aid-restricted increased due to the increase in grants available.

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements.

Other support services increased primarily due to the additional other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year 2016

Business-Type Activities

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

Total Enterprise Fund expenses exceeded revenues by \$8,824.

Charges for services represent \$268,355 of revenue. This represents the amount paid by patrons for daily food service and catering. .

Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$85,320.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

Governmental Activities

	2016		2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 7,010,884	\$ 7,010,884	\$ 7,077,470	\$ 7,077,470
Support Services:				
Pupils and Instructional Staff	2,296,010	2,296,010	1,936,491	1,936,491
General Administration, School Administration, Business Operation and Maintenance of Facilities	6,728,883	5,650,784	5,321,853	4,243,754
Pupil Transportation	322,133	322,133	322,118	322,118
Interest and Fiscal Charges	<u>139,170</u>	<u>139,170</u>	<u>145,948</u>	<u>145,948</u>
Total Expenses	<u>\$16,497,080</u>	<u>\$15,418,981</u>	<u>\$14,803,880</u>	<u>\$13,725,781</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities.

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

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

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

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

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

Other includes special schools and unallocated depreciation.

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 Borough of Point Pleasant Beach, 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 fund balance of \$18,422,860, which is an increase of \$323,123. 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 increase in fund balance for the fiscal year.

<u>Revenue</u>	<u>2015-16 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014-15</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$12,883,402	85.59 %	\$ 355,135	78.00 %
State Sources	1,720,884	11.43	47,281	10.39
Federal Sources	<u>448,092</u>	<u>2.98</u>	<u>52,844</u>	<u>11.61</u>
Total	<u>\$15,052,378</u>	<u>100.00 %</u>	<u>\$ 455,260</u>	<u>100.00 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2016.

<u>Expenditures</u>	<u>2015-16 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014-15</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 7,010,884	39.69 %	\$ (66,586)	(4.69)%
Undistributed				
Expenditures	8,649,131	48.97	542,629	38.26
Capital Outlay	1,035,155	5.86	945,867	66.69
Debt Service:				
Principal	855,000	4.84	20,000	1.41
Interest	<u>112,688</u>	<u>0.64</u>	<u>(23,627)</u>	<u>(1.67)</u>
Total	<u>\$17,662,858</u>	<u>100.00 %</u>	<u>\$ 1,418,283</u>	<u>100.00 %</u>

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 a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

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

A schedule showing the School Board's original and final budget compared with actual operating results is provided in 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 finished the fiscal year approximately \$183,942 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$171,845 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increase students on district owned vehicles the district transportation costs were lowered for special needs students.

The revenue situation arose primarily because of tuition received from out of district students.

The excesses will be carried forward into the beginning fund balance from the 2015-2016 fiscal year and will be used to reduce the local tax levy for the 2016-2017 fiscal year.

Capital Assets

At the end of the fiscal year 2016, the School Board had \$24,891,660 invested in land, buildings, and machinery and equipment.

Table 4

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

	2016	2015
Land	\$10,518,100	\$10,518,100
Construction in Progress	948,134	-
Building and Improvements	13,398,523	13,760,372
Machinery and Equipment	<u>26,903</u>	<u>44,197</u>
Total	<u>\$24,891,660</u>	<u>\$24,322,669</u>

During the current fiscal year, \$31,801 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Economic Factors and Next Year's Budget

For the 2015-2016 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 11.32% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 88.68% of total revenue is from local tax levy.

The \$(4,458,532) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2015-2016 budget was adopted in October 23, 2015 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 remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Township of Point Pleasant Beach for increased aid.

The School Board anticipates a slight increase in enrollment for the 2015-2016 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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 need additional information, you may contact the School Business Administrator/Board Secretary at Point Pleasant Beach School District, 299 Cooks Lane, Point Pleasant Beach, NJ 08742.

BASIC FINANCIAL STATEMENTS

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,016,998	\$ 165,556	\$ 3,182,554
Receivables - state	51,255	148	51,403
Receivables - federal government	-	5,000	5,000
Receivables-other	327,201	9,086	336,287
Interfund receivables	48,165	91,125	139,290
Inventory	-	4,086	4,086
Capital assets, depreciable, net:	24,891,660	230,314	25,121,974
Total assets	<u>28,335,279</u>	<u>505,315</u>	<u>28,840,594</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	854,450	-	854,450
Total deferred outflows of resources	<u>854,450</u>	<u>-</u>	<u>854,450</u>
LIABILITIES			
Accounts payable	-	9,600	9,600
Other current liabilities	16,849	-	16,849
Payable to state government	10,365	-	10,365
Unearned revenue	3,614	-	3,614
Noncurrent liabilities:			
Due within one year	3,582,472	99,247	3,681,719
Due beyond one year	7,291,884	101,730	7,393,614
Total liabilities	<u>10,905,184</u>	<u>210,577</u>	<u>11,115,761</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	156,423	-	156,423
Total deferred inflows of resources	<u>156,423</u>	<u>-</u>	<u>156,423</u>
NET POSITION			
Net investment in capital assets	21,268,526	29,337	21,297,863
Restricted for:			
Capital projects	200,000	-	200,000
Debt service	-	-	-
Other purposes	1,383,529	-	1,383,529
Unassigned	(4,723,933)	265,401	(4,458,532)
Total net position	<u>\$ 18,128,122</u>	<u>\$ 294,738</u>	<u>\$ 18,422,860</u>

See accompanying notes to the financial statements.

POINT PLEASANT BEACH 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	\$ 4,942,891	\$ -	\$ -	\$ -	\$ (4,942,891)	\$ -	\$ (4,942,891)
Special schools instruction	1,228,211	-	-	-	(1,228,211)	-	(1,228,211)
Other special instruction	839,782	-	-	-	(839,782)	-	(839,782)
Support services and undistributed costs:							
Instruction	462,618	-	-	-	(462,618)	-	(462,618)
Attendance	254,817	-	-	-	(254,817)	-	(254,817)
Health services	426,868	-	-	-	(426,868)	-	(426,868)
Other support services	917,724	-	-	-	(917,724)	-	(917,724)
Educational media services	233,983	-	-	-	(233,983)	-	(233,983)
General administrative services	304,192	-	-	-	(304,192)	-	(304,192)
School administrative services	406,054	-	-	-	(406,054)	-	(406,054)
Information technology	261,994	-	-	-	(261,994)	-	(261,994)
Allowed maintenance for school facilities	113,265	-	-	-	(113,265)	-	(113,265)
Other operation & maintenance of plant	1,723,088	-	-	-	(1,723,088)	-	(1,723,088)
Student transportation services	322,133	-	-	-	(322,133)	-	(322,133)
Business and other support services	-	-	-	-	-	-	-
Unallocated employee benefits	2,842,191	-	-	-	(2,842,191)	-	(2,842,191)
Non-budgeted expenditures	1,078,099	-	1,078,099	-	-	-	-
Interest on long-term debt	139,170	-	-	-	(139,170)	-	(139,170)
Total governmental activities	16,497,080	-	1,078,099	-	(15,418,981)	-	(15,418,981)
Business-type activities:							
Enterprise funds	345,027	268,355	85,320	-	-	8,648	8,648
Total business-type activities	345,027	268,355	85,320	-	-	8,648	8,648
Total primary government	\$ 16,842,107	\$ 268,355	\$ 1,163,419	\$ -	\$ (15,418,981)	\$ 8,648	\$ (15,410,333)
General revenues:							
Taxes:							
Property taxes levied for general purpose					11,915,714	-	11,915,714
Taxes levied for debt service					967,688	-	967,688
Federal and state aid not restricted					532,370	-	532,370
Federal and state aid restricted					473,187	-	473,187
Tuition revenues					1,766,266	-	1,766,266
Miscellaneous income					69,477	-	69,477
Investment earnings					8,578	176	8,754
Total general revenues, special items, extraordinary items and transfers					15,733,280	176	15,733,456
Change in net position					314,299	8,824	323,123
Net position—beginning					17,813,823	285,914	18,099,737
Net position—ending					\$ 18,128,122	\$ 294,738	\$ 18,422,860

See accompanying notes to the financial statements.

POINT PLEASANT BEACH 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	\$ 1,455,591	\$ 5,014	\$ 1,556,391	\$ 2	\$ 3,016,998
Capital reserve	-	-	-	-	-
Due from other funds	52,692	2,278	-	-	54,970
Receivables from state	51,255	-	-	-	51,255
Receivables from Federal government	-	-	-	-	-
Other receivables	320,514	6,687	-	-	327,201
Intergovernmental accounts	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	\$ 1,880,052	\$ 13,979	\$ 1,556,391	\$ 2	\$ 3,450,424
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-	-
Due to other funds	2,278	-	4,525	2	6,805
Payable to federal government	-	-	-	-	-
Payable to state government	-	10,365	-	-	10,365
Other liabilities	-	-	-	-	-
Deferred revenue	-	3,614	-	-	3,614
Total liabilities	2,278	13,979	4,525	2	20,784
Fund Balances:					
Restricted for:					
Excess surplus - current year	144,142	-	-	-	144,142
Excess surplus - prior year- designated for Subsequent year's expenditures	183,201	-	-	-	183,201
Capital reserve account	200,000	-	-	-	200,000
Maintenance reserve account	830,000	-	-	-	830,000
Tuition reserve account	200,000	-	-	-	200,000
Debt services	-	-	-	-	-
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Designated by the BOE for subsequent year's expenditures	26,186	-	-	-	26,186
Unassigned:					
General fund	294,245	-	-	-	294,245
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	1,551,866	-	1,551,866
Permanent fund	-	-	-	-	-
Total Fund balances	1,877,774	-	1,551,866	-	3,429,640
Total liabilities and fund balances	\$ 1,880,052	\$ 13,979	\$ 1,556,391	\$ 2	\$ 3,450,424

Amounts reported for governmental activities in the statement of net assets (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 \$31,018,125 and the accumulated depreciation is \$6,126,465	24,891,660
Deferred outflows related to the PERS pension plan	854,450
Deferred inflows related to the PERS pension plan	(156,423)
Accrued Interest Payable	(16,849)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 9)	(10,874,356)
Net assets of governmental activities	\$ 18,128,122

POINT PLEASANT BEACH 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	\$ 11,915,714	\$ -	\$ -	\$ 967,688	\$ 12,883,402
Tuition charges	1,766,266	-	-	-	1,766,266
Interest on investments	4,053	-	4,525	-	8,578
Miscellaneous	69,477	-	-	-	69,477
Total - Local sources	13,755,510	-	4,525	967,688	14,727,723
State sources	1,610,469	108,349	-	-	1,718,818
Federal sources	-	364,838	-	-	364,838
Total revenues	15,365,979	473,187	4,525	967,688	16,811,379
EXPENDITURES					
Current:					
Regular instruction	4,528,875	414,016	-	-	4,942,891
Special education instruction	1,228,211	-	-	-	1,228,211
Other special instruction	839,782	-	-	-	839,782
Support services and undistributed costs:					
Instruction	462,618	-	-	-	462,618
Attendance	254,817	-	-	-	254,817
Health services	426,868	-	-	-	426,868
Other support services	858,553	59,171	-	-	917,724
Educational media services	233,983	-	-	-	233,983
Instruction staff training	-	-	-	-	-
General administrative services	304,192	-	-	-	304,192
School administrative services	406,054	-	-	-	406,054
Information technology	261,994	-	-	-	261,994
Allowed maintenance for school facilities	113,265	-	-	-	113,265
Other operation & maintenance of plant	1,208,724	-	-	-	1,208,724
Student transportation services	322,133	-	-	-	322,133
Business and other support services	-	-	-	-	-
Unallocated employee benefits	2,658,660	-	-	-	2,658,660
Non-budgeted expenditures	1,078,099	-	-	-	1,078,099
Debt service:					
Principal	-	-	-	855,000	855,000
Interest and other charges	-	-	-	112,688	112,688
Capital outlay	87,021	-	948,134	-	1,035,155
Total expenditures	15,273,849	473,187	948,134	967,688	17,662,858
Excess of revenues over expenditures	92,130	-	(943,609)	-	(851,479)
OTHER FINANCING SOURCES (USES)					
Sale of Bonds	-	-	2,500,000	-	2,500,000
Transfers in	4,525	-	-	-	4,525
Transfers out	-	-	(4,525)	-	(4,525)
Total other financing sources and uses	4,525	-	2,495,475	-	2,500,000
Net change in fund balances	96,655	-	1,551,866	-	1,648,521
Fund balance-July 1	1,781,119	-	-	-	1,781,119
Fund balance-June 30	\$ 1,877,774	\$ -	\$ 1,551,866	\$ -	\$ 3,429,640

See accompanying notes to the financial statements.

POINT PLEASANT BEACH 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)	\$		1,648,521
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>			
<p>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.</p>			
		Depreciation expense \$ (459,144)	
		Capital outlays <u>979,935</u>	520,791
<p>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</p>			
			(167,045)
<p>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.</p>			
			855,000
<p>In the statement of activities, interest expense is recorded when paid.</p>			
<p>In the governmental funds, the interest is expensed when due and shown as payable at year end.</p>			
			(16,849)
<p>The issuance of bonds creates other financing sources revenue in the governmental funds, the proceeds are shown as an increase to bonds payable.</p>			
			(2,500,000)
<p>In the statement of activities, the amortization of bond issuance costs is recorded as interest expense.</p>			
<p>In the governmental funds, the amortization is not recorded.</p>			
			(9,633)
<p>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.</p>			
			<u>(16,486)</u>
Change in net position of governmental activities	\$		<u>314,299</u>

See accompanying notes to the financial statements.

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

	Business-type Activities - Enterprise Fund		
	Food Service	EBS Technology	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 10,499	\$ 155,057	\$ 165,556
Accounts receivable:			
Local	-	9,086	9,086
State	148	-	148
Federal	5,000	-	5,000
Interfunds	16,078	75,047	91,125
Inventories	4,086	-	4,086
Total current assets	35,811	239,190	275,001
Fixed assets:			
Equipment	-	1,005,594	1,005,594
Accumulated depreciation	-	(775,280)	(775,280)
Total fixed assets	-	230,314	230,314
Total assets	\$ 35,811	\$ 469,504	\$ 505,315
Liabilities and Net Position:			
Liabilities:			
Accounts payable	9,600	-	9,600
Lease payable	-	200,977	200,977
Total liabilities	9,600	200,977	210,577
Net position:			
Net investment in capital assets	-	29,337	29,337
Restricted for other purposes	-	-	-
Unassigned	26,211	239,190	265,401
Total net position	26,211	268,527	294,738
Total liabilities and net position	\$ 35,811	\$ 469,504	\$ 505,315

See accompanying notes to the financial statements.

POINT PLEASANT BEACH 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	EBS Technology	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 136,334	\$ -	\$ 136,334
Daily sales - non-reimbursable programs	22,527	-	22,527
Miscellaneous	-	109,494	109,494
Total operating revenues	<u>158,861</u>	<u>109,494</u>	<u>268,355</u>
Operating expenses:			
Cost of sales	131,405	-	131,405
Salaries	114,900	-	114,900
Miscellaneous	-	1,562	1,562
Interest expense	-	7,451	7,451
Management fees	9,600	-	9,600
Depreciation	-	80,109	80,109
Total operating expenses	<u>255,905</u>	<u>89,122</u>	<u>345,027</u>
Operating income (loss)	<u>(97,044)</u>	<u>20,372</u>	<u>(76,672)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	2,066	-	2,066
Federal sources:			
National school lunch program	64,341	-	64,341
Special milk program	-	-	-
Food distribution program	18,913	-	18,913
Loss on sale of computers	-	-	-
Interest and investment revenue	27	149	176
Total nonoperating revenues (expenses)	<u>85,347</u>	<u>149</u>	<u>85,496</u>
Income (loss) before contributions & transfers	<u>(11,697)</u>	<u>20,521</u>	<u>8,824</u>
Capital contributions	-	-	-
Transfers in (out)	-	-	-
Change in net position	<u>(11,697)</u>	<u>20,521</u>	<u>8,824</u>
Total net position—beginning	<u>37,908</u>	<u>248,006</u>	<u>285,914</u>
Total net position—ending	<u>\$ 26,211</u>	<u>\$ 268,527</u>	<u>\$ 294,738</u>

See accompanying notes to the financial statements.

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities -		
	Enterprise Funds		
	Food Service	EBS Technology	Total Enterprise
Cash Flows from Operating Activities:			
Operating income (loss)	\$ (97,044)	\$ 20,372	\$ (76,672)
Adjustments to reconcile operating loss to cash (used in) provided by operating activities:			
Depreciation	-	80,109	80,109
Loss on disposal of fixed assets	-	-	-
Federal commodities	18,913	-	18,913
Change in assets and liabilities:			
Decrease (increase) in interfund receivable	(10,473)	(1)	(10,474)
Decrease (increase) in local receivable	6,277	(9,086)	(2,809)
Decrease (increase) in inventory	872	-	872
Decrease (increase) in accounts payable	1,085	-	1,085
Net cash provided by (used in) operating activities	<u>(80,370)</u>	<u>91,394</u>	<u>11,024</u>
Cash Flows from Noncapital Financing Activities:			
Transfers out	-	-	-
Interest	27	149	176
Cash received from state and federal reimbursements	<u>66,407</u>	<u>-</u>	<u>66,407</u>
Net cash provided by noncapital financing activities	<u>66,434</u>	<u>149</u>	<u>66,583</u>
Cash flows from Capital Activities:			
Payments on lease payable	-	(96,824)	(96,824)
Sale of equipment	-	-	-
Purchase of equipment	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in capital activities	<u>-</u>	<u>(96,824)</u>	<u>(96,824)</u>
Net increase (decrease) in cash and cash equivalents	(13,936)	(5,281)	(19,217)
Cash and cash equivalents, July 1	<u>24,435</u>	<u>160,338</u>	<u>184,773</u>
Cash and cash equivalents, June 30	<u>\$ 10,499</u>	<u>\$ 155,057</u>	<u>\$ 165,556</u>
Non cash transactions			
Equipment purchased through lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

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

	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Agency Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 45,417	\$ 188,158	\$ 613,188	\$ 846,763
Intergovernmental accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>45,417</u>	<u>188,158</u>	<u>613,188</u>	<u>846,763</u>
LIABILITIES				
Accrued wages and salaries	-	-	350,300	350,300
Interfund payable	-	-	139,290	139,290
Payroll deductions and withholdings	-	-	123,598	123,598
Payable to student groups	-	188,158	-	188,158
Other current liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>188,158</u>	<u>613,188</u>	<u>801,346</u>
NET POSITION				
Held in trust for unemployment claims and other purposes	45,417	-	-	45,417
Reserved for scholarships	-	-	-	-
Total net position	<u>45,417</u>	<u>-</u>	<u>-</u>	<u>45,417</u>
Total liabilities and net position	<u>\$ 45,417</u>	<u>\$ 188,158</u>	<u>\$ 613,188</u>	<u>\$ 846,763</u>

See accompanying notes to the financial statements.

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

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan member	\$ -
Other	-
Total Contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	59
Dividends	-
Less investment expense	-
Net investment earnings	59
Total additions	59
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	-
Change in net position	59
Net position—beginning of the year	45,358
Net position—end of the year	\$ 45,417

See accompanying notes to the financial statements.

Point Pleasant Beach School District

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

a. Reporting Entity

Point Pleasant Beach School District is a Type II district located in the county of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members elected to three year terms and one member appointed by the Lavallette Board of Education for a one year term. The purpose of the District is to educate students in grades Pre-K-12. The District has an approximate enrollment at June 30, 2016 of 830 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is 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 an elementary school and a senior high school located in Point Pleasant Beach. 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 School District adopted the newly implemented Governmental Accounting Standard requiring the reporting of deferred outflows, deferred inflows, and net position. The term Net Assets will no longer be used and will be replaced with Net Position. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Point Pleasant Beach School District
Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

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.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the School 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.

Point Pleasant Beach School District
Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation, Basis of Accounting (continued)

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 School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide detail of the governmental, proprietary and 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. It 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 non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the the NJDOE, the District includes in this fund budgeted Capital Outlay. 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 Beach School District
Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation, Basis of Accounting (continued)

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

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

Enterprise Funds: 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 EBS Technology Fund.

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 and Unemployment Compensation Insurance Trust Fund.

Point Pleasant Beach School District
Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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 and modified 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 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. "Measurable" means the amount of the transaction can be determined and "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 leases are reported as other financing sources.

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 Beach School District
Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

e. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. Budgets are prepared using the modified accrual basis of accounting except for the special reserve 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.

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

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

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

Point Pleasant Beach School District
Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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. New Jersey statute 18A:2037 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

Point Pleasant Beach School District
Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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.

1. Capital Assets:

The District has established a 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 is not capitalized. The School 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. Compensated Absences

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

Point Pleasant Beach School District
Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

m. Compensated Absences (continued)

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

n. Unearned/Deferred Revenue

Unearned/deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned.

o. 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.

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 represents 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 School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Point Pleasant Beach School District
Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

r. Fund Balance Resources

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.
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 Non-exchange 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.

Point Pleasant Beach School District
Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

s. Revenues - Exchange and Non-exchange Transactions (continued)

Non-exchange Transactions, in which the School District receives value without directly giving equal value in return, include property 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School 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.

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. 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.

v. 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 \$350,300.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

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 (including Fiduciary funds) was \$4,029,317 and the bank balance was \$4,740,963 of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

Pursuant to Governmental Accounting Standards, 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 the 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 Beach School District
Notes to Financial Statements (continued)

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.

New Jersey Asset and Rebate Management Program: The Program has been established as a joint investment trust, (the "Trust"), by local governmental units in the State of New Jersey, (the "State"), consistent with the Interlocal Services Act, constituting Chapter 208 of the Pamphlet Laws of 1973 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:8A-1 et seq.), (the "Interlocal Services Act"), to make available to counties, municipalities, school districts, authorities, or other political subdivisions of the State, and where applicable, any bond trustee acting on behalf of such local government, a convenient method for investing and accounting for surplus cash and tax exempt debt proceeds. The Program seeks to invest tax-exempt bond and note proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Code of 1986, as amended. The Program also provides for record keeping, depository and arbitrage rebate calculation.

As of June 30, 2016, the District had \$464,896 on deposit with the New Jersey Asset and Rebate Management Program.

Custodial Credit Risk: Pursuant to GASB 40, the NJARM, which is a pooled investment, is exempt from custodial credit risk disclosure.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. Governmental Accounting Standards requires that disclosure be made as to the credit rating of all debt security investments except for obligations of U.S. government or investments guaranteed by the U.S. government. The NJARM is not rated by a rating agency.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJARM, is less than one year.

Point Pleasant Beach School District
Notes to Financial Statements (continued)

4. Capital Reserve Account

A Capital Reserve Account was established by the Point Pleasant Beach School District 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) and updated in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department, a District may deposit funds into the capital reserve at any time upon Board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C 6A:23A-14.1(g), the balance in the account cannot exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

The activity of the Capital Reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance	\$ 100,000
Add:	
Approved at June 2016 Meeting	<u>100,000</u>
Ending Balance	<u><u>\$ 200,000</u></u>

5. Maintenance Reserve Account

A Maintenance Reserve Account was established by the Point Pleasant Beach School District 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.

Point Pleasant Beach School District
Notes to Financial Statements (continued)

5. Maintenance Reserve Account (continued)

The activity of the Maintenance Reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Balance, July 01, 2015	\$	830,000
Add:		
Board Contributions		-
Withdrawals		<u>-</u>
Balance, June 30, 2016	\$	<u>830,000</u>

6. Tuition Reserve Account

A Tuition Reserve Account was established by the Point Pleasant Beach School District by inclusion of \$200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Tuition Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Tuition Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Tuition Reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Balance, July 01, 2015	\$	200,000
Add:		
Board Contributions		60,000
Withdrawals		<u>(60,000)</u>
Balance, June 30, 2016	\$	<u>200,000</u>

Point Pleasant Beach School District
Notes to Financial Statements (continued)

7. Receivables

Receivables at June 30, 2016, consisted of state aid, accrued interest, interfund, intergovernmental, and other. 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	\$ 51,255	\$ 51,403
Federal Aid	-	5,000
Interfunds	48,165	139,290
Other	<u>327,201</u>	<u>336,287</u>
	426,621	531,980
 Less: Allowance for Uncollectibles	 <u>-</u>	 <u>-</u>
 Total Receivables, Net	 <u>\$ 426,621</u>	 <u>\$ 531,980</u>

Point Pleasant Beach School District
Notes to Financial Statements (continued)

8. Fixed 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	\$ 10,518,100	\$ -	\$ -	\$ 10,518,100
Construction in Progress	<u>-</u>	<u>948,134</u>	<u>-</u>	<u>948,134</u>
Total Capital Assets Not Being Depreciated	<u>10,518,100</u>	<u>948,134</u>	<u>-</u>	<u>11,466,234</u>
Building and Building Improvements	18,092,466	-	-	18,092,466
Machinery and Equipment	<u>1,427,624</u>	<u>31,801</u>	<u>-</u>	<u>1,459,425</u>
Totals at Historical Cost	<u>19,520,090</u>	<u>31,801</u>	<u>-</u>	<u>19,551,891</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(4,252,094)	(441,849)	-	(4,693,943)
Machinery and Equipment	<u>(1,415,227)</u>	<u>(17,295)</u>	<u>-</u>	<u>(1,432,522)</u>
Total Accumulated Depreciation	<u>(5,667,321)</u>	<u>(459,144)</u>	<u>-</u>	<u>(6,126,465)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>13,852,769</u>	<u>(427,343)</u>	<u>-</u>	<u>13,425,426</u>
Government Activity Capital Assets, Net	<u>\$ 24,370,869</u>	<u>520,791</u>	<u>-</u>	<u>\$ 24,891,660</u>
BUSINESS-TYPE ACTIVITIES:				
Equipment	1,005,594	-	-	1,005,594
Less: Accumulated Depreciation	<u>(695,171)</u>	<u>(80,109)</u>	<u>-</u>	<u>(775,280)</u>
Business-type Activities Capital Assets, Net	<u>\$ 310,423</u>	<u>(80,109)</u>	<u>-</u>	<u>\$ 230,314</u>

Depreciation expense was charged to governmental functions as follows:

Operations and Maintenance	<u>\$459,144</u>
Total depreciation expense	<u>\$459,144</u>

Point Pleasant Beach School District
Notes to Financial Statements (continued)

9. Non-current Liabilities

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

	<u>Balance</u> <u>6-30-15</u>	<u>Increase/</u> <u>Decrease</u>	<u>Balance</u> <u>6-30-16</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Bonds payable	\$ 3,530,000	1,645,000	5,175,000	\$ 3,390,000
Obligations under capital lease	297,801	(96,824)	200,977	99,247
Compensated absences payable	459,283	16,486	475,769	-
Pension liability - PERS	<u>4,154,339</u>	<u>1,069,248</u>	<u>5,223,587</u>	<u>192,472</u>
	<u>\$ 8,441,423</u>	<u>2,633,910</u>	<u>11,075,333</u>	<u>\$ 3,681,719</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.

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

<u>Year ending</u> <u>June 30th:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	3,390,000	105,893	3,495,893
2018	420,000	66,045	486,045
2019	435,000	50,505	485,505
2020	455,000	34,410	489,410
2021	475,000	17,575	492,575
2022	-	-	-
	<u>\$ 5,175,000</u>	<u>\$ 274,428</u>	<u>\$ 5,449,428</u>

b. Bonds Authorized but not Issued

As of June 30, 2016 the School District had authorized but not issued bonds in the amount of \$9,900,000. These bonds closed on July 21, 2016. A portion of these bonds were used to pay off the \$2,500,000 temporary note the School District borrowed on January 19, 2016. The temporary note was used to start the funding of the capital projects approved by the voters for renovations on the High School and Elementary school.

Point Pleasant Beach School District
Notes to Financial Statements (continued)

9. Non-current Liabilities (continued)

c. Obligations under Capital Lease

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

	Year-ending	
	June 30th:	
	2017	104,275
	2018	<u>104,276</u>
Total Minimum Lease Payment		208,551
Less: Amount representing Interest		<u>7,574</u>
Present Value of Lease payments		<u><u>200,977</u></u>

10. Contingent Liabilities

Grant Programs

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The 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 District is also 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 Board.

11. Pension Plans

Description of Systems

All required employees of the District are covered by either the Public Employees' Retirement System ("PERS"), the Teachers' Pension and Annuity Fund ("TPAF") or the Defined Contribution Retirement Program (DCRP) which have been established by State statute and are administered by the New Jersey Division of Pension and Benefits ("Division"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Point Pleasant Beach School District
Notes to Financial Statements (continued)

11. Pension Plans (continued)

Teachers' Pension and Annuity Fund (TPAF)

TPAF was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. 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 noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

For the year ended June 30, 2016, the District recognized pension expense of \$513,045 and revenue of \$513,045 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 0.0641240344% 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual expenditure	\$ 204,772	\$ 12,137
Changes of assumptions	4,589,898	-
Net difference between projected and actual earnings on pension plan investments	-	341,277
Changes in proportion and differences between District contributions and proportionate share of contributions	29,311	46,313
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 4,823,981</u>	<u>\$ 399,727</u>

The District's proportionate share of the pension liability at June 30, 2015 as it relates to the District is \$40,529,128.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

11. Pension Plans (continued)

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

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	\$ 524,813
2017	524,813
2018	524,813
2019	803,950
2020	680,421
Thereafter	<u>1,408,699</u>
Total	<u><u>4,467,509</u></u>

Public Employees' Retirement System (PERS)

PERS was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. PERS is a cost-sharing multi-employer plan. Membership is mandatory for substantially all fulltime 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 \$198,054. 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 0.0223874468% 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 <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 119,892	\$ -
Changes of assumptions	539,702	-
Net difference between projected and actual earnings on pension plan investments	-	80,801
Changes in proportion and differences between District contributions and proportionate share of contributions	194,856	75,622
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u><u>\$ 854,450</u></u>	<u><u>\$ 156,423</u></u>

Point Pleasant Beach School District
Notes to Financial Statements (continued)

11. Pension Plans (continued)

Public Employees' Retirement System (PERS) (continued)

The District's proportionate share of the pension liability at June 30, 2015 as it relates to the District as shown on the State of New Jersey PERS audit is \$5,025,533 and has been recorded on the district-wide financials. The current portion due in April 2017 for the June 30, 2016 liability is \$198,054 and has been included on the district-wide financials. The total PERS pension liability at June 30, 2016 is \$5,223,587.

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

Year ended June 30:		
2016	\$	105,369
2017		105,369
2018		105,369
2019		167,818
2020		94,867
Thereafter		-
Total		<u><u>578,792</u></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, 2016 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 Beach School District
Notes to Financial Statements (continued)

11. Pension Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% 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, 2016 and 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (3.90 %)	Current Discount Rate (4.90 %)	1% Increase (5.90 %)
District's proportionate share of the net pension liability	6,246,123	5,025,533	4,002,200

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

Point Pleasant Beach School District
Notes to Financial Statements (continued)

11. Pension Plans (continued)

Vesting and Benefit Provisions (PERS & TPAF)

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

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

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/16	\$214,928	100%	\$-
6/30/15	185,109	100%	-
6/30/14	170,548	100%	-

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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/16	\$1,123,940	100%	\$-
6/30/15	897,028	100%	-
6/30/14	737,441	100%	-

Point Pleasant Beach School District
Notes to Financial Statements (continued)

11. Pension Plans (continued)

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 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 includes 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 \$1,123,940. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A. 18A:6666 the State of New Jersey reimbursed the District \$467,204 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements.

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. 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 Financial 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 \$2,862. There was no liability for unpaid contributions at June 30, 2016.

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the School District.

Point Pleasant Beach School District
Notes to Financial Statements (continued)

12. Post-Retirement Benefits

P.L. 198, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits 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 receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with 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, c.126, which provides paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

13. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards where District employees are granted varying amounts of sick leave in accordance with the districts personnel policy. District employees who are employed for twelve months are entitled to fourteen paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

The liability for vested compensated absences of the governmental fund types is recorded in the general longterm debt account group. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the longterm liability balance of compensated absences. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

14. 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:

AXA Equitable

Valic

Point Pleasant Beach School District
Notes to Financial Statements (continued)

15. 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 previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015 / 2016	\$ 59	\$ -	\$ -	\$ 45,417
2014 / 2015	59	-	-	45,358
2013 / 2014	66	-	-	45,292

16. Interfund Receivables and Payables

The following inter-fund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 52,692	2,278
Special Revenue Fund	2,278	-
Capital Projects Fund	-	4,525
Debt Service Fund	-	2
Enterprise Fund	91,125	-
Trust and Agency Fund	-	139,290
	<u>\$ 146,095</u>	<u>\$ 146,095</u>

17. Inventory

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

Food & supplies	\$4,086
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Point Pleasant Beach School District
Notes to Financial Statements (continued)

18. Fund Balances

General Fund – Of the \$1,877,774 general fund balance at June 30, 2016, \$183,201 is restricted for excess surplus for subsequent year expenditures, \$26,186 is designated for subsequent year's expenditures, \$830,000 is restricted for the maintenance reserve, \$200,000 is restricted for the tuition reserve, \$200,000 is restricted for the capital reserve, \$144,142 is restricted for excess surplus and \$294,245 is unassigned.

19. 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 \$144,142. The excess fund balance at June 30, 2015 was \$183,201.

20. Uncertain Tax Positions

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

21. Subsequent Events

Management has evaluated subsequent events through November 16, 2016, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 11,915,714	\$ -	\$ 11,915,714	\$ 11,915,714	\$ -
Tuition from other LEA's within the state	1,043,643	-	1,043,643	1,146,713	103,070
Tuition-private	621,063	-	621,063	619,553	(1,510)
Interest on investments	-	-	-	4,053	4,053
Miscellaneous	54,500	-	54,500	69,477	14,977
Total - local sources	13,634,920	-	13,634,920	13,755,510	120,590
State sources:					
Transportation aid	10,732	-	10,732	10,732	-
Special education aid	395,137	-	395,137	395,137	-
Security Aid	62,548	-	62,548	62,548	-
Adjustment Aid	388	-	388	388	-
Other State Aid	12,660	-	12,660	12,660	-
Extraordinary aid	-	-	-	51,255	51,255
TPAF pension (on-behalf - Non-budgeted)	-	-	-	1,123,940	1,123,940
TPAF social security (reimbursed - Non-budgeted)	-	-	-	467,204	467,204
Total state sources	481,465	-	481,465	2,123,864	1,642,399
Total revenues	14,116,385	-	14,116,385	15,879,374	1,762,989
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of teachers	197,990	-	197,990	196,138	1,852
Grades 1-5 - Salaries of teachers	1,178,566	(12,700)	1,165,866	1,165,797	69
Grades 6-8 - Salaries of teachers	994,500	(161,679)	832,821	832,670	151
Grades 9-12 - Salaries of teachers	1,890,412	(36,800)	1,853,612	1,853,596	16
Regular Programs - Home Instruction:					
Salaries of teachers	10,000	4,400	14,400	14,356	44
Regular Programs - Undistributed Instruction:					
Other purchased services (400-500 series)	72,535	45,100	117,635	117,592	43
General supplies	194,836	10,660	205,496	205,024	472
Textbooks	44,367	103,535	147,902	143,702	4,200
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,583,206	(47,484)	4,535,722	4,528,875	6,847
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of teachers	905,729	18,000	923,729	923,568	161
Other salaries for instruction	192,804	7,000	199,804	199,566	238
General supplies	11,200	(5,350)	5,850	4,959	891
Total Resource Room/Resource Center	1,109,733	19,650	1,129,383	1,128,093	1,290
Preschool Disabilities - Full Time					
Salaries of teachers	59,294	5,600	64,894	64,859	35
Other salaries for instruction	18,974	13,200	32,174	32,165	9
General supplies	1,500	2,000	3,500	3,094	406
Total Preschool Disabilities - Full Time	79,768	20,800	100,568	100,118	450
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,189,501	40,450	1,229,951	1,228,211	1,740

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Bilingual Education - Instruction					
Salaries of teachers	\$ 62,086	\$ 4,150	\$ 66,236	\$ 66,236	\$ -
Purchased professional-Educational services	-	-	-	-	-
General supplies	1,800	350	2,150	1,930	220
Total Bilingual Education - Instruction	<u>63,886</u>	<u>4,500</u>	<u>68,386</u>	<u>68,166</u>	<u>220</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	545,048	75,765	620,813	620,437	376
Purchased services	35,336	(4,000)	31,336	31,235	101
Supplies and materials	135,352	(75,375)	59,977	59,800	177
Other objects	14,315	-	14,315	14,144	171
Transfer to cover deficit (agency funds)	46,000	-	46,000	46,000	-
Total School-Spon. Cocurricular Actvts. - Instruction	<u>776,051</u>	<u>(3,610)</u>	<u>772,441</u>	<u>771,616</u>	<u>825</u>
Total Instruction	<u>6,612,644</u>	<u>(6,144)</u>	<u>6,606,500</u>	<u>6,596,868</u>	<u>9,632</u>
Undistributed Expenditures - Instruction:					
Tuition to private schools for the disabled - w/state	372,599	90,100	462,699	462,618	81
Tuition - State Facilities	-	-	-	-	-
Total Undistributed Expenditures - Instruction:	<u>372,599</u>	<u>90,100</u>	<u>462,699</u>	<u>462,618</u>	<u>81</u>
Undist. Expend. - Attendance and social work service					
Salaries	208,295	47,078	255,373	254,817	556
Total Undistributed Expenditures - Attendance	<u>208,295</u>	<u>47,078</u>	<u>255,373</u>	<u>254,817</u>	<u>556</u>
Undist. Expend. - Health Services					
Salaries	154,506	(15,052)	139,454	139,322	132
Other purchased services (400-500 series)	240,000	44,000	284,000	283,713	287
Supplies and materials	4,150	(150)	4,000	3,833	167
Total Undistributed Expenditures - Health Services	<u>398,656</u>	<u>28,798</u>	<u>427,454</u>	<u>426,868</u>	<u>586</u>
Undist. Expend. - Other Support Serv - Speech OT / PT					
Salaries	79,978	290	80,268	80,266	2
Purchased professional - educational services	-	3,800	3,800	3,800	-
Other objects	1,500	(700)	800	782	18
Total Undist. Expend. - Other Support Serv - Speech OT/PT	<u>81,478</u>	<u>3,390</u>	<u>84,868</u>	<u>84,848</u>	<u>20</u>
Undist. Expend. - Other Support Serv Students-Guidance					
Salaries of other professional staff	231,307	(7,700)	223,607	222,843	764
Other purchased services (400-500 series)	3,000	2,515	5,515	5,287	228
Total Undist. Expend. - Other Support Serv - Students-Guidance	<u>234,307</u>	<u>(5,185)</u>	<u>229,122</u>	<u>228,130</u>	<u>992</u>
Undist. Expend. - Other Support Serv - Child Study					
Salaries of other professional staff	237,146	60,800	297,946	260,295	37,651
Salaries of secretarial and clerical assistants	36,931	1,600	38,531	38,468	63
Supplies and materials	11,625	(1,000)	10,625	10,297	328
Other objects	7,500	(4,600)	2,900	2,779	121
Total Undist. Expend. - Other Supp Services - Child Study	<u>293,202</u>	<u>56,800</u>	<u>350,002</u>	<u>311,839</u>	<u>38,163</u>
Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr					
Salaries of supervisor of instruction	180,037	8,000	188,037	188,031	6
Other salaries	5,000	19,500	24,500	23,160	1,340
Other purchased services (400-500)	-	23,035	23,035	22,545	490
Total Undist. Expend. - Improv of Instruct Serv - Other Sup S	<u>185,037</u>	<u>50,535</u>	<u>235,572</u>	<u>233,736</u>	<u>1,836</u>
Undist. Expend. - Educational Media Services/School Library					
Salaries	207,709	19,451	227,160	227,006	154
Purchased professional and technical services	-	-	-	-	-
Supplies and materials	12,670	(4,290)	8,380	6,977	1,403
Total Undist. Expend. - Educational Media Services/School Libr	<u>220,379</u>	<u>15,161</u>	<u>235,540</u>	<u>233,983</u>	<u>1,557</u>
Undist. Expend. - Instruction Staff Training Services					
Salaries of other professional staff	3,872	(3,872)	-	-	-
Other purchased services (400-500 series)	22,350	(22,350)	-	-	-
Total Undist. Expend. - Instruction Staff Training Services	<u>26,222</u>	<u>(26,222)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Service - General Administration					
Salaries	\$ 243,316	\$ (26,050)	\$ 217,266	\$ 211,313	\$ 5,953
Legal services	2,500	15,700	18,200	18,200	-
Audit Fees	17,000	(2,800)	14,200	14,200	-
Other purchased professional services	2,500	2,750	5,250	5,250	-
Communications/Telephone	2,000	-	2,000	2,000	-
General supplies	7,100	750	7,850	7,681	169
BOE membership dues and fees	-	7,100	7,100	7,083	17
Miscellaneous expenditures	31,500	6,970	38,470	38,465	5
Total Undist. Expend. - Support Service - General Administration	305,916	4,420	310,336	304,192	6,144
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	240,122	21,000	261,122	259,162	1,960
Salaries of secretarial and clerical assistants	121,102	(9,900)	111,202	107,513	3,689
Supplies and materials	27,997	(900)	27,097	25,423	1,674
Other objects	16,153	2,450	18,603	13,956	4,647
Total Undist. Expend. - Support Service - School Administration	405,374	12,650	418,024	406,054	11,970
Undistributed Expenditures - Central Services					
Salaries	223,876	4,949	228,825	228,747	78
Purchased professional services	2,500	10,001	12,501	12,500	1
Supplies and materials	7,100	5,700	12,800	12,771	29
Total Undist. Expend. - Central Services	233,476	20,650	254,126	254,018	108
Undist.- Admin. Info. Technology					
Salaries	3,780	4,212	7,992	7,976	16
Total Undist. Expend - Admin. Info. Technology	3,780	4,212	7,992	7,976	16
Undist. Expend. - Allowed Maintenance for School Facilities					
Salaries	-	-	-	-	-
Cleaning, repair and maintenance services	56,890	38,920	95,810	83,200	12,610
General supplies	19,267	15,000	34,267	30,065	4,202
Other objects	-	-	-	-	-
Total Undist. Expend. - Allowed Maintenance for School Facilities	76,157	53,920	130,077	113,265	16,812
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	579,395	7,499	586,894	584,302	2,592
Salaries of Non-Instructional Aides	74,609	1	74,610	72,734	1,876
Purchased professional and technical services	22,000	(2,000)	20,000	20,000	-
Cleaning, repair and maintenance services	56,970	470	57,440	49,309	8,131
Other purchased property services	2,000	-	2,000	1,747	253
Insurance	182,843	(50,200)	132,643	132,487	156
General supplies	81,266	(2,000)	79,266	77,127	2,139
Energy (natural gas)	133,000	(57,000)	76,000	75,044	956
Energy (energy and electricity)	300,000	(108,600)	191,400	179,654	11,746
Other objects	21,375	5,000	26,375	16,320	10,055
Total Undist. Expend. - Other Operation & Maintenance Of Plant	1,453,458	(206,830)	1,246,628	1,208,724	37,904
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation (between home and school)	123,377	(100)	123,277	119,519	3,758
Cleaning, repair and maintenance services	12,000	(2,500)	9,500	9,168	332
Contract services (between home & school) - Vendors	111,000	(30,960)	80,040	79,919	121
Contract services - (other than between home and school) -	109,200	(7,000)	102,200	102,112	88
Transportation Supplies	6,000	4,300	10,300	9,815	485
Miscellaneous expenditures	-	1,600	1,600	1,600	-
Total Undist. Expend. - Student Transportation Services	361,577	(34,660)	326,917	322,133	4,784

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED EMPLOYEE BENEFITS					
Social security contributions	\$ 219,350	\$ (6,650)	\$ 212,700	\$ 212,677	\$ 23
Other retirement contributions - PERS	191,855	11,309	203,164	203,087	77
Other retirement contributions - regular	3,500	8,341	11,841	11,841	-
Unemployment compensation	20,000	(5,000)	15,000	14,917	83
Workmen's compensation	117,702	(600)	117,102	105,788	11,314
Health benefits	2,226,084	(219,148)	2,006,936	1,999,407	7,529
Tuition reimbursement	67,000	(1,500)	65,500	65,470	30
Other employee benefits	-	46,000	46,000	45,473	527
TOTAL UNALLOCATED EMPLOYEE BENEFITS	2,845,491	(167,248)	2,678,243	2,658,660	19,583
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	1,123,940	(1,123,940)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	467,204	(467,204)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,591,144	(1,591,144)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,845,491	(167,248)	2,678,243	4,249,804	(1,571,561)
TOTAL UNDISTRIBUTED EXPENDITURES	7,705,404	(52,431)	7,652,973	9,103,005	(1,450,032)
TOTAL GENERAL CURRENT EXPENSE	14,318,048	(58,575)	14,259,473	15,699,873	(1,440,400)
CAPITAL OUTLAY					
Equipment					
Operation & Maint. Of plant serv.	-	-	-	-	-
Regular Programs - Instruction:					
Non-instructional equipment	-	67,000	67,000	33,802	33,198
Undistributed Expend. - Required Maint for	-	-	-	-	-
Total Equipment	-	67,000	67,000	33,802	33,198
Facilities Acquisition and Construction Services					
Assessment for debt service on SDA funding	53,219	-	53,219	53,219	-
Total Facilities Acquisition and Construction Services	53,219	-	53,219	53,219	-
TOTAL CAPITAL OUTLAY	53,219	67,000	120,219	87,021	33,198
TOTAL EXPENDITURES	14,371,267	8,425	14,379,692	15,786,894	(1,407,202)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(254,882)	8,425	(263,307)	92,480	(355,787)
Other Financing Sources/Uses:					
Accumulated interest	-	-	-	4,525	(4,525)
Total Other Financing Sources:	-	-	-	4,525	(4,525)
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures & Other Financing Sources (Uses)	(254,882)	8,425	(263,307)	97,005	(360,312)
Fund Balance, July 1	1,821,694		1,821,694	1,821,694	-
Fund Balance, June 30	\$ 1,566,812	\$ 8,425	\$ 1,558,387	\$ 1,918,699	\$ (360,312)

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				200,000	
Maintenance reserve				830,000	
Tuition reserve				200,000	
Excess surplus - Designated for subsequent year's expenditures				183,201	
Excess surplus - Current year				144,142	
Committed Fund Balance:					
Year-end encumbrances				-	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				26,186	
Unassigned Fund Balance				335,170	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				(40,925)	
Fund balance per governmental funds (GAAP)				\$ 294,245	

POINT PLEASANT BEACH 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	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	95,119	34,825	129,944	108,349	(21,595)
Federal sources	242,738	139,958	382,696	364,838	(17,858)
Total Revenues	337,857	174,783	512,640	473,187	(39,453)
EXPENDITURES					
Instruction:					
Salaries of teachers	242,738	(144,036)	98,702	98,702	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	67,553	258,201	325,754	294,806	30,948
General supplies	-	-	-	-	-
Technology	-	5,772	5,772	5,760	12
Supplies NP	-	2,072	2,072	2,072	-
Tuition	-	-	-	-	-
Textbooks	10,635	2,041	12,676	12,676	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	320,926	124,050	444,976	414,016	30,960
Support services:					
Other support services					
students - special:					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional development	-	20,324	20,324	18,981	1,343
Purchased professional services	-	-	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	-	23,888	23,888	23,888	-
Travel	-	-	-	-	-
Nursing services	16,931	6,521	23,452	16,302	7,150
Miscellaneous purchased services	-	-	-	-	-
Personal services	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	16,931	50,733	67,664	59,171	8,493
Facilities acquisition and const. serv.:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total expenditures	337,857	174,783	512,640	473,187	39,453
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	337,857	174,783	512,640	473,187	39,453
Excess (deficiency) of revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				-	
Fund balance per governmental funds (GAAP)				\$ -	

POINT PLEASANT BEACH 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]	\$ 15,879,374	[C-2]	\$ 473,187
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(513,045)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		40,575		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(40,925)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 15,365,979	[B-2]	\$ 473,187
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 15,786,894	[C-2]	\$ 473,187
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(513,045)		
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.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 15,273,849	[B-2]	\$ 473,187

REQUIRED SUPPLEMENTARY INFORMATION - PART III

POINT PLEASANT BEACH 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	0.0211607293%	0.0223874468%
District's proportionate share of the net pension liability	\$ 4,154,339	\$ 5,223,587
District's covered-employee payroll	1,505,817	1,422,969
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	36.25%	27.24%
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 BEACH 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	\$ 174,446	\$ 192,472
Contributions in relation to the contractually required contribution	<u>174,446</u>	<u>192,472</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,505,817	\$ 1,422,969
Contributions as a percentage of covered-employee payroll	11.58%	13.53%

* 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 BEACH 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 proportion of the net pension liability	0.0660394279%	0.0641240344%
District's proportionate share of the net pension liability	\$ 35,295,925	\$ 40,529,128
District's covered-employee payroll	6,668,291	6,487,932
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	18.89%	16.01%
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 Beach School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2016

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

	Title I Part A 15/16	IDEA Part B -Preschool 15/16	Title II Part A/D 15/16	IDEA-Part B Basic 15/16	Nonpublic Security 15/16
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	5,550
Federal sources	<u>117,839</u>	<u>6,823</u>	<u>18,981</u>	<u>221,195</u>	<u>-</u>
Total revenues	<u>117,839</u>	<u>6,823</u>	<u>18,981</u>	<u>221,195</u>	<u>5,550</u>
Expenditures:					
Instruction:					
Salaries of teachers	91,879	6,823	-	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	221,195	5,550
General supplies	-	-	-	-	-
Technology	-	-	-	-	-
Supplies NP	2,072	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	<u>93,951</u>	<u>6,823</u>	<u>-</u>	<u>221,195</u>	<u>5,550</u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional Development	-	-	18,981	-	-
Purchased professional services	-	-	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	23,888	-	-	-	-
Travel	-	-	-	-	-
Nursing Svcs	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-
Personal Services	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	<u>23,888</u>	<u>-</u>	<u>18,981</u>	<u>-</u>	<u>-</u>
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 117,839</u>	<u>\$ 6,823</u>	<u>\$ 18,981</u>	<u>\$ 221,195</u>	<u>\$ 5,550</u>

(Continued on next page)

POINT PLEASANT BEACH 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)

	Nonpublic Technology 15/16	Title 192 15/16	Nonpublic Textbooks 15/16	Nonpublic Nursing 15/16	Total 2016
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	5,760	68,061	12,676	16,302	108,349
Federal sources	-	-	-	-	364,838
Total revenues	<u>5,760</u>	<u>68,061</u>	<u>12,676</u>	<u>16,302</u>	<u>473,187</u>
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	98,702
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	68,061	-	-	294,806
General supplies	-	-	-	-	-
Technology	5,760	-	-	-	5,760
Supplies NP	-	-	-	-	2,072
Tuition	-	-	-	-	-
Textbooks	-	-	12,676	-	12,676
Miscellaneous expenses	-	-	-	-	-
Total instruction	<u>5,760</u>	<u>68,061</u>	<u>12,676</u>	<u>-</u>	<u>414,016</u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional Development	-	-	-	-	18,981
Purchased professional services	-	-	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	-	-	-	-	23,888
Travel	-	-	-	-	-
Nursing Svcs	-	-	-	16,302	16,302
Miscellaneous purchased services	-	-	-	-	-
Personal Services	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,302</u>	<u>59,171</u>
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 5,760</u>	<u>\$ 68,061</u>	<u>\$ 12,676</u>	<u>\$ 16,302</u>	<u>\$ 473,187</u>

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

Project Title/Issue	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2016
		Prior Years	Current Year	
High School Renovations	\$ 7,185,556	-	948,134	\$ 6,237,422
Elementary School Renovations	2,593,958	-	-	2,593,958
Roofing and Parking Lot	120,486	-	-	120,486
	<u>\$ 9,900,000</u>	<u>-</u>	<u>948,134</u>	<u>\$ 8,951,866</u>

POINT PLEASANT BEACH 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

Bond proceeds and transfers	\$ 2,500,000
Total revenues	2,500,000

Expenditures and Other Financing Uses

Purchased professional and technical services	546,190
Construction services	401,944
Transfer to debt service fund	-
Total expenditures	948,134

Excess of revenues over expenditures	1,551,866
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Fund balance - beginning	-
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Fund balance - ending	\$ 1,551,866
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POINT PLEASANT BEACH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 High School Renovations
 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	-	1,814,534	1,814,534	7,185,556
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>-</u>	<u>1,814,534</u>	<u>1,814,534</u>	<u>7,185,556</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	-	546,190	546,190	600,000
Land and improvements	-	-	-	-
Other Objects	-	-	-	-
Construction Services	-	401,944	401,944	6,585,556
Transfer to debt service fund	-	-	-	-
Total expenditures	<u>-</u>	<u>948,134</u>	<u>948,134</u>	<u>7,185,556</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 866,400</u>	<u>\$ 866,400</u>	<u>\$ -</u>

Additional project information:

Project Number	4220-050-15-1000
Grant Date	N/A
Bond Authorization Date	5/23/2016
Bonds Authorized	\$ 7,185,556
Bonds Issued	N/A
Original Authorized Cost	\$ 7,185,556
Additional Authorized Cost	-
Revised Authorized Cost	\$ 7,185,556
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	13%
Original target completion date	8/30/2017
Revised target completion date	8/30/2017

POINT PLEASANT BEACH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Elementary School Renovations
 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	-	655,040	655,040	2,593,958
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	-	655,040	655,040	2,593,958
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	-	-	-	228,138
Land and improvements	-	-	-	-
Other Objects	-	-	-	-
Construction Services	-	-	-	2,365,820
Transfer to debt service fund	-	-	-	-
Total expenditures	-	-	-	2,593,958
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 655,040	\$ 655,040	\$ -

Additional project information:

Project Number	4220-060-15-1000
Grant Date	N/A
Bond Authorization Date	5/23/2016
Bonds Authorized	\$ 2,593,958
Bonds Issued	N/A
Original Authorized Cost	\$ 2,593,958
Additional Authorized Cost	-
Revised Authorized Cost	\$ 2,593,958
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original target completion date	8/30/2017
Revised target completion date	8/30/2017

POINT PLEASANT BEACH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Roofing and Parking Lot
From Inception and for the Year Ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing				
Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	30,426	30,426	120,486
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>-</u>	<u>30,426</u>	<u>30,426</u>	<u>120,486</u>
Expenditures and Other Financing				
Uses				
Purchased prof. and tech. services	-	-	-	15,000
Land and improvements	-	-	-	-
Other Objects	-	-	-	-
Construction Services	-	-	-	105,486
Transfer to debt service fund	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,486</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 30,426</u>	<u>\$ 30,426</u>	<u>\$ -</u>

Additional project information:

Project Number	4220-X01-15-1000
Grant Date	N/A
Bond Authorization Date	5/23/2016
Bonds Authorized	\$ 120,486
Bonds Issued	N/A
Original Authorized Cost	\$ 120,486
Additional Authorized Cost	-
Revised Authorized Cost	\$ 120,486
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original target completion date	8/30/2017
Revised target completion date	8/30/2017

POINT PLEASANT BEACH SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Position
as of June 30, 2016

	<u>Food Services</u>	<u>EBS Technology</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 10,499	\$ 155,057
Accounts receivable:		
Local	-	9,086
State	148	-
Federal	5,000	-
Interfunds	16,078	75,047
Inventories	4,086	-
Total current assets	<u>35,811</u>	<u>239,190</u>
Fixed assets:		
Equipment	-	1,005,594
Accumulated depreciation	-	(775,280)
Total fixed assets	<u>-</u>	<u>230,314</u>
Total assets	<u>\$ 35,811</u>	<u>\$ 469,504</u>
Liabilities and Net Position		
Liabilities:		
Accounts payable	\$ 9,600	\$ -
Lease payable	-	200,977
Total liabilities	<u>9,600</u>	<u>200,977</u>
Net position:		
Net investment in capital assets	-	29,337
Restricted for other purposes	-	-
Unassigned	26,211	239,190
Total net position	<u>26,211</u>	<u>268,527</u>
Total liabilities and net position	<u>\$ 35,811</u>	<u>\$ 469,504</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Revenues, Expenses and
Changes in Net Position
for the Fiscal Years ended June 30, 2016

	<u>Food Services</u>	<u>EBS Technology</u>
Operating revenues:		
Local sources:		
Daily sales-reimbursable programs:		
School lunch program	\$ 136,334	\$ -
Total-daily sales-reimbursable programs	136,334	-
Daily sales non-reimbursable programs	22,527	-
Technology fee	-	-
EBS licensing revenue	-	109,494
Total operating revenues	<u>158,861</u>	<u>109,494</u>
Operating expenses:		
Salaries	114,900	-
Management fee	9,600	-
Cost of sales	131,405	-
Depreciation	-	80,109
Miscellaneous	-	1,562
Interest expense	-	7,451
Total operating expenses	<u>255,905</u>	<u>89,122</u>
Operating income (loss)	<u>(97,044)</u>	<u>20,372</u>
Nonoperating revenues:		
State sources:		
State school lunch program	2,066	-
Federal sources:		
National school lunch program	64,341	-
Food distribution program	18,913	-
Special milk program	-	-
Loss on sale of computers	-	-
Interest income	27	149
Total nonoperating revenues	<u>85,347</u>	<u>149</u>
Change in net position	(11,697)	20,521
Transfer in	-	-
Total net position beginning	<u>37,908</u>	<u>248,006</u>
Total net position ending	<u>\$ 26,211</u>	<u>\$ 268,527</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Years ended June 30, 2016

	<u>Food Services</u>	<u>EBS Technology</u>
Cash Flows from Operating Activities:		
Operating loss	\$ (97,044)	\$ 20,372
Adjustments to reconcile operating loss to cash provided by (used in) operating activities:		
Depreciation expense	-	80,109
Loss on disposal of fixed assets	-	-
Food distribution program	18,913	-
Change in assets and liabilities:		
Decrease in inventory	872	-
(Increase)/decrease in local receivable	6,277	(9,086)
Increase in interfund receivable	(10,473)	(1)
Increase in accounts payable	1,085	-
	<u>(80,370)</u>	<u>91,394</u>
Net cash provided by (used) in operating activities		
Cash Flows from Noncapital Financing Activities:		
Transfer out	-	
Interest income	27	149
Cash received from state and federal reimbursements	66,407	-
	<u>66,434</u>	<u>149</u>
Net cash provided by noncapital financing activities		
Cash flows from Capital Activities:		
Payments on lease payable	-	(96,824)
Sale of equipment	-	-
Purchase of equipment	-	-
	<u>-</u>	<u>(96,824)</u>
Net cash used in capital activities		
Net increase in cash and cash equivalents	(13,936)	(5,281)
Cash and cash equivalents, July 1	24,435	160,338
Cash and cash equivalents, June 30	<u>\$ 10,499</u>	<u>\$ 155,057</u>
Non-cash transaction:		
Equipment purchased through lease	<u>\$ -</u>	<u>\$ -</u>

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

	Trust		Student Activity	Agency	
	Unemployment Compensation Trust	Total Trust		Agency Fund	Total Agency
ASSETS					
Cash and cash equivalents	\$ 45,417	\$ 45,417	\$ 188,158	\$ 613,188	\$ 801,346
Intergovernmental accounts receivable	-	-	-	-	-
Interfund receivable	-	-	-	-	-
Total assets	<u>45,417</u>	<u>45,417</u>	<u>188,158</u>	<u>613,188</u>	<u>801,346</u>
LIABILITIES					
Accrued salaries and wages	-	-	-	350,300	350,300
Payroll deductions and withholdings	-	-	-	123,598	123,598
Payable to student groups	-	-	188,158	-	188,158
Interfund payable	-	-	-	139,290	139,290
Due to County Office	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>188,158</u>	<u>613,188</u>	<u>801,346</u>
NET POSITION					
Held in trust for unemployment claims and other purposes	45,417	45,417	-	-	-
Reserved for scholarships	-	-	-	-	-
Total net position	<u>45,417</u>	<u>45,417</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 45,417</u>	<u>\$ 45,417</u>	<u>\$ 188,158</u>	<u>\$ 613,188</u>	<u>\$ 801,346</u>

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

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ -
Other	-
Total Contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	59
Dividends	-
Less investment expense	-
Net investment earnings	59
Total additions	59
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	-
Change in net position	59
Net position—beginning of the year	45,358
Net position—end of the year	\$ 45,417

POINT PLEASANT BEACH SCHOOL DISTRICT
 Student Activity Agency Fund
 Statement of Activity
 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>
Elementary School	\$ 35,219	165,284	143,901	\$ 56,602
High School	<u>151,870</u>	<u>519,279</u>	<u>539,593</u>	<u>131,556</u>
Total all schools	<u>\$ 187,089</u>	<u>684,563</u>	<u>683,494</u>	<u>\$ 188,158</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
 Payroll Agency Fund
 Statement of Changes in Assets and Liabilities
 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	\$ 629,176	11,236,144	11,252,132	\$ 613,188
Total assets	<u>\$ 629,176</u>	<u>11,236,144</u>	<u>11,252,132</u>	<u>\$ 613,188</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 92,345	3,595,566	3,564,313	\$ 123,598
Accrued salaries and wages	397,541	7,640,578	7,687,819	350,300
Interfund payable	139,290	-	-	139,290
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 629,176</u>	<u>11,236,144</u>	<u>11,252,132</u>	<u>\$ 613,188</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
 Long-Term Debt
 Statement of Serial Bonds
 for the Fiscal Years ended June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest rate	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
Renovation of Elementary School	2/1/2006	\$ 5,434,000	1/13/2017	405,000	3.70%				
			1/13/2018	420,000	3.70%				
			1/13/2019	435,000	3.70%				
			1/13/2020	455,000	3.70%				
			1/12/2021	475,000	3.70%	2,575,000	-	385,000	2,190,000
2010 Refunding of 2001 Bond series	12/10/2010	\$ 2,345,000	7/15/2016	485,000	2.50%	955,000	-	470,000	485,000
			2016 Temporary Notes	1/19/2016	\$ 2,500,000	7/21/2016	2,500,000	1.50%	-
						<u>\$ 3,530,000</u>	<u>\$ 2,500,000</u>	<u>\$ 855,000</u>	<u>\$ 5,175,000</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
 Long-Term Debt
 Statement of Obligations Under Capital Leases
 June 30, 2016

<u>Date of Issue</u>	<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Principal Balance July 1, 2015</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Adjustment</u>	<u>Principal Balance Outstanding June 30, 2016</u>
4/11/14	Apple computer lease	2.50%	400,544	<u>297,801</u>	<u>-</u>	<u>96,824</u>		<u>200,977</u>
				<u>\$ 297,801</u>	<u>\$ -</u>	<u>\$ 96,824</u>	<u>\$ -</u>	<u>\$ 200,977</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
for the Fiscal Years ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 967,688	\$ -	\$ 967,688	\$ 967,688	\$ -
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	-	-	-	-	-
Total Revenues	967,688	-	967,688	967,688	-
EXPENDITURES:					
Regular Debt Service:					
Interest	112,688	-	112,688	112,688	-
Redemption of Principal	855,000	-	855,000	855,000	-
Total Regular Debt Service	967,688	-	967,688	967,688	-
Total expenditures	967,688	-	967,688	967,688	-
Excess of Revenues Over 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 Beach School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
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.	96-100
Revenue Capacity	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	101-104
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.	105-108
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.	109-110
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.	111-115

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 BEACH SCHOOL DISTRICT
Net Assets/Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net capital assets	\$ 17,690,225	\$ 18,579,272	\$ 18,934,134	\$ 19,188,686	\$ 19,367,640	\$ 19,676,060	\$ 20,018,320	\$ 20,446,090	\$ 20,850,502	\$ 21,268,526
Restricted	1,423,099	588,789	391,265	497,010	719,171	1,208,810	1,263,474	1,291,481	1,508,083	1,583,529
Unassigned	(205,743)	(288,656)	(346,331)	(345,565)	(216,098)	(244,506)	(227,733)	(211,627)	(4,544,492)	(4,723,933)
Total governmental activities net assets/position	<u>\$ 18,907,581</u>	<u>\$ 18,879,405</u>	<u>\$ 18,979,068</u>	<u>\$ 19,340,131</u>	<u>\$ 19,870,713</u>	<u>\$ 20,640,364</u>	<u>\$ 21,054,061</u>	<u>\$ 21,525,944</u>	<u>\$ 17,814,093</u>	<u>\$ 18,128,122</u>
Business-type activities										
Net capital assets	\$ 7,344	\$ 139,386	\$ 196,279	\$ 191,799	\$ 150,097	\$ 98,367	\$ 46,576	\$ (110,178)	\$ 12,622	\$ 29,337
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	526,254	416,914	291,878	255,447	276,549	235,781	262,667	367,464	273,292	265,401
Total business-type activities net assets/position	<u>\$ 533,598</u>	<u>\$ 556,300</u>	<u>\$ 488,157</u>	<u>\$ 447,246</u>	<u>\$ 426,646</u>	<u>\$ 334,148</u>	<u>\$ 309,243</u>	<u>\$ 257,286</u>	<u>\$ 285,914</u>	<u>\$ 294,738</u>
District-wide										
Net capital assets	\$ 17,697,569	\$ 18,718,658	\$ 19,130,413	\$ 19,380,485	\$ 19,517,737	\$ 19,774,427	\$ 20,064,896	\$ 20,335,912	\$ 20,863,124	\$ 21,297,863
Restricted	1,423,099	588,789	391,265	497,010	719,171	1,208,810	1,263,474	1,291,481	1,508,083	1,583,529
Unassigned	320,511	128,258	(54,453)	(90,118)	60,451	(8,725)	34,934	155,837	(4,271,200)	(4,458,532)
Total district net assets/position	<u>\$ 19,441,179</u>	<u>\$ 19,435,705</u>	<u>\$ 19,467,225</u>	<u>\$ 19,787,377</u>	<u>\$ 20,297,359</u>	<u>\$ 20,974,512</u>	<u>\$ 21,363,304</u>	<u>\$ 21,783,230</u>	<u>\$ 18,100,007</u>	<u>\$ 18,422,860</u>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Current:										
Regular instruction	\$ (4,127,250)	\$ (4,268,562)	\$ (4,383,688)	\$ (4,536,753)	\$ (4,602,596)	\$ (4,774,063)	\$ (4,589,635)	\$ (4,641,838)	\$ (4,921,786)	\$ (4,942,891)
Special schools instruction	(962,458)	(1,021,073)	(1,002,427)	(988,846)	(1,067,875)	(1,089,601)	(1,150,223)	(1,331,698)	(1,318,668)	(1,228,211)
Other special instruction	(643,903)	(678,512)	(715,317)	(741,070)	(702,175)	(759,124)	(776,108)	(802,664)	(837,216)	(839,782)
Support services and undistributed costs:										
Instruction	(201,317)	(266,182)	(315,766)	(360,499)	(339,214)	(363,618)	(386,703)	(355,828)	(319,859)	(462,618)
Attendance	(74,406)	(78,545)	(124,999)	(141,526)	(170,134)	(174,248)	(179,947)	(216,904)	(222,074)	(254,817)
Health services	(234,581)	(192,490)	(224,486)	(284,491)	(309,749)	(340,220)	(348,477)	(373,503)	(423,584)	(426,868)
Other support services	(803,932)	(933,910)	(978,258)	(1,187,339)	(882,517)	(648,252)	(981,075)	(825,300)	(754,145)	(917,724)
Educational media services	(75,712)	(80,514)	(139,382)	(184,759)	(197,853)	(206,286)	(213,633)	(217,794)	(216,829)	(233,983)
Instruction staff training	-	-	-	-	-	-	-	-	-	-
General administrative services	(332,331)	(328,127)	(324,326)	(339,506)	(297,585)	(286,281)	(304,334)	(327,909)	(331,203)	(304,192)
Central services	(397,870)	(394,368)	(398,941)	(421,889)	(410,715)	(386,592)	(399,959)	(411,485)	(422,098)	(406,054)
School administrative services	(33,608)	(335,468)	(290,637)	(294,694)	(293,716)	(273,850)	(290,501)	(272,808)	(263,147)	(261,994)
Admin info technology	(56,241)	(82,427)	(94,094)	(144,108)	(86,822)	(245,482)	(252,489)	(180,034)	(90,838)	(113,265)
Allowed maintenance for school facilities	(1,491,395)	(1,625,415)	(1,741,295)	(1,696,834)	(1,789,325)	(1,536,035)	(1,559,996)	(1,613,088)	(1,711,983)	(1,723,088)
Other operation & maintenance of plant	(192,201)	(236,715)	(241,352)	(161,806)	(200,706)	(252,871)	(305,212)	(319,328)	(322,118)	(322,133)
Student transportation services	(281,149)	-	-	-	-	-	-	-	-	-
Business and other support services	(2,063,653)	(2,089,796)	(2,055,789)	(2,031,232)	(1,967,115)	(2,160,115)	(2,215,597)	(2,313,007)	(2,502,584)	(2,842,191)
Unallocated employee benefits	-	-	-	-	-	-	-	-	-	-
Non-budgeted expenditures	(1,139,658)	(1,407,192)	(838,697)	(880,468)	(900,956)	(1,080,324)	(1,364,798)	(1,173,008)	(1,035,989)	(1,078,099)
Special schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	(374,877)	(351,907)	(328,301)	(303,737)	(315,560)	(213,870)	(188,127)	(167,980)	(145,948)	(139,170)
Total governmental activities expenses	<u>(13,486,542)</u>	<u>(14,311,203)</u>	<u>(14,197,355)</u>	<u>(14,699,557)</u>	<u>(14,534,613)</u>	<u>(14,790,832)</u>	<u>(15,506,814)</u>	<u>(15,544,176)</u>	<u>(15,839,869)</u>	<u>(16,497,080)</u>
Business-type activities:										
Food service	\$ (361,487)	\$ (365,605)	\$ (458,143)	\$ (433,153)	\$ (410,391)	\$ (510,370)	\$ (413,087)	\$ (439,319)	\$ (354,213)	\$ (345,027)
Total business-type activities expense	<u>(361,487)</u>	<u>(365,605)</u>	<u>(458,143)</u>	<u>(433,153)</u>	<u>(410,391)</u>	<u>(510,370)</u>	<u>(413,087)</u>	<u>(439,319)</u>	<u>(354,213)</u>	<u>(345,027)</u>
Total district expenses	<u>\$ (13,848,029)</u>	<u>\$ (14,736,808)</u>	<u>\$ (14,655,898)</u>	<u>\$ (15,132,710)</u>	<u>\$ (14,945,004)</u>	<u>\$ (15,301,202)</u>	<u>\$ (15,919,901)</u>	<u>\$ (15,983,495.00)</u>	<u>\$ (16,194,082.00)</u>	<u>\$ (16,842,107)</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,139,658	1,407,192	838,697	880,468	900,956	1,080,324	1,364,798	1,173,008	1,035,989	1,078,099
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>1,139,658</u>	<u>1,407,192</u>	<u>838,697</u>	<u>880,468</u>	<u>900,956</u>	<u>1,080,324</u>	<u>1,364,798</u>	<u>1,173,008</u>	<u>1,035,989</u>	<u>1,078,099</u>
Business-type activities:										
Charges for services										
Food service	\$ 835,357	\$ 334,711	\$ 350,255	\$ 339,654	\$ 331,601	\$ 334,958	\$ 273,076	\$ 295,027	\$ 292,720	\$ 268,355
Internal Service Fund	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	43,362	38,348	39,547	52,022	56,766	82,842	114,933	92,153	89,944	85,320
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>878,719</u>	<u>373,059</u>	<u>389,802</u>	<u>391,676</u>	<u>388,367</u>	<u>417,800</u>	<u>388,009</u>	<u>387,180</u>	<u>382,664</u>	<u>353,675</u>
Total district program revenues	<u>\$ 2,018,377</u>	<u>\$ 1,780,251</u>	<u>\$ 1,228,499</u>	<u>\$ 1,272,144</u>	<u>\$ 1,289,323</u>	<u>\$ 1,498,124</u>	<u>\$ 1,752,807</u>	<u>\$ 1,560,188</u>	<u>\$ 1,418,653</u>	<u>\$ 1,431,774</u>
Net (Expense)/Revenue										
Governmental activities	\$ (12,346,884)	\$ (12,964,011)	\$ (13,359,058)	\$ (13,819,089)	\$ (13,633,657)	\$ (13,710,508)	\$ (14,142,016)	\$ (14,371,168)	\$ (14,803,880)	\$ (15,418,981)
Business-type activities	517,232	7,454	(68,341)	(41,477)	(22,024)	(92,570)	(25,078)	(52,139)	28,451	8,648
Total district-wide net expense	<u>\$ (11,829,652)</u>	<u>\$ (12,956,557)</u>	<u>\$ (13,427,399)</u>	<u>\$ (13,860,566)</u>	<u>\$ (13,655,681)</u>	<u>\$ (13,803,078)</u>	<u>\$ (14,167,094)</u>	<u>\$ (14,423,307)</u>	<u>\$ (14,775,429)</u>	<u>\$ (15,410,333)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 8,689,532	\$ 8,936,113	\$ 9,293,558	\$ 9,665,300	\$ 10,483,546	\$ 10,595,936	\$ 10,807,855	\$ 11,065,070	\$ 11,556,952	\$ 11,915,714
Taxes levied for debt service	970,614	963,644	965,047	965,472	969,946	965,974	955,738	965,083	971,315	967,688
Unrestricted grants and contributions	766,571	818,868	735,300	709,920	316,096	439,214	526,150	504,787	518,062	532,370
Restricted grants and contributions	353,201	434,460	406,784	583,342	387,056	382,798	416,570	424,870	424,856	473,187
Tuition revenue	1,426,296	1,669,918	2,010,352	2,037,167	1,967,368	1,748,922	1,799,385	1,736,084	1,736,539	1,766,266
Miscellaneous income	214,836	67,030	30,341	202,749	35,814	346,472	43,513	144,141	222,184	69,477
Investment earnings	141,465	45,802	17,339	6,202	10,010	843	905	3,016	2,340	8,578
Total governmental activities	<u>12,562,515</u>	<u>12,935,835</u>	<u>13,458,721</u>	<u>14,170,152</u>	<u>14,189,836</u>	<u>14,480,159</u>	<u>14,550,116</u>	<u>14,843,051</u>	<u>15,432,248</u>	<u>15,733,280</u>
Business-type activities:										
Investment earnings	\$ 409	\$ 15,248	\$ 198	\$ 566	\$ 1,424	\$ 70	\$ 173	\$ 182	\$ 177	\$ 176
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>409</u>	<u>15,248</u>	<u>198</u>	<u>566</u>	<u>1,424</u>	<u>70</u>	<u>173</u>	<u>182</u>	<u>177</u>	<u>176</u>
Total district-wide	<u>\$ 12,562,924</u>	<u>\$ 12,951,083</u>	<u>\$ 13,458,919</u>	<u>\$ 14,170,718</u>	<u>\$ 14,171,260</u>	<u>\$ 14,480,229</u>	<u>\$ 14,550,289</u>	<u>\$ 14,843,233</u>	<u>\$ 15,432,425</u>	<u>\$ 15,733,456</u>
Change in Net Assets/Position										
Governmental activities	\$ 215,631	\$ (28,176)	\$ 99,663	\$ 351,063	\$ 536,179	\$ 769,651	\$ 408,100	\$ 471,883	\$ 628,368	\$ 314,299
Business-type activities	517,641	22,702	(68,143)	(40,911)	(20,600)	(92,500)	(24,905)	(51,957)	28,628	8,824
Total district	<u>\$ 733,272</u>	<u>\$ (5,474)</u>	<u>\$ 31,520</u>	<u>\$ 310,152</u>	<u>\$ 515,579</u>	<u>\$ 677,151</u>	<u>\$ 383,195</u>	<u>\$ 419,926</u>	<u>\$ 656,996</u>	<u>\$ 323,123</u>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 535,552	\$ 406,377	\$ 127,905	\$ 106,755	\$ 719,171	\$ 1,208,810	\$ 1,263,474	\$ 1,291,481	\$ 1,508,083	\$ 1,583,529
Unreserved	221,862	221,574	183,729	205,290	291,047	255,219	248,511	265,976	273,036	294,245
Total general fund	<u>\$ 757,414</u>	<u>\$ 627,951</u>	<u>\$ 311,634</u>	<u>\$ 312,045</u>	<u>\$ 1,010,218</u>	<u>\$ 1,464,029</u>	<u>\$ 1,511,985</u>	<u>\$ 1,557,457</u>	<u>\$ 1,781,119</u>	<u>\$ 1,877,774</u>
All Other Governmental Funds										
Reserved	\$ 2,687,597	\$ 182,412	\$ 3,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	(50)	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	1,551,866
Debt service fund	-	-	-	-	5,597	5,597	-	-	-	-
Permanent fund										
Total all other governmental funds	<u>\$ 2,687,547</u>	<u>\$ 182,412</u>	<u>\$ 3,069</u>	<u>\$ -</u>	<u>\$ 5,597</u>	<u>\$ 5,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,551,866</u>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 9,660,146	\$ 9,899,757	\$ 10,258,605	\$ 10,630,772	\$ 11,453,492	\$ 11,561,910	\$ 11,763,593	\$ 12,030,153	\$ 12,528,267	\$ 12,883,402
Tuition charges	1,426,296	1,669,918	2,010,352	2,037,167	1,967,368	1,748,922	1,799,385	1,736,084	1,736,539	1,766,266
Interest earnings	141,465	45,802	17,339	6,202	10,010	843	905	3,016	2,340	8,578
Miscellaneous	214,836	67,030	30,341	202,749	35,814	346,472	43,513	144,141	222,184	69,477
State sources	2,018,654	2,347,666	1,704,145	1,726,630	1,268,955	1,614,273	1,945,389	1,787,067	1,671,555	1,718,818
Federal sources	240,776	312,854	276,636	457,100	335,153	288,063	319,964	315,598	307,352	364,838
Total revenue	13,702,173	14,343,027	14,297,418	15,060,620	15,070,792	15,560,483	15,872,749	16,016,059	16,468,237	16,811,379
Expenditures										
Current:										
Regular instruction	4,127,250	4,268,562	4,383,688	4,536,753	4,602,596	4,774,063	4,589,635	4,641,838	4,921,786	4,942,891
Special education instruction	962,458	1,021,073	1,002,427	988,846	1,067,875	1,089,601	1,150,223	1,331,698	1,318,468	1,228,211
Other special instruction	643,903	678,512	715,317	741,070	702,175	759,124	776,108	802,664	837,216	839,782
Support services and undistributed costs:										
Instruction	201,317	266,182	315,766	360,499	339,214	363,618	386,703	355,828	319,859	462,618
Attendance	74,406	78,545	124,999	141,526	170,134	174,248	179,947	216,904	222,074	254,817
Health services	234,581	192,490	224,486	284,491	309,749	340,220	348,477	373,503	423,584	426,868
Other support services	803,932	933,910	978,258	1,187,339	882,517	648,252	981,075	825,300	754,145	917,724
Educational media services	75,712	80,514	139,382	184,759	197,853	206,286	213,633	217,794	216,829	233,983
Instruction staff training	-	-	-	-	-	-	-	-	-	-
General administrative services	332,331	328,127	324,326	339,506	297,585	286,281	304,334	327,909	331,203	304,192
School administrative services	397,870	394,368	398,941	421,889	410,715	386,592	399,959	411,485	422,098	406,054
Information technology	33,608	335,468	290,637	294,694	293,716	273,850	290,501	272,808	263,147	261,994
Allowed maintenance for school	56,241	82,427	94,094	144,108	86,822	245,482	252,489	180,034	90,838	113,265
Other operation & maintenance o	1,065,044	1,167,021	1,279,282	1,283,694	1,212,713	1,037,227	1,065,051	1,161,637	1,201,740	1,208,724
Student transportation services	192,201	236,715	241,352	161,806	200,706	252,871	305,212	319,328	322,118	322,133
Business and other support serv	281,149	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	1,926,434	2,007,171	2,035,950	2,010,437	2,010,834	2,167,535	2,210,179	2,340,547	2,502,878	2,658,660
Non-budgeted expenditures	1,139,658	1,407,192	838,697	880,468	900,956	1,080,324	1,364,798	1,173,008	1,035,989	1,078,099
Special schools	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	595,737	611,737	636,737	661,735	691,737	761,737	781,737	806,736	835,000	855,000
Interest and other charges	374,877	351,907	328,301	303,737	235,602	204,237	179,598	158,347	136,315	112,688
Capital outlay	5,439,506	2,535,704	180,138	5,957	106,768	55,124	50,731	53,219	89,288	1,035,155
Total expenditures	18,958,215	16,977,625	14,532,778	14,933,314	14,720,267	15,106,672	15,830,390	15,970,587	16,244,575	17,662,858
Excess (deficiency) of revenues over (under) expenditures	(5,256,042)	(2,634,598)	(235,360)	127,306	350,525	453,811	42,359	45,472	223,662	(851,479)
Other Financing sources (uses)										
FEMA Aid	-	-	-	-	-	-	42,165	-	-	-
Sale of bonds	-	-	-	-	-	-	-	-	-	2,500,000
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	2,345,000	-	-	-	-	-
Payments to escrow agent	-	-	-	-	(2,382,019)	-	(42,165)	-	-	-
Transfers in	141,465	23,863	5,839	928	-	-	-	-	-	4,525
Transfers out	(141,465)	(23,863)	(5,839)	(928)	-	-	-	-	-	(4,525)
Total other financing sources (uses)	-	-	-	-	(37,019)	-	-	-	-	2,500,000
Net change in fund balances	(5,256,042)	(2,634,598)	(235,360)	127,306	313,506	453,811	42,359	45,472	223,662	1,648,521
Debt service as a percentage of noncapital expenditures	4.41%	4.24%	4.44%	4.43%	4.73%	5.06%	4.95%	5.07%	5.17%	5.14%
Source: District records										

POINT PLEASANT BEACH SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
UNAUDITED

Fiscal Year Ending June 30,	Tuition	Transportation	Interest on Investments	Prior Year Refunds	Rentals	Miscellaneous	Annual Totals
2007	1,426,296	-	-	-	-	212,922	1,639,218
2008	1,669,918	-	21,939	-	-	67,030	1,758,887
2009	2,010,352	-	11,500	-	-	30,341	2,052,193
2010	2,037,167	-	5,274	-	-	202,749	2,245,190
2011	-	-	525	-	-	85,000	85,525
2012	1,748,922	-	843	-	-	346,472	2,096,237
2013	1,799,385	-	905	-	-	43,513	1,843,803
2014	465,418	-	905	-	-	144,141	610,464
2015	595,363	-	2,517	-	-	222,184	820,064
2016	619,553	-	8,754	-	-	69,477	697,784

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	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	82,184,400	495,839,900	-	-	510,319,100	-	20,941,600	1,109,285,000	125,142,980	611,853	984,753,873	5,524,473	0.387
2008	95,929,700	1,939,485,200	-	-	503,915,800	-	15,557,500	2,554,888,200	127,013,600	643,577	2,428,518,177	2,417,985,047	0.402
2009	88,482,500	1,948,969,850	-	-	491,688,300	-	15,202,900	2,544,343,550	131,215,700	684,138	2,413,811,988	2,450,702,000	0.418
2010	95,255,000	1,942,089,980	-	-	481,993,000	14,195,300	496,188,300	3,029,721,580	130,642,900	667,244	2,899,745,924	2,363,907,845	0.448
2011	85,367,400	1,936,501,300	-	-	437,524,700	-	14,195,250	2,473,588,650	130,642,900	1,629,103	2,344,574,853	2,532,643,224	0.464
2012	78,410,100	1,933,842,500	-	-	439,209,200	-	14,195,200	2,465,657,000	130,642,900	525,153	2,335,539,253	2,303,771,826	0.475
2013	56,034,800	1,480,160,500	-	-	327,543,200	-	12,110,700	1,875,849,200	113,658,000	210,914	1,762,402,114	2,061,599,297	0.637
2014	94,330,400	1,485,734,900	-	-	335,788,000	-	12,655,900	1,928,509,200	113,491,300	363,997	1,815,381,897	2,127,374,246	0.646
2015	95,046,200	1,504,470,600	-	-	338,044,400	-	12,779,100	1,950,340,300	114,340,300	363,997	1,836,363,997	2,065,287,933	0.657
2016	87,840,600	1,535,585,500	-	-	338,309,800	-	12,779,100	1,974,515,000	113,721,000	363,997	1,860,794,000	2,095,085,265	0.659

Source: Municipal Tax Assessor

* A revaluation was enacted for 2007

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

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

POINT PLEASANT BEACH SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Per \$100 of Assessed Valuation
Last ten fiscal years
UNAUDITED

Assessment Year	Pt. Pleasant Beach School District	Pt. Pleasant Beach Township	Ocean County	Total
2007	0.387	0.177	0.264	0.828
2008	0.402	0.221	0.282	0.905
2009	0.418	0.226	0.292	0.936
2010	0.448	0.242	0.315	1.005
2011	0.464	0.262	0.318	1.044
2012	0.475	0.292	0.331	1.098
2013	0.637	0.393	0.414	1.444
2014	0.646	0.404	0.449	1.499
2015	0.657	0.409	0.440	1.506
2016	0.659	0.417	0.442	1.518

Source: Tax Collector

POINT PLEASANT BEACH SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Nine Years Ago
UNAUDITED

	2016			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Jenkinson's	\$ 92,516,500	1	4.69%	\$ 103,051,680	1	3.68%
Chef's International, Inc.	12,330,400	2	0.63%	16,747,900	4	0.83%
1106 Ocean Ave Inc.	12,088,500	3	0.62%	19,682,400	3	0.91%
Cameryn & Dalton	11,366,200	4	0.58%	-		0.00%
Tower Beacon Gardens	9,158,400	5	0.47%	9,752,500	7	0.49%
Senkle Corporation	8,080,200	6	0.41%	-		0.00%
Risden's Beach Corp.	7,384,500	7	0.38%	14,208,500	5	0.72%
Lammers, William	5,453,300	8	0.28%	7,699,200.00	8	0.46%
DL Real Estate Holdings	5,208,800	9	0.27%	-		0.00%
Bar-Pal Enterprises	4,741,600	10	0.24%	-		0.00%
Total	<u>\$ 168,328,400</u>		<u>8.57%</u>	<u>\$ 171,142,180</u>		<u>7.09%</u>

Source: Municipal Tax Assessor

POINT PLEASANT BEACH SCHOOL DISTRICT
Municipal Property Tax Levies and Collections
Last ten years
UNAUDITED

<u>Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of tax Levy Collected</u>
2007	21,205,122	20,691,113	97.58%
2008	23,221,858	22,633,123	97.46%
2009	23,890,944	23,167,721	96.97%
2010	25,519,529	24,779,817	97.10%
2011	25,930,644	25,336,851	97.71%
2012	27,125,914	26,239,124	96.73%
2013	27,126,805	26,739,057	98.57%
2014	29,051,282	28,613,337	98.49%
2015	29,366,244	29,179,615	98.68%
2016	29,956,331	-	0.00%

Source: Ocean County Board of Taxation

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

Fiscal Year Ended June 30,	Governmental Activities		Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Capital Leases			
2007	9,227,156	-	-	9,227,156	0.004374912	40,368
2008	8,615,419	-	327,771	8,943,190	0.46232944%	41,347
2009	7,978,682	-	240,348	8,219,030	0.49412157%	40,612
2010	7,316,947	-	164,240	7,481,187	0.54388428%	40,689
2011	5,171,736	-	197,430	5,369,166	0.78449800%	42,121
2012	5,953,473	-	290,236	6,243,709	0.68894947%	43,016
2013	5,171,736	-	197,430	5,369,166	0.80485498%	43,214
2014	4,365,000	-	500,710	4,865,710	0.00000000%	-
2015	3,530,000	-	297,801	3,827,801	0.00000000%	-
2016	5,175,000	-	200,977	5,375,977	0.00000000%	-

Note: GASB 44 requires this schedule to list out ten years of data, however only the years listed above are available. As the information becomes available it will be shown until the full ten years is disclosed.

POINT PLEASANT BEACH SCHOOL DISTRICT
 Ratio of Net General Bonded Debt to Assessed
 Value and Net Bonded Debt Per Capita
 Last ten fiscal years
 UNAUDITED

Fiscal Year Ended <u>June 30, ___</u>	School District <u>Population</u>	Net Assessed Valuation <u>Taxable</u>	Net <u>Bonded Debt</u>	Ratio of Bonded Debt to Assessed <u>Value</u>	Net Bonded Debt per <u>Capita</u>
2007	5,416	2,149,149,181	9,227,156	0.43%	1,704
2008	5,429	2,149,149,181	8,615,419	0.40%	1,587
2009	5,445	2,149,149,181	7,978,682	0.37%	1,465
2010	4,670	2,149,149,181	7,316,947	0.34%	1,567
2011	4,677	2,532,643,224	6,715,210	0.27%	1,436
2012	4,680	2,303,771,826	5,953,473	0.26%	1,272
2013	4,646	1,875,849,200	5,953,473	0.32%	1,281
2014	4,640	1,928,553,100	11,640,000	0.60%	2,509
2015	4,640	1,928,553,100	11,640,000	0.60%	2,509
2016	4,665	1,974,515,000	9,640,000	0.49%	2,066

Source: Assessed valuations were provided by the Abstract of Ratables,
 County Board of Taxation.

School district population data was provided by the
 U.S. Bureau of the Census, Population Division.

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

<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			
General Debt	\$ 26,334,362	0.000%	\$ -
Water, Sewer and Utility	5,563,522	0.000%	\$ -
Subtotal, overlapping debt			31,897,884
District Direct Debt			<u>5,175,000</u>
Total direct and overlapping debt			<u><u>\$ 37,072,884</u></u>

Sources: Statutory Audits of Local Government Units and Ocean County Department of Finance.

POINT PLEASANT BEACH SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years
UNAUDITED

	Equalized valuation basis	
	2016	1,974,515,000
	2015	1,928,553,100
	2014	1,875,849,200
	[A]	<u>\$ 5,778,917,300</u>
	[A/3]	\$ 1,926,305,767
Debt limit (4 % of average equalization val)	[B]	77,052,231 a
Total Net Debt Applicable to Limit	[C]	-
Legal debt margin	[B-C]	<u>\$ 77,052,231</u>

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 46,467,378	\$ 46,467,378	46467378	46467378	33,346,580	96,004,305	31,297,302	30,490,459	35,076,819	37,072,884
Total net debt applicable to limit	<u>7,978,682</u>	<u>7,674,058</u>	<u>7,316,947</u>	<u>7,316,947</u>	<u>6,715,210</u>	<u>5,953,473</u>	<u>5,171,736</u>	<u>4,365,000</u>	<u>3,530,000</u>	<u>5,175,000</u>
Legal debt margin	<u>\$ 38,488,696</u>	<u>\$ 38,793,320</u>	<u>\$ 39,150,431</u>	<u>\$ 39,150,431</u>	<u>26,631,370</u>	<u>\$ 90,050,832</u>	<u>\$ 26,125,566</u>	<u>\$ 26,125,459</u>	<u>\$ 31,546,819</u>	<u>\$ 31,897,884</u>
Total net debt applicable to the limit as a percentage of debt limit	17.17%	16.51%	15.75%	15.75%	20.14%	6.20%	16.52%	14.32%	10.06%	13.96%

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

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

Note: GASB 44 requires this schedule to list out ten years of data, however only the years listed above are available. As the information becomes available it will be shown until the full ten years is disclosed.

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2007	5,416	216,867,472	40,042	3.40%
2008	5,429	224,375,141	41,329	4.30%
2009	5,445	216,416,970	39,746	7.10%
2010	4,665	186,133,500	39,900	9.60%
2011	4,651	192,830,460	41,460	9.30%
2012	4,640	197,195,360	42,499	8.00%
2013	4,603	195,963,519	42,573	6.30%
2014	4,567	202,596,687	44,361	5.90%
2015	4,552	-	-	4.60%
2016				

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 BEACH SCHOOL DISTRICT
 Principal Employers,
 Current Year and Nine Years Ago
 UNAUDITED

Employer	2016			2007		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
N/A		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
			-	-		
		-	-			-
		-	-			-
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source:

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

<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	69.5	69.5	69.5	70	66	67	64	64	65	63
Special education teachers	14.0	14.0	14.0	14	16	18.5	18	18	17	18.6
Other special education										
Vocational										
Other instruction	20.1	20.1	22.0	19	16	17.5	24	25	27	25.5
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	6.0	6.0	7.0	9	7	7	7	7	7	7
General administration	1.0	1.0	1.0	1	1	1	1	1	1	1
School administrative services	4.0	4.0	4.0	4	4	3	3	3	3.5	4
Other administrative services	6.5	6.5	6.5	6.5	6.5	4	3	3	3	3
Central services										
Administrative Information Technology	1.0	1.0	1.0	1	1	1	1	1	1	1
Plant operations and maintenance	13.0	13.0	12.0	12	10	10.5	11	10	10.5	9
Pupil transportation	2.0	2.0	2.0	3	3	2	2	2	2	2
Other support services	8.0	8.0	8.0	8	8	8	13.5	13.5	13.5	13.5
Special Schools										
Food Service										
Child Care										
Total	<u>145.1</u>	<u>145.1</u>	<u>147.0</u>	<u>147.5</u>	<u>138.5</u>	<u>139.5</u>	<u>147.5</u>	<u>147.5</u>	<u>150.5</u>	<u>147.6</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures ^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff ^b</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) ^c</u>	<u>Average Daily Attendance (ADA) ^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2007	865.0	11,218,768	12,970	-6.32%	83.50	10.4:1	805.0	811.0	-2.78%	100.75%
2008	851.0	12,964,011	15,234	17.46%	83.50	10.2:1	838.2	791.3	4.12%	94.40%
2009	800.0	12,981,613	16,227	6.52%	83.50	9.6:1	872.2	826.7	4.06%	94.78%
2010	897.0	13,371,431	14,907	-8.14%	84.00	10.7:1	885.9	837.9	1.57%	94.58%
2011	894.0	13,405,872	14,995	0.59%	82.00	10.9:1	894.7	843.7	0.99%	94.30%
2012	916.0	13,757,900	15,020	0.16%	85.50	10.7:1	877.3	833.4	-1.94%	95.00%
2013	871.0	14,452,485	16,593	10.48%	82.00	10.6:1	812.1	809.7	-7.43%	99.70%
2014	843.0	14,580,634	17,296	4.24%	82.00	10.3:1	824.6	774.9	1.54%	93.97%
2015	848.0	15,195,082	17,919	3.60%	82.00	10.3:1	847.0	800.1	2.72%	94.46%
2016	830.0	15,786,894	19,020	6.15%	81.60	10.2:1	822.3	773.9	-2.92%	94.12%

Sources: District records

POINT PLEASANT BEACH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
UNAUDITED

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Elementary</u>										
G. Harold Antrim Elementary School										
Square Feet	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200
Capacity (students)	615	615	615	615	615	615	615	615	615	615
Enrollment	498	498	478	500	500	494	482	473	450	431
<u>High School</u>										
Point Pleasant Beach High School										
Square Feet	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000
Capacity (students)	580	580	580	580	580	580	580	580	580	580
Enrollment	372	363	397	417	416	422	389	370	398	399

Number of Schools at June 30, 2015
 Elementary = 1
 Middle School = 0
 Senior High School = 1

Source: District Facilities Office

POINT PLEASANT BEACH SCHOOL DISTRICT
 Schedule of Required Maintenance
 For the Fiscal Year Ended June 30, 2016
 Undistributed Expenditures - required
 Maintenance For School Facilities
 11-000-261-XXX
 UNAUDITED

		<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>
School Facilities:	Project # (s)										
G. Harold Antrim Elementary School	N/A	29,806	71,344	81,600	34,861	46,016	43,903	60,526	78,498	36,335	45,306
Point Pleasant Beach High School	N/A	4,630	11,083	12,676	52,290	40,806	65,854	53,674	117,748	54,503	67,959
Total School Facilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>34,436</u>	<u>82,427</u>	<u>94,276</u>	<u>87,151</u>	<u>86,822</u>	<u>109,757</u>	<u>114,200</u>	<u>196,246</u>	<u>90,838</u>	<u>113,265</u>
Other Facilities		-	-	-	-						
Grand Total		<u>\$ 34,436</u>	<u>\$ 82,427</u>	<u>\$ 94,276</u>	<u>\$ 87,151</u>	<u>\$ 86,822</u>	<u>\$ 109,757</u>	<u>\$ 114,200</u>	<u>\$ 196,246</u>	<u>\$ 90,838</u>	<u>\$ 113,265</u>

*School Facilities as defined under EFCFA
 (NJAC 6A:26-1.2 and NJAC 6:24-1.3)

POINT PLEASANT BEACH SCHOOL DISTRICT
Insurance Schedule
June 30, 2016
Unaudited

Exhibit J-20

	<u>Coverage</u>	<u>Deductible</u>
Multi Peril Package Policy		
Property - NJ School Board Insurance		
Blanket Building and Contents	\$ 42,174,784	5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers and Records	10,000,000	5,000
Demolition & Increased Costs of Construction	10,000,000	5,000
Fire Department Service Charge/Arson Reward	10,000	5,000
Flood Zones A & V	10,000,000	500,000
Flood Zone B	50,000,000	10,000
Earthquake	50,000,000	-
Terrorism	1,000,000	-
General Liability - New Jersey School Boards		
Comprehensive General Liability	16,000,000	-
Bodily Injury, Property Damage, Sexual Abuse	16,000,000	-
Each Occurrence	-	-
Sexual Abuse	16,000,000	-
Medical Expense	10,000	100
Employee Benefits Programs	16,000,000	1,000
Crime - NJ School Boards		
Employee Dishonesty	250,000	1,000
Forgery or Alteration	250,000	1,000
Money and Securities	25,000	500
Money Orders/Counterfeit	25,000	500
Computer Fraud	250,000	1,000
Automobile - NJSEAIG		
Comprehensive Automobile Liability	16,000,000	-
Uninsured/Underinsured Motorist	1,000,000	-
Personal Injury Protection	250,000	-
Garage Keepers Liability	1,000,000	-
Comprehensive & Collision Deductibles		1,000
Inland Marine		
Blanket Hardware/Software	700,000	1,000
Flood	75,000,000	500,000
Errors and Omissions - N.J. School Boards		
Association Insurance Group	16,000,000	5,000
Boiler and Machinery - N.J. School Boards		
Association Insurance Group	100,000,000	5,000
Umbrella Liability - N.J. School Boards		
Association Insurance Group		
CAP - Fireman's Fund		
Limit of Liability	50,000,000	-
Workers Compensation - NJ School Boards		
Section A	Statutory	
Section B	2,000,000	Each Accident
	2,000,000	Each Employee
	2,000,000	Aggregate Limit
Student Accident Insurance		
Maximum Benefit Blanket Athletic Coverage		
Including Football	5,000,000	
Public Official Bonds - Selective Insurance Co.		
Barbara Lane Scharmann, Treasurer	200,000	
Brian Savage, Business Administrator/ Board Secretary	200,000	
Flood Insurance		
299 Cooks Lane		
Buildings	500,000	5,000
Contents	500,000	5,000
Cooks Lane & Niblick Ave		
Buildings	500,000	5,000
Contents	500,000	5,000

Source: District Records

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 Beach
County of Ocean
Pt. Pleasant Beach, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 Board of Education of the Point Pleasant Beach 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 Board of Education of the Point Pleasant Beach basic financial statements, and have issued our report thereon dated November 16, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Education of the Point Pleasant Beach 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 Board of Education of the Point Pleasant Beach in the County of Ocean, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of Board of Education of the Point Pleasant Beach 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 Board of Education of Point Pleasant Beach 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, LLP
Toms River, New Jersey



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

Toms River, New Jersey
November 16, 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 Beach
County of Ocean
Pt. Pleasant Beach, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited Point Pleasant Beach 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 Beach's major federal programs for the year ended June 30, 2016. Point Pleasant Beach'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 Beach'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 Beach'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 Beach's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Point Pleasant Beach 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 Beach 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 Beach's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state programs 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 the 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 Beach'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.

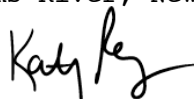
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey 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, New Jersey



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

November 16, 2016

POINT PLEASANT BEACH 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	Carryover Amount	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
U.S. Department of Agriculture											
Passed-through State Department of											
Education:											
Enterprise Fund:											
Food Distribution Program	10.565	7/1/15-6/30/16	\$ 18,913	\$ -	\$ -	\$ 18,913	\$ (18,913)	\$ -	\$ -	\$ -	\$ -
National School Lunch Program	10.555	7/1/15-6/30/16	64,341	-	-	59,341	(64,341)	-	-	(5,000)	-
National School Lunch Program	10.555	7/1/14-6/30/15	-	(11,082)	-	11,082	-	-	-	-	-
Total Enterprise Fund				(11,082)	-	89,336	(83,254)	-	-	(5,000)	-
U.S. Department of Education											
Passed-through State Department of											
Education:											
Special Revenue Fund:											
I.D.E.A. Part B Basic Regular	84.027	9/1/14-8/31/15	213,534	(8,814)	-	8,814	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	9/1/15-8/31/16	223,466	-	-	223,466	(221,195)	-	2,271	-	-
I.D.E.A. Part B Preschool	84.173	9/1/15-8/31/16	6,823	-	-	6,823	(6,823)	-	-	-	-
Title I	84.010	9/1/15-8/31/16	117,839	-	-	117,839	(117,839)	-	-	-	-
Title II	84.168	9/1/15-8/31/16	20,324	-	-	20,324	(18,981)	-	1,343	-	-
Total Special Revenue Fund				(8,814)	-	377,266	(364,838)	-	3,614	-	-
Total Expenditures of Federal Financial Awards				\$ (19,896)	\$ -	\$ 466,602	\$ (448,092)	\$ -	\$ 3,614	\$ (5,000)	\$ -

See accompanying notes to schedules of expenditures.

POINT PLEASANT BEACH SCHOOL DISTRICT
 Schedule of Expenditures of State Awards
 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				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	Total Expenditures
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover Amount									
State Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program (State Share)	15-100-010-3350-023	7/1/14-6/30/15	\$ -	\$ (343)	\$ -	\$ -	\$ 343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
National School Lunch Program (State Share)	16-100-010-3350-023	7/1/15-6/30/16	2,066	-	-	-	1,918	(2,066)	-	-	(148)	-	-	2,066	
Total Enterprise Fund				(343)	-	-	2,261	(2,066)	-	-	(148)	-	-	2,066	
State Department of Education:															
General Fund:															
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	395,137	-	-	-	361,550	(395,137)	-	-	-	-	33,587	395,137	
Extraordinary Aid	16-495-034-5120-011	7/1/15-6/30/16	51,255	-	-	-	-	(51,255)	-	-	(51,255)	-	-	51,255	
Extraordinary Aid	15-495-034-5120-011	7/1/14-6/30/15	37,363	(37,363)	-	-	37,363	-	-	-	-	-	-	-	
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	62,548	-	-	-	57,231	(62,548)	-	-	-	-	5,317	62,548	
Adjustment Aid	16-495-034-5120-085	7/1/15-6/30/16	388	-	-	-	355	(388)	-	-	-	-	33	388	
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	10,732	-	-	-	9,820	(10,732)	-	-	-	-	912	10,732	
Far Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	6,330	-	-	-	5,792	(6,330)	-	-	-	-	538	6,330	
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	6,330	-	-	-	5,792	(6,330)	-	-	-	-	538	6,330	
On-behalf TPAF Medical & Pension Contributions	16-495-034-5094-001	7/1/15-6/30/16	1,123,940	-	-	-	1,123,940	(1,123,940)	-	-	-	-	-	1,123,940	
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/14-6/30/15	467,204	-	-	-	467,204	(467,204)	-	-	-	-	-	467,204	
Total General Fund				(37,363)	-	-	2,069,047	(2,123,864)	-	-	(51,255)	-	40,925	2,123,864	
Special Revenue Fund:															
Chapter 192/193	16-100-034-5120-067	7/1/15-6/30/16	74,736	-	-	-	74,736	(68,061)	-	-	-	6,675	-	68,061	
Security	16-100-034-5120-068	7/1/15-6/30/16	5,550	-	-	-	5,550	(5,550)	-	-	-	-	-	5,550	
Technology	16-100-034-5120-373	7/1/15-6/30/16	5,772	-	-	-	5,772	(5,760)	-	-	-	12	-	5,760	
Textbooks	16-100-034-5120-064	7/1/15-6/30/16	12,676	-	-	-	12,676	(12,676)	-	-	-	-	-	12,676	
Nursing	16-100-034-5120-070	7/1/15-6/30/16	19,980	-	-	-	19,980	(16,302)	-	-	-	3,678	-	16,302	
Nursing	15-100-034-5120-070	7/1/14-6/30/15	19,919	-	2,785	-	-	-	(2,785)	-	-	-	-	-	
Total Special Revenue Fund				-	2,785	-	118,714	(108,349)	(2,785)	-	-	10,365	-	108,349	
Total State Financial Assistance for testing				\$ (37,706)	\$ 2,785	\$ -	\$ 2,190,022	\$ (2,234,279)	\$ (2,785)	\$ -	\$ (51,403)	\$ 10,365	\$ 40,925	\$ 2,234,279	
State Financial Assistance Not Subject to Single Audit Determination															
				-	-	-	1,123,940	(1,123,940)	-	-	-	-	-	1,123,940	
Total State Financial Assistance				\$ (37,706)	\$ 2,785	\$ -	\$ 1,066,082	\$ (1,110,339)	\$ (2,785)	\$ -	\$ (51,403)	\$ 10,365	\$ 40,925	\$ 3,358,219	

See accompanying notes to schedules of expenditures.

Point Pleasant Beach School District

Notes to Schedules of Expenditures 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, Point Pleasant Beach 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 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 Beach School District

Notes to Schedules of Expenditures of Awards and
Financial Assistance (continued)

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$513,395) for the general fund and \$- 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	\$ -	1,610,469	\$ 1,610,469
Special Revenue Fund	364,838	108,349	473,187
Food Service Fund	<u>83,254</u>	<u>2,066</u>	<u>85,320</u>
Total awards and financial assistance	<u>\$ 448,092</u>	<u>1,720,884</u>	<u>\$ 2,168,976</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 Beach School District
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended 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 - N/A

Internal Control over major programs: N/A

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

Type of auditor's report issued on compliance for major programs: N/A

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____

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

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

Point Pleasant Beach School District
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended 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
495-034-5095-003	Reimbursed TPAF Social Security Contributions

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 Beach School District
Summary Schedule of Prior-Year Audit Findings
For the Fiscal Year Ended June 30, 2016

STATUS OF PRIOR YEAR FINDINGS

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