

SCHOOL DISTRICT
OF
POINT PLEASANT BOROUGH
OF OCEAN COUNTY

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2017

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

OF

Point Pleasant Borough Board of Education
of Ocean County

Point Pleasant Borough, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

Point Pleasant Borough Board of Education
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

POINT PLEASANT SCHOOLS

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

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

October 12, 2017

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Point Pleasant Schools Board of Education (Board) for the fiscal year ended June 30, 2017 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped children. The District had an October 15, 2016 resident enrollment of 2,717 students, which is 23 students lower than the previous year's enrollment. The following details the changes in the enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2016-17	2,717	(.83%)
2015-16	2,740	(4.00%)
2014-15	2,845	(1.00%)
2013-14	2,880	(1.34) %
2012-13	2,919	(.01) %
2011-12	2,952	(1.83) %
2010-11	3,007	(.96) %
2009-10	3,036	(2.8) %
2008-09	3,124	(1.00) %
2007-08	3,161	(2.00) %

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

3. PROFESSIONAL DEVELOPMENT ACTIVITIES – 2016-2017

The Point Pleasant School District incorporates a four-year comprehensive Teacher Induction Program. The content of these monthly afterschool training sessions includes mastery teaching, lesson dynamics, technology applications, peer assessment, learning styles and current writing models. There are approximately 45 non-tenured teachers involved in the induction program. Though the induction workshops are created for non-tenured staff members, tenured staff members are welcome to attend and are encouraged to present new learning techniques and resources at these workshops.

This year we trained teachers in new literacy initiatives including; Readers and Writers Workshop, i-Ready and Achieve 3000. Spectrum Diversity provided a workshop on the Anti-Bullying Bill of Rights for all employees. This training is mandated so staff members are appropriately trained on issues related to harassment, intimidation and bullying.

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

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

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

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

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

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

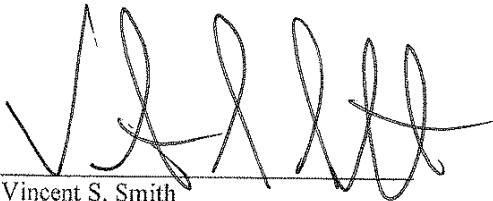
6. ACCOUNTING SYSTEM AND REPORTS: The Board's accounting records reflect generally accepted principles, as promulgated by the governmental accounting standards board (GASB). The accounting system of the Board is organized on the basis of funds and account groups. These funds and account groups are explained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

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

8. DEBT ADMINISTRATION: On January 29, 2014, the Board issued \$15,948,000 in additional school bonds. The purpose of this bond issuance was to make needed repairs to all four schools. As of June 30, 2017, the Board's outstanding debt issues included \$18,048,000 of general obligation bonds.
9. CASH MANAGEMENT: The investment policy of the Board is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The Board has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUPDA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
11. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the general purpose financial statement and combining and individual fund statements and schedules is

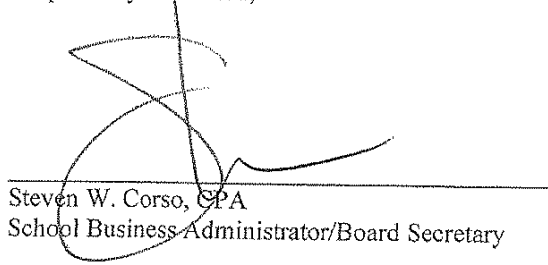
included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Point Pleasant Schools Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.



Vincent S. Smith
Superintendent of Schools

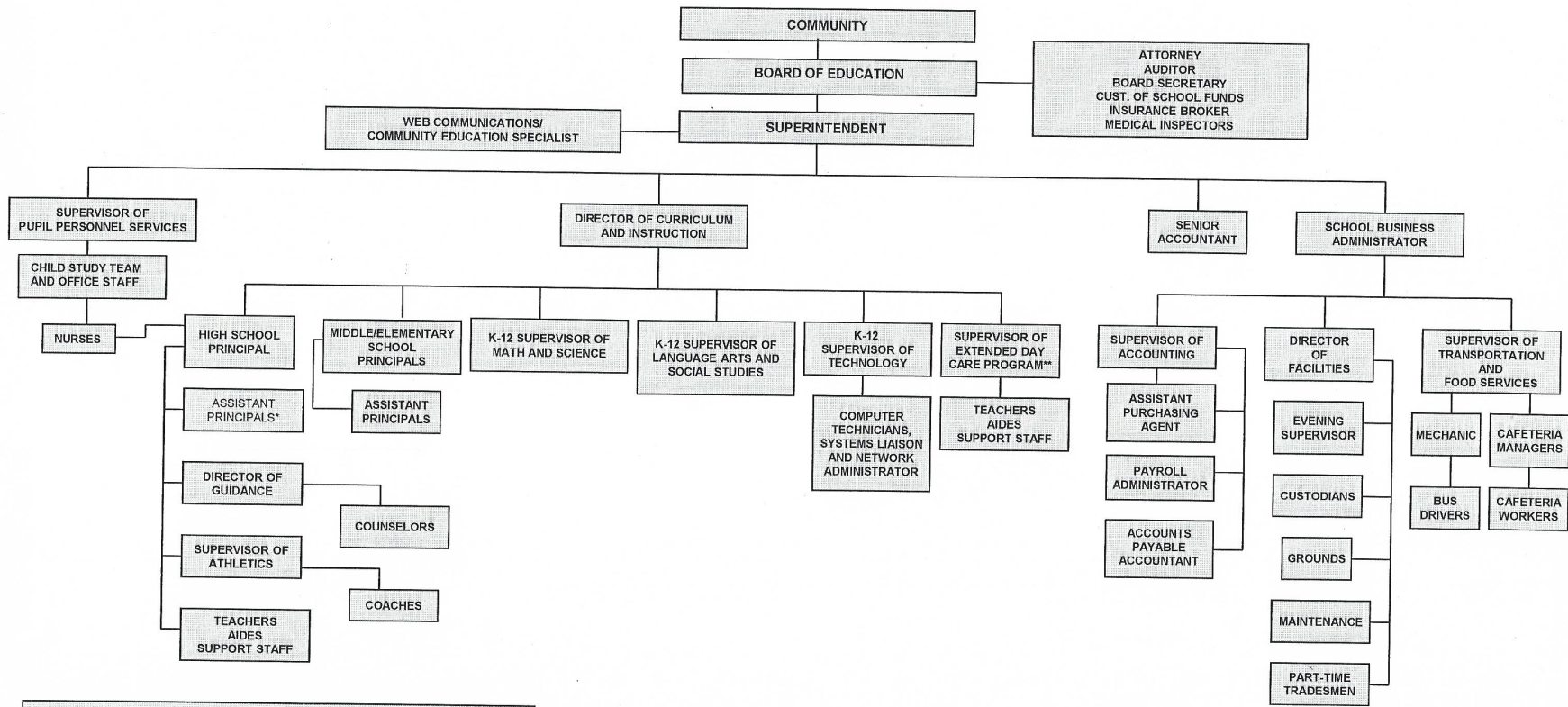
Respectfully submitted,



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

VS:SWC:lt

POINT PLEASANT SCHOOL DISTRICT TABLE OF ORGANIZATION



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

Adopted June 24, 2013
 Revised: May 18, 2015
 May 23, 2016

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

Roster of Officials
June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Susan Ward, President	2017
Larry Williams, Vice President	2018
Ricardo Ruiz	2017
Diane Peterson	2019
Jacquelyn Wieland	2019
Matthew Jordan	2018
William Munn, Jr.	2018

Other Officials

Vincent S. Smith, Superintendent of Schools

Susan Ladd, Director of Curriculum & Instruction

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

Denise L. McCarthy, CPA, Supervisor of Accounting

Laurie Considine, Treasurer of School Monies

Point Pleasant Borough Board of Education
Consultants and Advisors

Architect

Netta Architechts
1084 Route 22 West
Mountainside, New Jersey 07092

Audit Firm

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

Attorney

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

Official Depositories

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

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report of the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

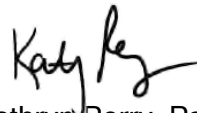
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 10, 2017 on our consideration of the Board of Education of the Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,

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



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

Toms River, New Jersey
October 10, 2017

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Point Pleasant Borough Board of Education

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

Unaudited

The discussion and analysis of Point Pleasant Borough Board of Education's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2017. 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 June 30, 2017 are as follows:

In total, net position totaled \$5,723,273, which represents a (1.72) percent decrease from June 30, 2016.

General revenues accounted for \$42,163,625 in revenue or 89.23 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 \$5,088,745 or 10.77 percent of total revenues of \$47,252,370.

Total assets decreased by \$1,480,370 as current assets decreased by \$1,475,798 and capital assets decreased by \$4,572.

The School Board had \$47,547,587 in expenses; only \$5,088,745 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$42,163,625 were adequate to provide for these programs.

Among major funds, the General Fund had \$42,828,992 in revenues and \$43,891,216 in expenditures and transfers. The General Fund's balance decreased \$(1,062,224) over June 30, 2016. The General Fund's balance is \$5,485,619.

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 Borough Board of Education 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 Borough Board of Education, 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 June 30, 2017?" 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 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 26. 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 June 30, 2017 and 2016.

Table 1

Net Position as of June 30, 2017 and June 30, 2016

	June 30, 2017			June 30, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 6,483,206	\$ 281,480	\$ 6,764,686	\$ 7,967,735	\$ 272,749	\$ 8,240,484
Capital assets, net	37,994,685	1,197,746	39,192,431	37,997,681	1,199,322	39,197,003
Total assets	44,477,891	1,479,226	45,957,117	45,965,416	1,472,071	47,437,487
Deferred outflow of resources	3,522,864	-	3,522,864	1,199,844	-	1,199,844
Liabilities:						
Current liabilities	307,145	14,276	321,421	424,016	12,037	436,053
Net pension liability	-	-	-	-	-	-
Long-term liabilities outstanding	31,664,983	-	31,664,983	30,133,588	-	30,133,588
Total liabilities	31,972,128	14,276	31,986,404	30,557,604	12,037	30,569,641
Deferred inflow of resources	644,648	-	644,648	923,544	-	923,544
Net position:						
Net investment in capital assets	19,506,349	1,197,746	20,704,095	17,825,529	1,199,322	19,024,851
Restricted	5,153,385	-	5,153,385	7,034,632	-	7,034,632
Unrestricted	(9,275,755)	267,204	(9,008,551)	(9,176,049)	260,712	(8,915,337)
Total Net Position	\$ 15,383,979	\$ 1,464,950	\$ 16,848,929	\$ 15,684,112	\$ 1,460,034	\$ 17,144,146

The School Board's combined net position were \$16,848,929 on June 30, 2017. This is a change of (1.72)% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2017 and 2016.

Table 2

Changes in Net Position

	June 30, 2017			June 30, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ -	\$ 899,943	\$ 899,943	\$ -	\$ 875,002	\$ 875,002
Operating and capital grants and contributions	3,987,611	201,191	4,188,802	3,964,048	193,449	4,157,497
General revenues:						
Property taxes	34,594,008	-	34,594,008	33,968,310	-	33,968,310
Federal and state aid Not restricted to specific purposes	6,877,220	-	6,877,220	6,687,104	-	6,687,104
Investment earnings	-	-	-	-	-	-
Miscellaneous	692,397	-	692,397	862,941	-	862,941
Total revenues	46,151,236	1,101,134	47,252,370	45,482,403	1,068,451	46,550,854
Expenses						
Instructional services	20,468,911	-	20,468,911	19,072,105	-	19,072,105
Support services	25,358,834	1,096,218	26,455,052	24,484,522	1,096,757	25,581,279
Interest on long-term liabilities	623,624	-	623,624	701,887	-	701,887
Total expenses	46,451,369	1,096,218	47,547,587	44,258,514	1,096,757	45,355,271
Change in net position	(300,133)	4,916	(295,217)	1,223,889	(28,306)	1,195,583
Net position - beginning	<u>15,684,112</u>	<u>1,460,034</u>	<u>17,144,146</u>	<u>14,460,223</u>	<u>1,488,340</u>	<u>15,948,563</u>
Net position (deficit) - ending	<u>\$ 15,383,979</u>	<u>\$ 1,464,950</u>	<u>\$ 16,848,929</u>	<u>\$ 15,684,112</u>	<u>\$ 1,460,034</u>	<u>\$ 17,144,146</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 June 30, 2017

Business-Type Activities

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

Total Enterprise Fund revenues exceeded expenses by \$4,916.

Charges for services represent \$899,943 of revenue. This represents the amount paid by patrons for daily food service and child care.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$201,191.

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

	2017		2016	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 20,468,911	\$ 20,468,911	\$ 19,072,105	\$ 19,072,105
Support Services:				
Pupils and Instructional Staff	18,962,937	15,926,589	17,972,308	14,929,088
General Administration, School Administration, Business Operation and Maintenance of Facilities	6,395,897	5,444,634	6,512,214	5,591,386
Pupil Transportation	-	-	-	-
Interest and Fiscal Charges	623,624	623,624	701,887	701,887
Total Expenses	\$ 46,451,369	\$ 42,463,758	\$ 44,258,514	\$ 40,294,466

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.

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, 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, 2017, it reported a combined fund balance of \$5,723,273, which is a decrease of \$1,684,460. The Reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the decrease in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2017.

<u>Revenue</u>	<u>2016-17 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2016-17</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 35,307,397	76.47 %	\$ 482,124	1.37 %
State Sources	9,868,803	21.37	181,600	1.84
Federal Sources	996,028	2.16	32,079	3.22
Other Financing Sources	<u>1,669</u>	<u>-</u>	<u>(4,309)</u>	<u>(258.18)</u>
Total	<u>\$ 46,173,897</u>	<u>100.00 %</u>	<u>\$ 659,415</u>	<u>(251.75)%</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, 2017.

<u>Expenditures</u>	<u>2016-17 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2016-17</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 18,073,240	37.76 %	\$ 588,690	3.26 %
Undistributed Expenditures	24,708,676	51.63	1,043,640	4.22
Capital Outlay	2,769,001	5.79	(636,013)	(22.97)
Debt Service:				
Principal	1,610,000	3.36	30,000	1.86
Interest	<u>697,440</u>	<u>1.46</u>	<u>(47,250)</u>	<u>(6.77)</u>
Total	<u>\$ 47,858,357</u>	<u>100.00 %</u>	<u>\$ 979,067</u>	<u>(20.40)%</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 \$2,570,095 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$384,126 more 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 General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are Capital Reserve \$770,816, Maintenance Reserve \$1,196,353 and Emergency Reserve \$404,972. These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District

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 2016-2017 fiscal year and will be used to reduce the local tax levy for the 2018-2019 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2017, the School Board had \$39,192,431 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2017 and June 30, 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 275,324	\$ 275,324	\$ -	\$ -	\$ 275,324	\$ 275,324
Construction in Progress	-	15,154,392	-	-	-	15,154,392
Building and Improvements	33,656,473	21,143,712	-	-	33,656,473	21,143,712
Machinery and Equipment	4,062,888	1,424,253	1,197,746	1,199,322	5,260,634	2,623,575
Total	\$ 37,994,685	\$ 37,997,681	\$ 1,197,746	\$ 1,199,322	\$ 39,192,431	\$ 39,197,003

During the current fiscal year, \$17,884,152 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental activities at June 30, 2017 and June 30, 2016.

	June 30, 2017	June 30, 2016
Bonds Payable (net)	\$ 18,048,000	\$ 19,658,000
Capital Leases payable	372,894	-
Pension Liability-PERS	11,517,562	8,988,249
Compensated Absences payable	<u>1,726,527</u>	<u>1,487,339</u>
Total long-term liabilities	\$ <u>31,664,983</u>	\$ <u>30,133,588</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2016-2017 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 23.53% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 76.47% of total revenue is from local tax levy.

The \$(9,275,755) 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 2016-2017 budget was adopted in March 2016 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 Borough of Point Pleasant for increased aid.

The School Board anticipates a slight increase in enrollment for the 2017-2018 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 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 Borough Board of Education, 2100 Panther Path, Point Pleasant, NJ, 08742.

BASIC FINANCIAL STATEMENTS

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,188,367	\$ 249,276	\$ 5,437,643
Capital reserve cash	770,816	-	770,816
Receivables - other	19,344	-	19,344
Receivables - state	412,120	244	412,364
Receivables - federal	92,559	8,344	100,903
Other receivable	-	1,858	1,858
Inventory	-	21,758	21,758
Interfund receivable	-	-	-
Capital assets, non-depreciable	275,324	-	275,324
Capital assets, net:	37,719,361	1,197,746	38,917,107
Total assets	<u>44,477,891</u>	<u>1,479,226</u>	<u>45,957,117</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	3,477,863	-	3,477,863
Deferred charge on refunding	45,001	-	45,001
Total deferred outflows of resources	<u>3,522,864</u>	<u>-</u>	<u>3,522,864</u>
LIABILITIES			
Accounts payable	201,665	-	201,665
Accrued payroll	17,194	36	17,230
Other liabilities	33,500	-	33,500
Interfund payable	-	-	-
Payable to state government	35,442	-	35,442
Unearned revenue	19,344	14,240	33,584
Noncurrent liabilities:			
Due within one year	1,321,516	-	1,321,516
Due beyond one year	30,343,467	-	30,343,467
Total liabilities	<u>31,972,128</u>	<u>14,276</u>	<u>31,986,404</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	159,311	-	159,311
Deferred premium on refunding	485,337	-	485,337
Total deferred inflows of resources	<u>644,648</u>	<u>-</u>	<u>644,648</u>
NET POSITION			
Net Investment in capital assets	19,506,349	1,197,746	20,704,095
Restricted for:			
Debt service	-	-	-
Capital projects	1,008,470	-	1,008,470
Other purposes	4,144,915	-	4,144,915
Unrestricted	(9,275,755)	267,204	(9,008,551)
Total net position	<u>\$ 15,383,979</u>	<u>\$ 1,464,950</u>	<u>\$ 16,848,929</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2017

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	\$ 15,896,411	\$ -	\$ 812,755	\$ -	\$ (15,083,656)	\$ -	\$ (15,083,656)
Special education instruction	3,109,208	-	-	-	(3,109,208)	-	(3,109,208)
Other special instruction	1,462,947	-	-	-	(1,462,947)	-	(1,462,947)
Support services and undistributed costs:							
Instruction	2,296,656	-	33,722	-	(2,262,934)	-	(2,262,934)
Attendance and social work	169,080	-	-	-	(169,080)	-	(169,080)
Health services	423,168	-	7,026	-	(416,142)	-	(416,142)
Other support services	3,476,966	-	46,645	-	(3,430,321)	-	(3,430,321)
Improvement of instruction	110,245	-	7,083	-	(103,162)	-	(103,162)
Educational media services	373,257	-	-	-	(373,257)	-	(373,257)
Instruction staff training	239,887	-	-	-	(239,887)	-	(239,887)
General administrative services	744,034	-	-	-	(744,034)	-	(744,034)
School administrative services	2,255,125	-	-	-	(2,255,125)	-	(2,255,125)
School central services	572,119	-	-	-	(572,119)	-	(572,119)
School admin info technology	118,423	-	-	-	(118,423)	-	(118,423)
Allowed maintenance for school facilities	822,302	-	-	-	(822,302)	-	(822,302)
Other operation & maintenance of plant	2,502,179	-	44,032	-	(2,458,147)	-	(2,458,147)
Care & upkeep of grounds	299,110	-	-	-	(299,110)	-	(299,110)
Security	122,568	-	-	-	(122,568)	-	(122,568)
Student transportation services	1,401,815	-	-	-	(1,401,815)	-	(1,401,815)
Unallocated employee benefits	6,395,897	-	-	-	(6,395,897)	-	(6,395,897)
Non-budgeted expenditures	3,036,348	-	3,036,348	-	-	-	-
Interest expense	623,624	-	-	-	(623,624)	-	(623,624)
Total governmental activities	<u>46,451,369</u>	<u>-</u>	<u>3,987,611</u>	<u>-</u>	<u>(42,463,758)</u>	<u>-</u>	<u>(42,463,758)</u>
Business-type activities:							
Food Service	743,111	533,007	201,191	-	-	(8,913)	(8,913)
Child Care	353,107	366,936	-	-	-	13,829	13,829
Total business-type activities	<u>1,096,218</u>	<u>899,943</u>	<u>201,191</u>	<u>-</u>	<u>-</u>	<u>4,916</u>	<u>4,916</u>
Total primary government	<u>\$ 47,547,587</u>	<u>\$ 899,943</u>	<u>\$ 4,188,802</u>	<u>\$ -</u>	<u>\$ (42,463,758)</u>	<u>\$ 4,916</u>	<u>\$ (42,458,842)</u>

General revenues:

Taxes:			
Property taxes levied for general purpose		\$ 32,707,297	\$ 32,707,297
Taxes levied for debt service		1,886,711	1,886,711
Federal and state aid not restricted		6,877,220	6,877,220
Miscellaneous income		715,058	715,058
Loss on disposal of fixed assets		(22,661)	(22,661)
Total general revenues		<u>42,163,625</u>	<u>42,163,625</u>
Change in net position		(300,133)	(295,217)
Net position – beginning		15,684,112	17,144,146
Net position – ending		<u>\$ 15,383,979</u>	<u>\$ 16,848,929</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,983,519	\$ (33,702)	\$ 238,550	\$ -	\$ 5,188,367
Capital reserve account	770,816	-	-	-	770,816
Receivables, net	-	-	-	-	-
Receivables from other funds	-	-	-	-	-
Receivables from state	412,120	-	-	-	412,120
Receivables from federal	3,096	89,463	-	-	92,559
Receivables from other governments	-	-	-	-	-
Other receivables	19,344	-	-	-	19,344
Inventory	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 6,188,895</u>	<u>\$ 55,761</u>	<u>\$ 238,550</u>	<u>\$ -</u>	<u>\$ 6,483,206</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 199,794	\$ 975	\$ 896	\$ -	\$ 201,665
Accrued salaries and benefits	17,194	-	-	-	17,194
Interfund payable	-	-	-	-	-
Other current liabilities	486,288	-	-	-	486,288
Payable to state government	-	35,442	-	-	35,442
Deferred revenue	-	19,344	-	-	19,344
Total liabilities	<u>703,276</u>	<u>55,761</u>	<u>896</u>	<u>-</u>	<u>759,933</u>
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal					
Capital reserve account	770,816	-	-	-	770,816
Maintenance reserve account	1,196,353	-	-	-	1,196,353
Emergency reserve account	404,972	-	-	-	404,972
Excess surplus - current year	-	-	-	-	-
Excess surplus -- designated for subsequent year's expenditures	315,293	-	-	-	315,293
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Committed to:					
Other purposes	678,590	-	219,919	-	898,509
Assigned to:					
Debt service fund					
Designated by the BOE for subsequent year's expenditures	1,549,707	-	-	-	1,549,707
Capital projects fund	-	-	17,735	-	17,735
Other purposes	-	-	-	-	-
Unassigned to:					
General fund	569,888	-	-	-	569,888
Special revenue fund	-	-	-	-	-
Total fund balances	<u>5,485,619</u>	<u>-</u>	<u>237,654</u>	<u>-</u>	<u>5,723,273</u>
Total liabilities and fund balances	<u>\$ 6,188,895</u>	<u>\$ 55,761</u>	<u>\$ 238,550</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$66,397,530 and the accumulated depreciation is \$28,402,845.	37,994,685
Deferred outflows related to PERS pension plan	3,477,863
Deferred inflows related to the PERS plan	(159,311)
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$348,570.	45,001
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$756,570.	(485,337)
Long-term liabilities, including bonds payable but not including current portion of compensated absences of \$79,894 are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 10).	<u>(31,212,195)</u>
Net position of governmental activities	<u>\$ 15,383,979</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 32,707,297	\$ -	\$ -	\$ 1,886,711	\$ 34,594,008
Tuition charges	251,974	-	-	-	251,974
Interest on investments	62,816	-	-	-	62,816
Interest earned on capital reserve funds	6,309	-	-	-	6,309
Interest earned on bond ref	-	-	-	-	-
Transportation fees	115,234	-	-	-	115,234
Miscellaneous	190,854	86,202	-	-	277,056
Total - Local sources	33,334,484	86,202	-	1,886,711	35,307,397
State sources	9,448,074	-	-	420,729	9,868,803
Federal sources	44,765	951,263	-	-	996,028
Other financing sources	1,669	-	-	-	1,669
Total revenues	42,828,992	1,037,465	-	2,307,440	46,173,897
EXPENDITURES					
Current:					
Regular instruction	\$ 12,696,859	\$ 898,957	\$ -	\$ -	\$ 13,595,816
Special education instruction	3,028,010	-	-	-	3,028,010
Other special instruction	1,449,414	-	-	-	1,449,414
Undistributed - current:					
Instruction	2,032,874	33,722	-	-	2,066,596
Attendance and social work	169,080	-	-	-	169,080
Health services	416,142	7,026	-	-	423,168
Other support services	3,430,321	46,645	-	-	3,476,966
Improvement of instruction	103,162	7,083	-	-	110,245
Educational media services	373,257	-	-	-	373,257
Instruction staff training	239,887	-	-	-	239,887
General administrative services	744,034	-	-	-	744,034
School administrative services	1,878,647	-	-	-	1,878,647
School central services	572,119	-	-	-	572,119
School admin info technology	118,423	-	-	-	118,423
Required maintenance for school facilities	822,302	-	-	-	822,302
Other operation & maintenance of plant	2,459,427	-	-	-	2,459,427
Care & upkeep of grounds	299,110	-	-	-	299,110
Security	122,568	-	-	-	122,568
Student transportation services	1,401,815	-	-	-	1,401,815
Unallocated employee benefits	6,394,684	-	-	-	6,394,684
Non-budgeted expenditures	3,036,348	-	-	-	3,036,348
Debt service:					
Principal	-	-	-	1,610,000	1,610,000
Interest and other charges	-	-	-	697,440	697,440
Capital outlay	2,102,733	44,032	622,236	-	2,769,001
Total expenditures	43,891,216	1,037,465	622,236	2,307,440	47,858,357
Excess (Deficiency) of revenues over expenditures	(1,062,224)	-	(622,236)	-	(1,684,460)
OTHER FINANCING SOURCES (USES)					
Sale of Bonds	-	-	-	-	-
Refunding of bonds	-	-	-	-	-
Costs for bond issuance	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	(1,062,224)	-	(622,236)	-	(1,684,460)
Fund balance—July 1	6,547,843	-	859,890	-	7,407,733
Fund balance—June 30	\$ 5,485,619	\$ -	\$ 237,654	\$ -	\$ 5,723,273

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Total net change in fund balances - governmental funds (from B-2) **\$ (1,684,460)**

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

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

	Depreciation expense	\$ (2,706,584)	
	Capital outlays	<u>2,726,249</u>	19,665

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

	Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2017	351,658	
	Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2017	<u>(374,319)</u>	(22,661)

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 (1,213)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 1,610,000

In the Statement of Activities, the amortization of bond premiums is recorded as interest expense. In the governmental funds, the amortization is not recorded and this change had no effect. 94,308

In the Statement of Activities, the amortization of bond issuance costs is recorded as interest expense. In the governmental funds, the amortization is not recorded. (20,492)

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. (295,280)

Change in net position of governmental activities **\$ (300,133)**

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 54,850	\$ 194,426	\$ 249,276
Investments	-	-	-
Receivables from state	244	-	244
Receivables from federal	7,410	-	7,410
Receivables from other government	700	234	934
Other receivables	1,858	-	1,858
Inventories	21,758	-	21,758
Total current assets	<u>86,820</u>	<u>194,660</u>	<u>281,480</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	-
Furniture, machinery & equipment	1,528,173	3,487	1,531,660
Less accumulated depreciation	(331,387)	(2,527)	(333,914)
Total noncurrent assets	<u>1,196,786</u>	<u>960</u>	<u>1,197,746</u>
Total assets	<u>\$ 1,283,606</u>	<u>\$ 195,620</u>	<u>\$ 1,479,226</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue	14,240	-	14,240
Interfund payable	-	-	-
Accrued salaries and benefits	-	36	36
Total current liabilities	<u>14,240</u>	<u>36</u>	<u>14,276</u>
Noncurrent Liabilities:			
Compensated absences	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>14,240</u>	<u>36</u>	<u>14,276</u>
NET POSITION			
Net investment in capital assets	1,196,786	960	1,197,746
Restricted for:			
Other	-	-	-
Unrestricted	72,580	194,624	267,204
Total net position	<u>1,269,366</u>	<u>195,584</u>	<u>1,464,950</u>
Total liabilities and net position	<u>\$ 1,283,606</u>	<u>\$ 195,620</u>	<u>\$ 1,479,226</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ 7,283	\$ -	\$ 7,283
School lunch	255,549	-	255,549
Total daily sales reimbursable programs	<u>262,832</u>	<u>-</u>	<u>262,832</u>
Daily sales non-reimbursable programs	186,065	-	186,065
Special functions	4,285	-	4,285
Miscellaneous	79,825	366,936	446,761
Total operating revenues	<u>533,007</u>	<u>366,936</u>	<u>899,943</u>
Operating expenses:			
Salaries	261,324	264,408	525,732
Employee benefits	126,996	54,265	181,261
Other purchased services	16,746	18,818	35,564
Supplies and materials	17,383	2,509	19,892
Utilities	31,590	13,002	44,592
Other objects	385	-	385
Depreciation	4,982	105	5,087
Cost of sales - reimbursable programs	178,071	-	178,071
Cost of sales - non-reimbursable programs	105,634	-	105,634
Total operating expenses	<u>743,111</u>	<u>353,107</u>	<u>1,096,218</u>
Operating income (loss)	<u>(210,104)</u>	<u>13,829</u>	<u>(196,275)</u>
Nonoperating revenues (expenses):			
Interest income	146	-	146
State sources:			
Vending machine grant		-	-
State school lunch program	5,311	-	5,311
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	14,944	-	14,944
National school lunch program	142,558	-	142,558
Food distribution program	38,232	-	38,232
FEMA disaster funding	-	-	-
Total nonoperating revenues (expenses)	<u>201,191</u>	<u>-</u>	<u>201,191</u>
Income (loss) before contributions & transfers	<u>(8,913)</u>	<u>13,829</u>	<u>4,916</u>
Transfers in (out)	-	-	-
Change in net position	<u>(8,913)</u>	<u>13,829</u>	<u>4,916</u>
Total net position –beginning	1,278,279	181,755	1,460,034
Total net position –ending	<u>\$ 1,269,366</u>	<u>\$ 195,584</u>	<u>\$ 1,464,950</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Food Services Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Year ended June 30, 2017

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 575,202	\$ 366,702	\$ 941,904
Payments to employees & benefits	(388,320)	(319,153)	(707,473)
Payments to suppliers	(352,306)	(34,342)	(386,648)
Net cash provided by (used for) operating activities	<u>(165,424)</u>	<u>13,207</u>	<u>(152,217)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	5,340	-	5,340
Federal sources	158,700	-	158,700
Board interfund loans	4,701	-	4,701
Net cash provided by (used for) non-capital financing activities	<u>168,741</u>	<u>-</u>	<u>168,741</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	(3,511)	-	(3,511)
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(3,511)</u>	<u>-</u>	<u>(3,511)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	146	-	146
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	<u>146</u>	<u>-</u>	<u>146</u>
Net increase in cash and cash equivalents	(48)	13,207	13,159
Balances—beginning of year	54,898	181,219	236,117
Balances—end of year	<u>\$ 54,850</u>	<u>\$ 194,426</u>	<u>\$ 249,276</u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating loss	\$ (210,104)	\$ 13,829	\$ (196,275)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	4,982	105	5,087
Federal commodities	38,232	-	38,232
(Increase) decrease in accounts receivable, net	1,231	(234)	997
(Increase) decrease in inventories	(2,497)	-	(2,497)
Increase (decrease) in accounts payable	-	(13)	(13)
Increase (decrease) in accrued salaries benefits	-	(480)	(480)
Increase (decrease) in deferred revenue	2,732	-	2,732
Total adjustments	<u>44,680</u>	<u>(622)</u>	<u>44,058</u>
Net cash provided by (used for) operating activities	<u>\$ (165,424)</u>	<u>\$ 13,207</u>	<u>\$ (152,217)</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 152,663	\$ 26,423	\$ 1,549,715
Intergovernmental accounts receivable	-	-	-
Interfund receivable	-	-	-
Total assets	<u>152,663</u>	<u>26,423</u>	<u>1,549,715</u>
LIABILITIES			
Accounts payable	-	-	-
Payroll deductions and withholdings	-	-	1,306,039
Payable to student groups	-	-	243,676
Accrued wages	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,549,715</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	152,663	-	-
Reserved for scholarships	-	26,423	-
Total net position	<u>152,663</u>	<u>26,423</u>	<u>-</u>
Total liabilities and net position	<u>\$ 152,663</u>	<u>\$ 26,423</u>	<u>\$ 1,549,715</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	<u>Scholarship Funds</u>	<u>Unemployment Compensation Fund</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	11,405	-	11,405
Total Contributions	<u>11,405</u>	<u>-</u>	<u>11,405</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	76	868	944
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>76</u>	<u>868</u>	<u>944</u>
Total additions	<u>11,481</u>	<u>868</u>	<u>12,349</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	13,651	-	13,651
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>13,651</u>	<u>-</u>	<u>13,651</u>
Change in net position	(2,170)	868	(1,302)
Net position –beginning of the year	<u>28,593</u>	<u>151,795</u>	<u>180,388</u>
Net position –end of the year	<u>\$ 26,423</u>	<u>\$ 152,663</u>	<u>\$ 179,086</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

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

B. Basis of Presentation (Cont'd)

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

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

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

B. Basis of Presentation (Cont'd)

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

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

The District reports the following governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Fixed Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

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

B. Basis of Presentation (Cont'd)

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

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

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

The District reports the following proprietary fund:

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

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

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

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

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

C. Basis of Accounting

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

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

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

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

D. Property Taxes

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

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

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6:20-2A.2(m)1. All budget amendments/transfers must be approved by Board resolution. Budget amendments during the year ended June 30, 2017 were insignificant.

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

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

F. Encumbrances

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

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

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

G. Cash, Cash Equivalents and Investments

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

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

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

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

H. Tuition Receivable

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

I. Tuition Payable

Tuition charges for the fiscal years 2016-2017 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

J. Inventories and Prepaid Expenses

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

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

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets

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

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

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

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

M. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2017, the amount earned by these employees but not disbursed was \$1,295,534.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

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

N. Compensated Absences

District employees are granted varying amounts of vacation and sick leave in accordance with the District's employment contracts. Vacation day allotments per year cannot be accumulated into the next fiscal year. Sick leave benefits provide for ordinary sick pay and are reimbursable in accordance with the individual's employment contract. The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental fund. The balance at June 30, 2017 is \$1,726,527.

O. Unearned/Deferred Revenue

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

P. Accrued Liabilities and Long-Term Obligations

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

Q. Net Position

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

R. Fund Balance Reserves

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

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

R. Fund Balance Reserves (Cont'd)

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

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

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

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

S. Revenues - Exchange and Nonexchange Transactions

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

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

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

T. Operating Revenues and Expenses

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

U. Deferred Outflows/Inflows of Resources

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

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

V. Allocation of Indirect Expenses

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

W. Management Estimates

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

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, 2017, the carrying amount of the District's deposits was \$7,937,260 and the bank balance was \$8,889,258. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

At June 30, 2017, the Board's bank balances of \$8,889,258 were exposed to Custodial Credit Risk as follows:

	<u>2017</u>
Insured	\$ 500,000
Uninsured and Uncollateralized	<u>8,389,258</u>
	<u>\$ 8,889,258</u>

The District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to be depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2017, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

3. Investments

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

As of June 30, 2017, the District had \$- of investments on deposit.

4. Capital Reserve Account

A Capital Reserve Account was established by the Point Pleasant Borough Board of Education by inclusion of \$165,641 in the original 1999 budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a district may deposit funds at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April 2004 transfers must be in compliance with P.L. 2004, C.73 (S1701). Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

During the fiscal year ended June 30, 2017, the District had actual interest earnings of \$6,309 and had no transfers.

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

Beginning Balance July 1, 2016	\$ 1,201,507
Add:	
Increase per Resolution	250,000
Interest Earnings	6,309
Deposits	-
Less:	
Withdrawals per Budget	<u>(687,000)</u>
Ending Balance, June 30, 2017	<u>\$ 770,816</u>

The June 30, 2017 LRFP balance of local support costs of uncompleted Capital Projects is \$40,351,607. There were no withdrawals from the capital reserve for DOE approved facilities projects.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

5. Maintenance Reserve Account

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

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

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2017.

The activity of the Maintenance Reserve for the June 30, 2016 to June 30, 2017 fiscal year is as follows:

Balance, June 30, 2016	\$ 1,177,436
Add:	
Increase per resolution	261,788
Interest earnings	7,129
Withdrawals per budget	<u>(250,000)</u>
Balance, June 30, 2017	<u>\$ 1,196,353</u>

6. Emergency Reserve Account

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

6. Emergency Reserve Account (Cont'd)

The activity of the Emergency Reserve for the June 30, 2016 to June 30, 2017 fiscal year is as follows:

Balance, June 30, 2016	\$ 402,804
Add:	
Interest earnings	2,168
Less:	
Reduction to bring to the not to exceed allowable	-
Balance, June 30, 2017	<u>\$ 404,972</u>

7. Receivables

Receivables at June 30, 2017, consisted of amounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	\$ 412,120	\$ 412,364
Federal Aid	92,559	100,903
Other	<u>19,344</u>	<u>21,202</u>
Gross Receivables	524,023	534,469
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 524,023</u>	<u>\$ 534,469</u>

8. Inventory

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food	\$ 7,079
Commodities	11,244
Supplies	<u>3,435</u>
	<u>\$ 21,758</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

9. **Contingent liabilities**

Grant Programs

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

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

10. **Capital Assets**

Capital assets consisted of the following at June 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Site and Site improvements	275,324	-	-	275,324
Construction in Progress	<u>15,154,392</u>	<u>-</u>	<u>(15,154,392)</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>15,429,716</u>	<u>-</u>	<u>(15,154,392)</u>	<u>275,324</u>
Capital Assets Being Depreciated				
Building and Building Improvements	44,031,934	14,721,731	(31,305)	58,722,360
Machinery and Equipment	<u>6,935,880</u>	<u>3,158,910</u>	<u>(343,014)</u>	<u>9,751,776</u>
Totals at Historical Cost	<u>50,967,814</u>	<u>17,880,641</u>	<u>(374,319)</u>	<u>68,474,136</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	22,888,222	2,208,970	(31,305)	25,065,887
Machinery and Equipment	<u>5,511,627</u>	<u>497,614</u>	<u>(320,353)</u>	<u>5,688,888</u>
Total Accumulated Depreciation	<u>28,399,849</u>	<u>2,706,584</u>	<u>(351,658)</u>	<u>30,754,775</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>22,567,965</u>	<u>15,174,057</u>	<u>(22,661)</u>	<u>37,719,361</u>
Government Activity Capital Assets, Net	<u>\$ 37,997,681</u>	<u>15,174,057</u>	<u>(15,177,053)</u>	<u>\$ 37,994,685</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ 1,173,439	-	-	\$ 1,173,439
Equipment	354,710	3,511	-	358,221
Less Accumulated Depreciation	<u>328,827</u>	<u>5,087</u>	<u>-</u>	<u>333,914</u>
Business-type activities capital assets, Net	<u>\$ 1,199,322</u>	<u>\$ (1,576)</u>	<u>\$ -</u>	<u>\$ 1,197,746</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Capital Assets (Cont'd)

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 2,300,595
Student and Instruction Related Services	230,060
School Administration Services	81,198
Other Special Instruction	13,533
Special Education Instruction	<u>81,198</u>
Total depreciation expense	<u>\$ 2,706,584</u>

11. Operating Leases

The District has no material commitments under operating leases at June 30, 2017.

12. Non-current Liabilities

During the fiscal year ended June 30, 2017, the following changes occurred in the non-current liabilities:

	<u>Balance June 30, 2016</u>	<u>Increases/ Decreases</u>	<u>Balance June 30, 2017</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 1,487,339	\$ 239,188	\$ 1,726,527	\$ 79,894
Bonds Payable	19,658,000	(1,610,000)	18,048,000	1,165,000
Lease Payable	-	372,894	372,894	76,622
Pension liability-PERS	<u>8,988,249</u>	<u>2,529,313</u>	<u>11,517,562</u>	<u>-</u>
Total	<u>\$ 30,133,588</u>	<u>\$ 1,531,395</u>	<u>\$ 31,664,983</u>	<u>\$ 1,321,516</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

12. Non-current Liabilities (Cont'd)

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:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,165,000	\$ 650,965	\$ 1,815,965
2019	1,215,000	610,365	1,825,365
2020	1,270,000	568,015	1,838,015
2021	1,320,000	523,715	1,843,715
2022	1,375,000	477,715	1,852,715
2023-2027	4,675,000	1,746,275	6,421,275
2028-2032	4,830,000	1,018,125	5,848,125
2033-2034	<u>2,198,000</u>	<u>137,330</u>	<u>2,335,330</u>
	<u>\$ 18,048,000</u>	<u>\$ 5,732,505</u>	<u>\$ 23,780,505</u>

B. Bonds Authorized But Not Issued

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

C. Capital Leases

The District is leasing equipment under various capital leases. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments atAs of June 30, 2017:

Year ended June 30,

2018	\$ 78,129
2019	78,129
2020	78,129
2021	78,129
2022	<u>78,129</u>
Total minimum lease payments	390,645
Less: amounts representing interest	<u>(17,751)</u>
Present value of lease payments	<u>\$ 372,894</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans

Description of Systems

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

Teachers' Pension and Annuity Fund ("TPAF")

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

For the year ended June 30, 2017, the District recognized pension expense of \$2,009,590 and revenue of \$2,009,590 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.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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

At June 30, 2017, 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 0.1790230154% of the total plan. The information below was provided from the State of New Jersey June 30, 2016 audit of the TPAF fund and has been adjusted to the District's proportionate share:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 494,014	\$ 239,739
Changes of assumptions	27,982,578	-
Net difference between projected and actual earnings on pension plan investments	2,556,712	-
Changes in proportion and differences between District contributions and proportionate share of contributions	188,316	109,405
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 31,221,620</u>	<u>\$ 349,144</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$140,830,902.

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:	
2017	\$ 4,544,563
2018	4,544,563
2019	5,323,867
2020	4,978,993
2021	4,205,873
Thereafter	<u>7,337,620</u>
Total	<u>\$ 30,935,479</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 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 %	0.39 %
US Government Bonds	1.50 %	1.28 %
US Credit Bondst	13.00 %	2.76 %
US Mortgages	2.00 %	2.38 %
US Inflation-Indexed Bonds	1.50 %	1.41 %
US High Yield Bonds	2.00 %	4.70 %
US Equity Market	26.00 %	5.14 %
Foreign-Developed Equity	13.25 %	5.91 %
Emerging Market Equity	6.50 %	8.16 %
Private Real Estate Property	5.25 %	3.64 %
Timber	1.00 %	3.86 %
Farmland	1.00 %	4.39 %
Private Equity	9.00 %	8.97 %
Commodities	0.50 %	2.87 %
Hedge Funds - MultiStrategy	5.00 %	3.70 %
Hedge Funds - Equity Hedge	3.75 %	4.72 %
Hedge Funds - Distressed	3.75 %	3.49 %

Discount Rate

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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 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 (2.22%)	Current Discount Rate (3.22 %)	1% Increase (4.22 %)
District's proportionate share of the net pension liability	168,958,657	141,479,932	119,040,008

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

Public Employees' Retirement System ("PERS")

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

For the year ended June 30, 2017, the District recognized pension expense of \$351,396. 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 0.0388881759% of the total plan. The information below was provided from the State of New Jersey June 30, 2016 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
	\$ 214,192	\$ -
Changes of assumptions	2,385,824	-
Net difference between projected and actual earnings on pension plan investments	439,175	-
Changes in proportion and differences between District contributions and proportionate share of contributions	63,047	159,311
District contributions subsequent to the measurement date	<u>375,625</u>	<u>-</u>
Total	<u>\$ 3,477,863</u>	<u>\$ 159,311</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$11,517,562 and has been recorded on the district-wide financials.

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:	
2017	\$ 684,246
2018	684,246
2019	792,722
2020	666,003
2021	211,973
Thereafter	-
Total	<u>\$ 3,039,190</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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 %	0.87 %
U.S. Treasuries	1.50 %	1.74 %
Investment Grade Credit	8.00 %	1.79 %
Mortgages	2.00 %	1.67 %
High Yield Bonds	2.00 %	4.56 %
Inflation-Indexed Bonds	1.50 %	3.44 %
Broad US Equities	26.00 %	8.53 %
Developed Foreign Equities	13.25 %	6.83 %
Emerging Market Equities	6.50 %	9.95 %
Private Equity	9.00 %	12.40 %
Hedge Funds/Absolute Return	12.50 %	4.68 %
Real Estate (Property)	2.00 %	6.91 %
Commodities	0.50 %	5.45 %
Global Debt ex US	5.00 %	(0.25)%
REIT	5.25 %	5.63 %

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on 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 based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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, 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 (2.98 %)	Current Discount Rate (3.98 %)	1% Increase (4.98 %)
District's proportionate share of the net pension liability	14,113,428	11,517,562	9,374,450

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

Vesting and Benefit Provisions

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

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.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Contribution Requirements

Year Funding <u>June 30,</u>	<u>Three-Year Trend Information for PERS</u>		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	\$ 351,396	100 %	\$ -
2016	328,284	100 %	-
2015	316,156	100 %	-

Year Funding <u>June 30,</u>	<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	\$ 3,688,093	100 %	\$ -
2016	3,140,024	100 %	-
2015	2,491,708	100 %	-

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

There was a current year contribution to the TPAF post-retirement medical benefits made by the state of New Jersey on behalf of the Board in the amount of \$3,688,093. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,357,845 during the fiscal year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2017 were \$21,192. There was no liability for unpaid contributions at June 30, 2017.

14. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits of those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

15. Deferred Compensation

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

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

16. Risk Management

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest income</u>	<u>Ending Balance</u>
2016 / 2017	\$ -	\$ -	\$ 868	\$ 152,663
2015 / 2016	-	-	600	151,795
2014 / 2015	-	-	350	151,195

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

17. Interfund Receivables and Payables

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

The following interfund balances remained on the balance sheet at June 30, 2017:

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

18. Compensated Absences

The District accounts for compensated absences (e.g., sick leave) as directed by Governmental Accounting Standards. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

19. Fund Balances

General Fund - of the \$5,485,619 General Fund balance at June 30, 2017, \$678,590 of encumbrances is committed to other purposes, \$770,816 is restricted for capital reserve, \$1,196,353 is restricted for maintenance reserve, \$404,972 is restricted for emergency reserve, \$- is restricted for excess surplus, \$315,293 is restricted for excess surplus for subsequent year expenditures \$1,549,707 has been classified as assigned fund balance designated for subsequent year expenditures, and \$569,888 is unassigned.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2017

20. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$-. The excess fund balance at June 30, 2016 was \$315,293. Pursuant to the provisions of Executive Order No. 14, \$- of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund account group due to the 2016-17 withholding of state aid.

21. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2017. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2014.

22. Subsequent Events

Management has evaluated subsequent events through October 10, 2017, the date the financial statements were available to be issued.

23. Tax Abatement

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2017

Exhibit C-1

	<u>Original Budget</u>	<u>Transfers/ Encumbrances</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 32,707,297	\$ -	\$ 32,707,297	\$ 32,707,297	\$ -
Interest on investments	-	-	-	53,519	53,519
Interest earned on current expense emergency reserve	1,000	(1,000)	-	2,168	2,168
Interest earned on maintenance reserve	2,000	(2,000)	-	7,129	7,129
Interest earned on capital reserve funds	2,500	(2,500)	-	6,309	6,309
Interest earned on bond ref	-	-	-	-	-
Transportation fees from other LEA's	55,000	-	55,000	115,234	60,234
Tuition - from individuals	165,000	-	165,000	137,253	(27,747)
Tuition - from other LEA's within the state	25,000	-	25,000	110,016	85,016
Tuition - from Summer School	-	-	-	4,705	4,705
Rents and Royalties	10,000	-	10,000	29,159	19,159
Sale of Property	-	-	-	-	-
Textbook Sales And Rentals	-	-	-	586	586
Miscellaneous	164,097	-	164,097	161,109	(2,988)
Total - local sources	<u>33,131,894</u>	<u>(5,500)</u>	<u>33,126,394</u>	<u>33,334,484</u>	<u>208,090</u>
State sources:					
Categorical Transportation aid	85,308	-	85,308	85,308	-
Special Education Categorical Aid	1,663,733	-	1,663,733	1,663,733	-
Security aid	184,043	-	184,043	184,043	-
Equalization aid	3,924,507	-	3,924,507	3,924,507	-
Adjustment Aid	98,493	-	98,493	98,493	-
Under Adequacy Aid	26,399	-	26,399	26,399	-
Extraordinary aid	205,000	-	205,000	342,946	137,946
Non-public transportation	-	-	-	2,602	2,602
PARCC readiness aid	28,360	-	28,360	28,360	-
Per Pupil growth aid	28,360	-	28,360	28,360	-
Professional learning community aid	26,910	-	26,910	26,910	-
Full-Day Kindergarten Supplm. Aid (FDKSA)	-	-	-	624	624
Other State Aids	-	-	-	1,181	1,181
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	4,057	4,057
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	1,674,446	1,674,446
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	2,009,590	2,009,590
TPAF social security (reimbursed - Non-budgeted)	-	-	-	1,357,845	1,357,845
Total state sources	<u>6,271,113</u>	<u>-</u>	<u>6,271,113</u>	<u>11,459,404</u>	<u>5,188,291</u>
Federal sources:					
ARRA/SEMI Revenue	-	-	-	1,967	1,967
Other federal aids-SEMI	12,751	-	12,751	42,798	30,047
Total Federal sources	<u>12,751</u>	<u>-</u>	<u>12,751</u>	<u>44,765</u>	<u>32,014</u>
Other financing sources					
Sale or compensation for loss of F/A	-	-	-	1,669	1,669
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,669</u>	<u>1,669</u>
Total revenues	<u>39,415,758</u>	<u>(5,500)</u>	<u>39,410,258</u>	<u>44,840,322</u>	<u>5,430,064</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	634,752	98,833	733,585	729,512	4,073
Grades 1-5 - Salaries of teachers	3,967,912	(55,773)	3,912,139	3,876,246	35,893
Grades 6-8 - Salaries of teachers	3,153,334	6,621	3,159,955	3,138,736	21,219
Grades 9-12 - Salaries of teachers	3,970,004	(53,283)	3,916,721	3,898,001	18,720
Regular Programs - Home Instruction:					
Salaries of teachers	50,000	10,510	60,510	55,722	4,788
Purchased professional-educational services	45,000	(17,260)	27,740	22,117	5,623
Regular Programs - Undistributed Instruction					
Other salaries for instruction	-	-	-	-	-
Purchased professional-educational services	19,530	(25)	19,505	17,238	2,267
Purchased technical services	28,866	-	28,866	27,446	1,420
Other purchased services (400-500 series)	138,425	17,951	156,376	148,828	7,548
General supplies	667,444	54,333	721,777	673,549	48,228
Textbooks	53,157	60,759	113,916	101,421	12,495
Other objects	13,810	-	13,810	8,043	5,767
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>12,742,234</u>	<u>122,666</u>	<u>12,864,900</u>	<u>12,696,859</u>	<u>168,041</u>
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	65,411	1,770	67,181	64,030	3,151
Other salaries for instruction	13,595	110	13,705	13,705	-
General supplies	500	-	500	340	160
Textbooks	150	-	150	150	-
Total Behavioral Disabilities	<u>79,656</u>	<u>1,880</u>	<u>81,536</u>	<u>78,075</u>	<u>3,461</u>
Multiple Disabilities:					
Salaries of Teachers	368,496	2,958	371,454	370,915	539
Other salaries for instruction	47,131	34,829	81,960	81,319	641
General supplies	1,700	-	1,700	530	1,170
Total Multiple Disabilities	<u>417,327</u>	<u>37,787</u>	<u>455,114</u>	<u>452,764</u>	<u>2,350</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2017

Exhibit C-1

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 2,105,373	\$ 9,870	\$ 2,115,243	\$ 2,110,562	\$ 4,681
Other Salaries for Instruction	94,522	39,199	133,721	127,945	5,776
General supplies	4,000	(280)	3,720	3,697	23
Textbooks	1,500	(250)	1,250	1,250	-
Total Resource Room/Resource Center	2,205,395	48,539	2,253,934	2,243,454	10,480
Autism:					
Salaries of Teachers	70,781	807	71,588	71,458	130
Other Salaries for Instruction	-	250	250	-	250
Other purchased services (400-500 series)	250	500	750	724	26
General Supplies	750	(750)	-	-	-
Total Autism	71,781	807	72,588	72,182	406
Preschool Disabilities - Full-Time:					
Salaries of Teachers	98,621	130	98,751	98,294	457
Other Salaries for Instruction	55,085	28,617	83,702	81,737	1,965
General Supplies	1,850	(264)	1,586	1,504	82
Total Preschool Disabilities - Full-Time	155,556	28,483	184,039	181,535	2,504
Home Instruction:					
Salaries of Teachers	17,500	-	17,500	-	17,500
Purchased Professional-Educational Services	500	-	500	-	500
Total Home Instruction	18,000	-	18,000	-	18,000
TOTAL SPECIAL EDUCATION- INSTRUCTION	2,947,715	117,496	3,065,211	3,028,010	37,201
Basic Skills/Remedial - Instruction					
Salaries of Teachers	293,574	169	293,743	290,191	3,552
Other Purchased Services (400-500 series)	76,300	-	76,300	76,044	256
General Supplies	9,800	142	9,942	8,880	1,062
Other Objects	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	379,674	311	379,985	375,115	4,870
Bilingual Education - Instruction					
Salaries of Teachers	86,905	10,369	97,274	96,723	551
Purchased Prof - Ed Services	-	180	180	-	180
Other Purchased Services (400-500 series)	350	-	350	-	350
General Supplies	600	-	600	185	415
Total Bilingual Education - Instruction	87,855	10,549	98,404	96,908	1,496
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	187,943	(1,541)	186,402	181,607	4,795
Purchased Services (300-500 series)	16,700	387	17,087	12,478	4,609
Supplies and Materials	69,860	48,910	118,770	74,574	44,196
Other Objects	4,935	-	4,935	2,469	2,466
Total School-Spon. Cocurricular Actvts. - Instruction	279,438	47,756	327,194	271,128	56,066
School-Spon. Athletics - Instruction					
Salaries	441,880	7,688	449,568	449,567	1
Purchased Services (300-500 series)	149,175	(16,262)	132,913	131,518	1,395
Supplies and Materials	84,900	47,106	132,006	122,728	9,278
Other Objects	500	(150)	350	350	-
Total School-Spon. Cocurricular Actvts. - Instruction	676,455	38,382	714,837	704,163	10,674
Other Instructional Programs - Instruction					
Purchased prof & tech services	13,500	5,900	19,400	2,100	17,300
Total Other Instructional Programs - Instruction	13,500	5,900	19,400	2,100	17,300
Total Instruction	17,126,871	343,060	17,469,931	17,174,283	295,648
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - Special	277,620	(95,356)	182,264	181,912	352
Tuition to other LEAs within the state - Regular	-	-	-	-	-
Tuition to Co. Voc. School Dist. - reg.	72,500	-	72,500	68,970	3,530
Tuition to Co. Spec. Serv. & Reg. Day schools	282,671	86,889	369,560	359,119	10,441
Tuition to Private Sch for Disbl w/i State	1,524,095	(32,337)	1,491,758	1,398,523	93,235
Tuition Priv Sch Disbl & Otr LEA o/s State	125,000	(110,005)	14,995	-	14,995
Tuition - State Facilities	-	-	-	-	-
Tuition - Other	39,849	1,134	40,983	24,350	16,633
Total Undistributed Expenditures - Instruction:	2,321,735	(149,675)	2,172,060	2,032,874	139,186
Undistributed Expend. - Attend. & Social Work					
Salaries	163,834	8,310	172,144	167,922	4,222
Other Purchased Services (400-500 series)	-	500	500	237	263
Supplies and Materials	1,575	(400)	1,175	921	254
Total Undistributed Expend. - Attend. & Social Work	165,409	8,410	173,819	169,080	4,739
Undist. Expend. - Health Services					
Salaries	370,805	10,483	381,288	378,945	2,343
Purchased professional and technical services	30,700	10,437	41,137	30,988	10,149
Other purchased services (400-500 series)	2,160	(115)	2,045	531	1,514
Supplies and materials	7,350	-	7,350	5,678	1,672
Total Undistributed Expenditures - Health Services	411,015	20,805	431,820	416,142	15,678
Undist. Expend. - Other Support Services - Students - Related Service					
Salaries	284,939	-	284,939	273,215	11,724
Purchased Prof. Ed. Services	404,500	20,567	425,067	390,078	34,989
Supplies and Materials	2,300	(544)	1,756	1,311	445
Total Undist. Expend. - Other Support Services - Students - Related Service	691,739	20,023	711,762	664,604	47,158
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	752,475	(23,609)	728,866	693,799	35,067
Purchased Prof. Ed. Services	163,375	(39,000)	124,375	73,276	51,099
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	915,850	(62,609)	853,241	767,075	86,166
Undist. Expend. - Other Support Services Students-Regular					
Salaries of Other Professional Staff	749,710	(412)	749,298	744,544	4,754
Salaries of Secretarial and Clerical Assistants	142,505	300	142,805	142,605	200
Other Salaries	5,000	-	5,000	1,875	3,125
Unused Vac Payment to Term/Ret Staff	-	2,145	2,145	2,145	-
Other Purch. Prof. & Tech. Svc.	5,270	-	5,270	160	5,110
Other Purchased Services (400-500 series)	8,400	(1,521)	6,879	2,859	4,020
Supplies and Materials	13,400	2,662	16,062	9,404	6,658
Other Objects	880	-	880	454	426
Total Undist. Expend. - Other Support Services - Students-Regular	925,165	3,174	928,339	904,046	24,293

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

Exhibit C-1

	<u>Original Budget</u>	<u>Transfers/ Encumbrances</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Other Support Services - Students-Special					
Salaries of Other Professional Staff	\$ 930,780	\$ (21,449)	\$ 909,331	\$ 909,330	\$ 1
Salaries of Secretarial and Clerical assistants	154,700	(20,550)	134,150	130,699	3,451
Purchased Professional - Educational Services	27,000	5,386	32,386	26,011	6,375
Other Purchased Prof. & Tech. Services	8,000	-	8,000	8,000	-
Other Purchased Services (400-500 series)	14,500	(5,529)	8,971	7,849	1,122
Misc. Purch Serv	-	-	-	-	-
Supplies and Materials	7,100	7,876	14,976	11,825	3,151
Other Objects	1,350	(429)	921	882	39
Total Undist. Expend. - Other Support Services - Students-Special	<u>1,143,430</u>	<u>(34,695)</u>	<u>1,108,735</u>	<u>1,094,596</u>	<u>14,139</u>
Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.					
Salaries Superv. Of Instr.	79,798	-	79,798	79,300	498
Salaries Other Prof. Staff	-	-	-	-	-
Salaries Secr. & Clerical Asst.	12,232	-	12,232	10,461	1,771
Other Salaries	16,000	(442)	15,558	12,100	3,458
Supplies and Materials	3,100	(800)	2,300	1,301	999
Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.	<u>111,130</u>	<u>(1,242)</u>	<u>109,888</u>	<u>103,162</u>	<u>6,726</u>
Undist. Expend. - Educational Media Services/School Library					
Salaries	263,662	-	263,662	261,169	2,493
Salaries of Technology Coordinators	69,917	-	69,917	69,679	238
Purchased Prof & Tech Svc.	6,080	-	6,080	5,529	551
Other Purchased Services (400-500)	1,100	-	1,100	66	1,034
Supplies and Materials	41,100	2,392	43,492	36,814	6,678
Total Undist. Expend. - Educational Media Services/School Library	<u>381,859</u>	<u>2,392</u>	<u>384,251</u>	<u>373,257</u>	<u>10,994</u>
Undist. Expend. - Instruction Staff Training Services					
Salaries of Supervisors of Instruction	79,798	-	79,798	79,300	498
Salaries of Other Professional Staff	24,700	2,043	26,743	12,253	14,490
Salaries of Secretarial & Clerical Assistants	36,696	(3,557)	33,139	31,383	1,756
Purchased Professional - Educational Services	32,000	18,309	50,309	40,503	9,806
Other Purchased Services (400-500 series)	39,250	2,608	41,858	25,484	16,374
Supplies and Materials	49,000	5,134	54,134	50,964	3,170
Total Undist. Expend. - Instruction Staff Training Services	<u>261,444</u>	<u>24,537</u>	<u>285,981</u>	<u>239,887</u>	<u>46,094</u>
Undist. Expend. - Support Service - General Administration					
Salaries	329,885	10,100	339,985	322,541	17,444
Legal Services	110,000	17,303	127,303	101,662	25,641
Audit Fees	21,500	1,000	22,500	21,500	1,000
Architectural/Engineering Services	25,000	85,474	110,474	67,573	42,901
Other Purchased Professional Services	1,000	-	1,000	-	1,000
Communications/Telephone	69,500	12,132	81,632	40,429	41,203
BOE Other Purchased Services	13,750	(8,994)	4,756	4,756	-
Misc. Purch. Serv.(400-500)	178,700	(10,238)	168,462	155,372	13,090
General Supplies	4,950	2,687	7,637	3,026	4,611
BOE In-house Training/Meeting Supplies	1,500	87	1,587	1,587	-
Judgments Against the School District	25,000	-	25,000	-	25,000
Miscellaneous Expenditures	28,100	-	28,100	25,588	2,512
Total Undist. Expend. - Support Service - General Administration	<u>808,885</u>	<u>109,551</u>	<u>918,436</u>	<u>744,034</u>	<u>174,402</u>
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant principals	\$ 1,388,763	\$ 640	\$ 1,389,403	\$ 1,387,471	\$ 1,932
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	464,117	(19,136)	444,981	434,051	10,930
Other Purchased Services (400-500 series)	13,150	2,609	15,759	13,351	2,408
Supplies and Materials	18,000	20,162	38,162	30,311	7,851
Other Objects	14,078	(70)	14,008	13,463	545
Total Undist. Expend. - Support Service - School Administration	<u>1,898,108</u>	<u>4,205</u>	<u>1,902,313</u>	<u>1,878,647</u>	<u>23,666</u>
Undistributed Expenditures- Central Services					
Salaries	516,843	10,592	527,435	517,269	10,166
Purchased Technical Services	42,220	(5,473)	36,747	29,976	6,771
Unused Vac Payment to Term/Ret Staff	-	5,458	5,458	5,458	-
Purchase Professional Services	4,800	-	4,800	1,300	3,500
Misc. Purchased Services	4,550	-	4,550	2,986	1,564
Supplies and Materials	6,800	5,487	12,287	8,249	4,038
Miscellaneous Expenditures	3,250	5,260	8,510	6,881	1,629
Total Central Services	<u>578,463</u>	<u>21,324</u>	<u>599,787</u>	<u>572,119</u>	<u>27,668</u>
Administration Information Technology					
Salaries	118,423	10,000	128,423	118,423	10,000
Total Admin Info tech	<u>118,423</u>	<u>10,000</u>	<u>128,423</u>	<u>118,423</u>	<u>10,000</u>
Interest Earned on Maintenance Reserve					
Interest earned on maintenance reserve	2,000	(2,000)	-	-	-
Total Interest Earned on Maintenance Reserve	<u>2,000</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Required Maint for School Facilities					
Salaries	35,000	(3,479)	31,521	8,499	23,022
Cleaning, Repair and Maintenance Services	870,126	34,042	904,168	710,226	193,942
General Supplies	88,100	19,624	107,724	97,345	10,379
Other Objects	3,900	2,332	6,232	6,232	-
Total Required Maintenance for School Facilities	<u>997,126</u>	<u>52,519</u>	<u>1,049,645</u>	<u>822,302</u>	<u>227,343</u>
Custodial Services					
Salaries	166,928	56,441	223,369	215,558	7,811
Purchased Professional and Technical Services	1,270,288	2,851	1,273,139	1,223,808	49,331
Cleaning, Repair and Maintenance Services	68,550	1,406	69,956	47,138	22,818
Rental of Land and Building Other than Lease	12,000	-	12,000	12,000	-
Other Purchased Property Services	50,150	4,210	54,360	45,931	8,429
Insurance	138,100	-	138,100	116,085	22,015
Miscellaneous Purchased Services	35,000	70,931	105,931	93,147	12,784
General Supplies	2,500	2,768	5,268	2,882	2,386
Energy (Natural Gas)	297,000	7,003	304,003	236,509	67,494
Energy (Electricity)	516,000	(35,623)	480,377	466,369	14,008
Total Custodial services	<u>2,556,516</u>	<u>109,987</u>	<u>2,666,503</u>	<u>2,459,427</u>	<u>207,076</u>
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	162,577	-	162,577	162,577	-
Cleaning, Repair and Maintenance Services	52,328	83,317	135,645	113,558	22,087
General Supplies	25,000	(1,084)	23,916	22,975	941
Total Care and Upkeep of Grounds	<u>239,905</u>	<u>82,233</u>	<u>322,138</u>	<u>299,110</u>	<u>23,028</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

Exhibit C-1

	<u>Original Budget</u>	<u>Transfers/ Encumbrances</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Security					
Salaries	\$ 56,441	\$ (56,441)	\$ -	\$ -	\$ -
Purchased Professional and Technical Services	-	-	-	-	-
Cleaning, Repair and Maintenance Services	32,000	25,748	57,748	55,218	2,530
General Supplies	13,500	60,430	73,930	67,350	6,580
Total Security	<u>101,941</u>	<u>29,737</u>	<u>131,678</u>	<u>122,568</u>	<u>9,110</u>
Total Oper. And Maintenance of Plant Services	<u>3,895,488</u>	<u>274,476</u>	<u>4,169,964</u>	<u>3,703,407</u>	<u>466,557</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	332,094	(30,736)	301,358	299,343	2,015
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	132,158	23,511	155,669	142,918	12,751
Salaries for Pupil Transportation (Other than Between Home and School)	85,050	23,649	108,699	88,157	20,542
Salaries for Pupil Transportation (Between Home and School) - Non Public Schools	24,348	23,135	47,483	46,436	1,047
Management Fee - ESC Trans. Program	16,750	3,034	19,784	19,295	489
Other Purchased Professional & Technical Services	9,400	657	10,057	9,673	384
Cleaning, Repair and Maint. Services	9,500	(3,282)	6,218	4,296	1,922
Contract Svc (btw Home & Sch.)-vendors	315,000	(20,051)	294,949	289,036	5,913
Contr Svc (Oth.than Bet Home & Sch) - Vend	4,500	-	4,500	2,229	2,271
Contract Svc (btw home & sch.)-joint agree	15,000	(15,000)	-	-	-
Contract Serv. (Sp Ed Stds) - Vendors	115,000	(44,860)	70,140	52,570	17,570
Contract Serv. (Sp Ed Stds) - Joint Agrmnts	-	-	-	-	-
Contract Serv. (Reg Students) - ESCs & CSTAs	60,000	17,000	77,000	76,785	215
Contract Serv.(Spl. Ed. Students) - ESCs & CTSAs	265,000	24,898	289,898	289,896	2
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	6,000	-	6,000	5,304	696
Misc. Purchased Services - Transportation	19,000	407	19,407	17,730	1,677
General Supplies	5,000	(18)	4,982	3,071	1,911
Transportation Supplies	85,000	22,930	107,930	54,876	53,054
Other Objects	750	-	750	200	550
Total Student Transportation Services	<u>1,499,550</u>	<u>25,274</u>	<u>1,524,824</u>	<u>1,401,815</u>	<u>123,009</u>
Interest Earned on Current Expense Emergency Reserve					
Interest earned on current expense emergency reserve	1,000	(1,000)	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Personal Services- Employee Benefits					
Social Security Contributions	384,000	-	384,000	355,001	28,999
Other Retirement Contributions-PERS	386,000	-	386,000	351,396	34,604
Other Retirement Contributions-Regular	-	-	-	-	-
Unemployment Compensation	98,000	-	98,000	89,156	8,844
Workmen's Compensation	185,000	-	185,000	161,770	23,230
Health Benefits	6,009,660	(148,631)	5,861,029	5,290,900	570,129
Tuition Reimbursement	21,000	1,020	22,020	11,940	10,080
Other Employee Benefits	150,000	-	150,000	134,521	15,479
Total Personal Services-Employee Benefits	<u>7,233,660</u>	<u>(147,611)</u>	<u>7,086,049</u>	<u>6,394,684</u>	<u>691,365</u>
On-behalf TPAF LTDI (non-budgeted)	-	-	-	4,057	(4,057)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	1,674,446	(1,674,446)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	2,009,590	(2,009,590)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,357,845	(1,357,845)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,045,938</u>	<u>(5,045,938)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>7,233,660</u>	<u>(147,611)</u>	<u>7,086,049</u>	<u>11,440,622</u>	<u>(4,354,573)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>23,364,353</u>	<u>125,339</u>	<u>23,489,692</u>	<u>26,623,790</u>	<u>(3,134,098)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>40,491,224</u>	<u>468,399</u>	<u>40,959,623</u>	<u>43,798,073</u>	<u>(2,838,450)</u>
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	2,500	(2,500)	-	-	-
Equipment					
Regular Programs - Instruction:					
Grades 1-5	46,166	(16,643)	29,523	16,670	12,853
Grades 6-8	13,167	-	13,167	12,170	997
Grades 9-12	13,167	9,682	22,849	-	22,849
Special Education- Instruction:					
School - Sponsored and Other Instructional Program	5,000	25,192	30,192	27,037	3,155
General Administration					
Undist. Exp.-Support Serv.-Child Study Teams	-	-	-	-	-
Undist.Exp.-Req. Maint. Schl Facilities					
Support Services-students- Regular	-	-	-	-	-
Support Services-students- Special Education	-	4,838	4,838	4,837	1
Central Service	-	12,626	12,626	12,626	-
Undist. Exp.-Req. Maint. Schl Facilities	595,000	454,624	1,049,624	849,186	200,438
Undistributed exp.-Non-instructional services					
Non-instructional Equip.	93,000	(93,000)	-	-	-
School Buses -Regular	-	279,944	279,944	185,896	94,048
Total Equipment	<u>765,500</u>	<u>677,263</u>	<u>1,442,763</u>	<u>1,108,422</u>	<u>334,341</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	25,000	2,418	27,418	27,052	366
Construction Services	900,000	(831,466)	68,534	68,534	-
Assessment for Debt Service on SDA Funding	68,534	(68,534)	-	-	-
Supplies & Materials	-	926,625	926,625	898,725	27,900
Capital Outlay transfer to Capital Projects	-	-	-	-	-
Capital Reserve transfer to Capital Projects	-	-	-	-	-
Total	<u>993,534</u>	<u>29,043</u>	<u>1,022,577</u>	<u>994,311</u>	<u>28,266</u>
TOTAL CAPITAL OUTLAY	<u>1,761,534</u>	<u>703,806</u>	<u>2,465,340</u>	<u>2,102,733</u>	<u>362,607</u>
TOTAL EXPENDITURES	<u>42,252,758</u>	<u>1,172,205</u>	<u>43,424,963</u>	<u>45,900,806</u>	<u>(2,475,843)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,837,000)</u>	<u>(1,177,705)</u>	<u>(4,014,705)</u>	<u>(1,060,484)</u>	<u>2,954,221</u>
Fund Balance, July 1	7,138,860	-	7,138,860	7,138,860	-
Fund Balance, June 30	<u>\$ 4,301,860</u>	<u>\$ (1,177,705)</u>	<u>\$ 3,124,155</u>	<u>6,078,376</u>	<u>\$ 2,954,221</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2017

Exhibit C-1

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				\$ 1,196,353	
Emergency Reserve				404,972	
Excess surplus - current year				-	
Excess surplus-designated for subsequent year's expenditures				315,293	
Capital reserve				770,816	
Committed Fund Balance:					
Other purposes				-	
Year-end encumbrances				678,590	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				1,549,707	
Unrestricted/undesignated				1,162,645	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				(592,757)	
Fund balance per governmental funds (GAAP)				569,888	

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 87,915	\$ 87,915
State sources	-	-	-	-	-
Federal sources	1,080,677	3,257	1,083,934	951,253	(132,681)
Total Revenues	<u>1,080,677</u>	<u>3,257</u>	<u>1,083,934</u>	<u>1,039,168</u>	<u>(44,766)</u>
EXPENDITURES					
Instruction:					
Personal services-salaries	249,519	(16,137)	233,382	231,628	1,754
Purchased professional and technical services	5,199	(1,559)	3,640	2,402	1,238
General supplies	76,344	(1,823)	74,521	61,665	12,856
Tuition	595,000	3,641	598,641	598,641	-
Other objects	1,700	1,024	2,724	2,724	-
Total instruction	<u>927,762</u>	<u>(14,854)</u>	<u>912,908</u>	<u>897,060</u>	<u>15,848</u>
Support services:					
Personal services - salaries	18,380	(4,053)	14,327	12,439	1,888
Purchased professional and technical services	26,263	24,566	50,829	24,883	25,946
Other purchased services	5,436	2,119	7,555	7,026	529
Employee benefits	50,195	(3,550)	46,645	46,645	-
Supplies- materials	8,609	(971)	7,638	7,083	555
Total support services	<u>108,883</u>	<u>18,111</u>	<u>126,994</u>	<u>98,076</u>	<u>28,918</u>
EXPENDITURES:					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Instructional equipment	44,032	-	44,032	44,032	-
Total facilities acquisition and const. serv.	<u>44,032</u>	<u>-</u>	<u>44,032</u>	<u>44,032</u>	<u>-</u>
Total expenditures	<u>1,080,677</u>	<u>3,257</u>	<u>1,083,934</u>	<u>1,039,168</u>	<u>44,766</u>
Total outflows	<u>1,080,677</u>	<u>3,257</u>	<u>1,083,934</u>	<u>1,039,168</u>	<u>44,766</u>
Excess (deficiency) of revenues					
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				\$ -	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2017

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 44,840,322	[C-2]	\$ 1,039,168
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(1,703)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(2,009,590)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(592,757)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		591,017		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 42,828,992</u>	[B-2]	<u>\$ 1,037,465</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 45,900,806	[C-2]	\$ 1,039,168
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(2,009,590)		
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.		-		(1,703)
Pension expense recognized for GAAP but not for budgetary purposes.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 43,891,216</u>	[B-2]	<u>\$ 1,037,465</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Fiscal Year Ended June 30, 2017

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.0387504353%	0.0385013092%	0.3888817590%
District's proportionate share of the net pension liability	\$ 7,586,149	\$ 8,988,249	\$ 11,517,562
District's covered-employee payroll	\$ 2,649,489	\$ 2,581,190	\$ 2,603,676
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	286.32%	348.22%	442.36%
Plan fiduciary net position as a percentage of the total pension liability	67.89%	61.84%	45.35%

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Fiscal Year Ended June 30, 2017

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contributions	\$ 319,453	\$ 331,008	\$ 350,509
Contributions in relation to the contractually required contribution	<u>316,156</u>	<u>328,284</u>	<u>351,396</u>
Contribution deficiency (excess)	<u>\$ 3,297</u>	<u>\$ 2,724</u>	<u>\$ (887)</u>
District's covered-employee payroll	\$ 2,649,489	\$ 2,581,190	\$ 2,603,676
Contributions as a percentage of covered-employee payroll	12.06%	12.82%	13.46%

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Fiscal Year Ended June 30, 2017

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.1758938202%	0.1781194611%	0.1790230154%
District's proportionate share of the net pension liability	\$ 94,009,522	\$ 112,579,106	\$ 140,830,902
District's covered-employee payroll	\$ 17,900,386	\$ 18,691,714	\$ 19,175,968
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	525.18%	602.29%	734.41%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%

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

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

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

Point Pleasant Borough Board of Education

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2017

Assumptions

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

Inflation Rate	3.08 %
Salary increases: 2012-2021	1.65 - 4.15 % based on age
Thereafter	2.65 - 5.15 % based on age
Investment rate of return	7.65 %

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

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

OTHER SUPPLEMENTARY INFORMATION

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	Title I 16/17	IDEA-Part B-Basic Reg Prog 16/17	IDEA-Part B Preschool 16/17
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	256,758	605,940	25,984
Total revenues	<u>256,758</u>	<u>605,940</u>	<u>25,984</u>
Expenditures:			
Instruction:			
Salaries of teachers	190,436	-	-
Purchased services	-	-	-
General supplies	-	14,726	4,879
Tuition	-	581,141	17,500
Other Objects	518	-	800
Total instruction	<u>190,954</u>	<u>595,867</u>	<u>23,179</u>
Support services:			
Other support services - students - special:			
Salaries of other professional staff	12,133	-	-
Prof. and tech. services	18,400	1,614	830
Other purchased services	-	3,556	-
Employee benefits	35,121	-	-
Supplies and materials	150	4,903	1,975
Total other support services - students - special	<u>65,804</u>	<u>10,073</u>	<u>2,805</u>
Total support services	<u>65,804</u>	<u>10,073</u>	<u>2,805</u>
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 256,758</u>	<u>\$ 605,940</u>	<u>\$ 25,984</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)

	Title II Part A 16/17	Title III 16/17	Other	Total 2017
Revenues:				
Local sources	\$ -	\$ -	\$ 87,915	\$ 87,915
State sources	-	-	-	-
Federal sources	52,716	9,855	-	951,253
Total revenues	52,716	9,855	87,915	1,039,168
Expenditures:				
Instruction:				
Salaries of teachers	41,192	-	-	231,628
Purchased services	-	-	2,402	2,402
General supplies	-	5,085	36,975	61,665
Tuition	-	-	-	598,641
Other objects	-	-	1,406	2,724
Total instruction	41,192	5,085	40,783	897,060
Support services:				
Other support services - students - special:				
Salaries of other professional staff	-	-	306	12,439
Prof. and tech. services	-	3,300	739	24,883
Other purchased services	-	1,470	2,000	7,026
Employee benefits	11,524	-	-	46,645
Supplies and materials	-	-	55	7,083
Total other support services - students - special	11,524	4,770	3,100	98,076
Total support services	11,524	4,770	3,100	98,076
Equipment:				
Instruction equipment	-	-	-	-
Non-instructional equipment	-	-	44,032	44,032
Total equipment	-	-	44,032	44,032
Total expenditures	\$ 52,716	\$ 9,855	\$ 87,915	\$ 1,039,168

**POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2017**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2017</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Reroofing and MEP Upgrades - Memorial Middle School	1/2/2014	4,148,287	3,978,032	118,153	52,102
Reroofing and MEP Upgrades - Nellie Bennett School	1/2/2014	3,560,713	3,380,433	117,683	62,597
Reroofing and MEP Upgrades - Ocean Road Elementary School	1/2/2014	1,904,600	1,645,182	217,534	41,884
Reroofing and MEP Upgrades - Point Pleasant High School	1/2/2014	6,334,400	6,154,244	168,866	11,290
Security Cameras - Memorial Middle School	7/31/2014	93,910	74,181	-	19,729
Security Cameras - Nellie Bennett School	7/31/2014	52,209	41,615	-	10,594
Security Cameras - Ocean Road Elementary School	7/31/2014	59,803	40,074	-	19,729
Security Cameras - Point Pleasant High School	7/31/2014	155,109	135,380	-	19,729
Totals		<u>\$ 16,309,031</u>	<u>\$ 15,449,141</u>	<u>\$ 622,236</u>	<u>\$ 237,654</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2017

Revenues and Other Financing Sources

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

Expenditures and Other Financing Uses

Purchased professional and technical services	16,826
Land and improvements	-
Construction services	605,410
Other objects	-
Equipment purchases	-
Transfer to debt service fund	-
Total expenditures	<u>622,236</u>

Excess of revenues over expenditures	(622,236)
Fund balance - beginning	859,890
Fund balance - ending	<u>\$ 237,654</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Reroofing and MEP Upgrades - Memorial Middle School
 From Inception and for the Year Ended June 30, 2017

	<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	4,048,287	100,000	4,148,287	4,148,287
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>4,048,287</u>	<u>100,000</u>	<u>4,148,287</u>	<u>4,148,287</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	293,284	2,409	295,693	-
Land and improvements	-	-	-	-
Construction services	3,684,748	115,744	3,800,492	-
Equipment purchases	-	-	-	-
Total expenditures	<u>3,978,032</u>	<u>118,153</u>	<u>4,096,185</u>	<u>-</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 70,255</u>	<u>\$ (18,153)</u>	<u>\$ 52,102</u>	<u>\$ 4,148,287</u>
Additional project information:				
Project Number	4210-030-13-3000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	3,896,000			
Bonds Issued	3,896,000			
Original Authorized Cost	3,896,000			
Additional Authorized Cost	100,000			
Revised Authorized Cost	3,996,000			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	98.74%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Reroofing and MEP Upgrades - Nellie Bennett School
 From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	3,660,713	(100,000)	3,560,713	3,560,713
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>3,660,713</u>	<u>(100,000)</u>	<u>3,560,713</u>	<u>3,560,713</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	236,222	3,147	239,369	-
Land and improvements	-	-	-	-
Construction services	3,144,211	114,536	3,258,747	-
Equipment purchases	-	-	-	-
Total expenditures	<u>3,380,433</u>	<u>117,683</u>	<u>3,498,116</u>	<u>-</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 280,280</u>	<u>\$ (217,683)</u>	<u>\$ 62,597</u>	<u>\$ 3,560,713</u>
Additional project information:				
Project Number	4210-030-13-2000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	3,813,000			
Bonds Issued	3,813,000			
Original Authorized Cost	3,813,000			
Additional Authorized Cost	(100,000)			
Revised Authorized Cost	3,713,000			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	98.24%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Reroofing and MEP Upgrades - Ocean Road Elementary School
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	2,079,600	(175,000)	1,904,600	1,904,600
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>2,079,600</u>	<u>(175,000)</u>	<u>1,904,600</u>	<u>1,904,600</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	188,030	3,147	191,177	-
Land and improvements	-	-	-	-
Construction services	1,457,152	214,387	1,671,539	-
Equipment purchases	-	-	-	-
Total expenditures	<u>1,645,182</u>	<u>217,534</u>	<u>1,862,716</u>	<u>-</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 434,418</u>	<u>\$ (392,534)</u>	<u>\$ 41,884</u>	<u>\$ 1,904,600</u>
Additional project information:				
Project Number	4210-030-13-3000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	2,268,000			
Bonds Issued	2,268,000			
Original Authorized Cost	2,268,000			
Additional Authorized Cost	(175,000)			
Revised Authorized Cost	2,093,000			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	97.80%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Reroofing and MEP Upgrades - Point Pleasant High School
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	6,159,400	175,000	6,334,400	6,334,400
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	6,159,400	175,000	6,334,400	6,334,400
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	416,462	8,123	424,585	-
Land and improvements	-	-	-	-
Construction services	5,737,782	160,743	5,898,525	-
Equipment purchases	-	-	-	-
Total expenditures	6,154,244	168,866	6,323,110	-
Excess (deficiency) or revenues over (under) expenditures	\$ 5,156	\$ 6,134	\$ 11,290	\$ 6,334,400
Additional project information:				
Project Number	4210-030-13-2000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	5,971,000			
Bonds Issued	5,971,000			
Original Authorized Cost	5,971,000			
Additional Authorized Cost	175,000			
Revised Authorized Cost	6,146,000			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	99.82%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
 Security Cameras - Memorial Middle School
 From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 42,157	\$ -	\$ 42,157	\$ 42,157
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	63,235	(11,482)	51,753	51,753
Transfer from capital outlay	-	-	-	-
Total revenues	<u>105,392</u>	<u>(11,482)</u>	<u>93,910</u>	<u>93,910</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	74,181	-	74,181	-
Total expenditures	<u>74,181</u>	<u>-</u>	<u>74,181</u>	<u>-</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 31,211</u>	<u>\$ (11,482)</u>	<u>\$ 19,729</u>	<u>\$ 93,910</u>
Additional project information:				
Project Number	4210-050-14-1002			
Grant Date	7/31/2014			
Grant Amount	42,157			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	105,392			
Additional Authorized Cost	-			
Revised Authorized Cost	105,392			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	78.99%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Security Cameras - Nellie Bennett School
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 19,716	\$ -	\$ 19,716	\$ 19,716
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	29,574	2,919	32,493	32,493
Transfer from capital outlay	-	-	-	-
Total revenues	49,290	2,919	52,209	52,209
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	41,615	-	41,615	-
Total expenditures	41,615	-	41,615	-
Excess (deficiency) or revenues over (under) expenditures	\$ 7,675	\$ 2,919	\$ 10,594	\$ 52,209
 Additional project information:				
Project Number	4210-055-14-11003			
Grant Date	7/31/2014			
Grant Amount	19,716			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	49,290			
Additional Authorized Cost	-			
Revised Authorized Cost	49,290			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	79.71%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Security Cameras - Ocean Road Elementary School
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 20,462	\$ -	\$ 20,462	\$ 20,462
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	30,694	8,647	39,341	39,341
Transfer from capital outlay	-	-	-	-
Total revenues	51,156	8,647	59,803	59,803
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	40,074	-	40,074	-
Total expenditures	40,074	-	40,074	-
Excess (deficiency) or revenues over (under) expenditures	\$ 11,082	\$ 8,647	\$ 19,729	\$ 59,803
 Additional project information:				
Project Number	4210-060-14-1004			
Grant Date	7/31/2014			
Grant Amount	20,462			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	51,156			
Additional Authorized Cost	-			
Revised Authorized Cost	51,156			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	67.01%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Security Cameras - Point Pleasant High School
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 62,077	\$ -	\$ 62,077	\$ 62,077
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	93,116	(84)	93,032	93,032
Transfer from capital outlay	-	-	-	-
Total revenues	155,193	(84)	155,109	155,109
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	135,380	-	135,380	-
Total expenditures	135,380	-	135,380	-
Excess (deficiency) or revenues over (under) expenditures	\$ 19,813	\$ (84)	\$ 19,729	\$ 155,109
Additional project information:				
Project Number	4210-030-14-1001			
Grant Date	7/31/2014			
Grant Amount	62,077			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	155,193			
Additional Authorized Cost	-			
Revised Authorized Cost	155,193			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	87.28%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2017

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 54,850	\$ 194,426	\$ 249,276
Accounts receivable:			
State	244	-	244
Federal	7,410	-	7,410
Other government	700	234	934
Other	1,858	-	1,858
Interfund	-	-	-
Inventories	<u>21,758</u>	<u>-</u>	<u>21,758</u>
Total current assets	<u>86,820</u>	<u>194,660</u>	<u>281,480</u>
Fixed assets:			
Equipment	354,734	3,487	358,221
Buildings and improvements	1,173,439	-	1,173,439
Accumulated depreciation	<u>(331,387)</u>	<u>(2,527)</u>	<u>(333,914)</u>
Total fixed assets	<u>1,196,786</u>	<u>960</u>	<u>1,197,746</u>
Total assets	<u>\$ 1,283,606</u>	<u>\$ 195,620</u>	<u>\$ 1,479,226</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	36	36
Deferred revenue	14,240	-	14,240
Compensated absences	-	-	-
Interfund payable	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>14,240</u>	<u>36</u>	<u>14,276</u>
Net position :			
Net investment in capital assets	1,196,786	960	1,197,746
Restricted for other purposes	-	-	-
Unrestricted net position	<u>72,580</u>	<u>194,624</u>	<u>267,204</u>
Total fund equity	<u>1,269,366</u>	<u>195,584</u>	<u>1,464,950</u>
Total liabilities and fund equity	<u>\$ 1,283,606</u>	<u>\$ 195,620</u>	<u>\$ 1,479,226</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Funds
Combined Statement of Revenues, Expenses and
Changes in Net Position
For the Fiscal Year ended June 30, 2017

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales-reimbursable programs:			
School breakfast program	\$ 7,283	\$ -	\$ 7,283
School lunch program	255,549	-	255,549
Total-daily sales-reimbursable programs	262,832	-	262,832
Daily sales non-reimbursable programs	186,065	-	186,065
Special functions	4,285	-	4,285
Miscellaneous	79,825	366,936	446,761
Total operating revenues	<u>533,007</u>	<u>366,936</u>	<u>899,943</u>
Operating expenses:			
Salaries	261,324	264,408	525,732
Employee benefits	126,996	54,265	181,261
Other purchased services	16,746	18,818	35,564
Supplies and materials	17,383	2,509	19,892
Utilities	31,590	13,002	44,592
Dues/Workshops	385	-	385
Depreciation	4,982	105	5,087
Cost of sales - reimbursable programs	178,071	-	178,071
Cost of sales - non-reimbursable programs	105,634	-	105,634
Total operating expenses	<u>743,111</u>	<u>353,107</u>	<u>1,096,218</u>
Operating income (loss)	<u>(210,104)</u>	<u>13,829</u>	<u>(196,275)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	5,311	-	5,311
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	14,944	-	14,944
National school lunch program	142,558	-	142,558
Food distribution program	38,232	-	38,232
FEMA disaster funding	-	-	-
Interest	146	-	146
Total nonoperating revenues	<u>201,191</u>	<u>-</u>	<u>201,191</u>
Change in net position before transfers	(8,913)	13,829	4,916
Transfers in (out)	-	-	-
Change in net position	(8,913)	13,829	4,916
Total unrestricted net position beginning	<u>1,278,279</u>	<u>181,755</u>	<u>1,460,034</u>
Total unrestricted net position ending	<u>\$ 1,269,366</u>	<u>\$ 195,584</u>	<u>\$ 1,464,950</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Food Services Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Year ended June 30, 2017

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 575,202	\$ 366,702	\$ 941,904
Payments to employees & benefits	(388,320)	(319,153)	(707,473)
Payments to suppliers	(352,306)	(34,342)	(386,648)
Net cash provided by (used in) operating activities	<u>(165,424)</u>	<u>13,207</u>	<u>(152,217)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			-
State sources	5,340	-	5,340
Federal sources	158,700	-	158,700
Board interfund loans	4,701	-	4,701
Net cash provided by non-capital financing activities	<u>168,741</u>	<u>-</u>	<u>168,741</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	(3,511)	-	(3,511)
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(3,511)</u>	<u>-</u>	<u>(3,511)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	146	-	146
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	<u>146</u>	<u>-</u>	<u>146</u>
Net increase in cash and cash equivalents	(48)	13,207	13,159
Balances—beginning of year	54,898	181,219	236,117
Balances—end of year	<u>\$ 54,850</u>	<u>\$ 194,426</u>	<u>\$ 249,276</u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating income (loss)	\$ (210,104)	\$ 13,829	\$ (196,275)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	4,982	105	5,087
Federal commodities	38,232	-	38,232
(Increase) decrease in accounts receivable, net	1,231	(234)	997
(Increase) decrease in inventories	(2,497)	-	(2,497)
Increase (decrease) in accounts payable	-	(13)	(13)
Increase (decrease) in accrued salaries benefits	-	(480)	(480)
Increase (decrease) in deferred revenue	2,732	-	2,732
Increase (decrease) in compensated absences	-	-	-
Total adjustments	<u>44,680</u>	<u>(622)</u>	<u>44,058</u>
Net cash provided by (used in) operating activities	<u>\$ (165,424)</u>	<u>\$ 13,207</u>	<u>\$ (152,217)</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
June 30, 2017

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Scholarship Fund</u>	<u>Summer Savings</u>	<u>FSA</u>	<u>Class Reunion</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ASSETS								
Cash and cash equivalents	\$ 236,471	\$ 708	\$ 26,423	\$ 1,295,534	\$ 9,797	\$ 7,205	\$ 152,663	\$ 1,728,801
Deposits	-	-	-	-	-	-	-	-
Total assets	<u>236,471</u>	<u>708</u>	<u>26,423</u>	<u>1,295,534</u>	<u>9,797</u>	<u>7,205</u>	<u>152,663</u>	<u>1,728,801</u>
LIABILITIES								
Payroll deductions and withholdings	-	708	-	1,295,534	9,797	-	-	1,306,039
Payable to student groups	236,471	-	-	-	-	7,205	-	243,676
Accrued wages	-	-	-	-	-	-	-	-
Total liabilities	<u>236,471</u>	<u>708</u>	<u>-</u>	<u>1,295,534</u>	<u>9,797</u>	<u>7,205</u>	<u>-</u>	<u>1,549,715</u>
Fund Balances								
Reserved for future payment	-	-	26,423	-	-	-	152,663	179,086
Total fund balances	<u>-</u>	<u>-</u>	<u>26,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,663</u>	<u>179,086</u>
Total liabilities and fund balances	<u>\$ 236,471</u>	<u>\$ 708</u>	<u>\$ 26,423</u>	<u>\$ 1,295,534</u>	<u>\$ 9,797</u>	<u>\$ 7,205</u>	<u>\$ 152,663</u>	<u>\$ 1,728,801</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	Scholarship Funds	Unemployment Compensation Fund	Total
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	11,405	-	11,405
Total Contributions	<u>11,405</u>	<u>-</u>	<u>11,405</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	76	868	944
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>76</u>	<u>868</u>	<u>944</u>
Total additions	<u>11,481</u>	<u>868</u>	<u>12,349</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	13,651	-	13,651
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>13,651</u>	<u>-</u>	<u>13,651</u>
Change in net position	(2,170)	868	(1,302)
Net position –beginning of the year	<u>28,593</u>	<u>151,795</u>	<u>180,388</u>
Net position –end of the year	<u>\$ 26,423</u>	<u>\$ 152,663</u>	<u>\$ 179,086</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Student Activities Funds	<u>\$ 233,882</u>	<u>\$ 1,565,980</u>	<u>\$ 1,563,391</u>	<u>\$ 236,471</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ 665	\$ 12,134,945	\$ 12,134,902	\$ 708
Total assets	<u>665</u>	<u>12,134,945</u>	<u>12,134,902</u>	<u>708</u>
LIABILITIES:				
Payroll deductions and withholdings	665	12,134,945	12,134,902	708
Accrued salaries and wages	-	-	-	-
Interfund payable	-	-	-	-
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 665</u>	<u>\$ 12,134,945</u>	<u>\$ 12,134,902</u>	<u>\$ 708</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2017

Exhibit I-1

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Refinanced</u>	<u>Balance June 30, 2017</u>
2014 Bonds		15,948,000	1/15/2018	600,000	3.000%					
			1/15/2019	625,000	3.000%					
			1/15/2020	650,000	3.000%					
			1/15/2021	680,000	3.000%					
			1/15/2022	705,000	3.000%					
			1/15/2023	735,000	3.000%					
			1/15/2024	760,000	3.000%					
			1/15/2025	795,000	3.000%					
			1/15/2026	825,000	3.000%					
			1/15/2027	860,000	3.125%					
			1/15/2028	890,000	3.250%					
			1/15/2029	925,000	3.500%					
			1/15/2030	965,000	3.500%					
			1/15/2031	1,005,000	4.000%					
			1/15/2032	1,045,000	4.000%					
			1/15/2033	1,100,000	4.000%					
			1/15/2034	1,098,000	4.250%	\$ 14,843,000	\$ -	\$ (580,000)	\$ -	\$ 14,263,000
Refunding 1998 Bonds	10/4/2011	7,165,000	3/15/2018	565,000	4.000%					
			3/15/2019	590,000	4.000%					
			3/15/2020	620,000	4.000%					
			3/15/2021	640,000	4.000%					
			3/15/2022	670,000	5.000%					
			3/15/2023	700,000	5.000%	4,330,000	-	(545,000)	-	3,785,000
Refunding 2003 Bonds	5/16/2012	2,025,000	7/15/2016	485,000	3.000%	485,000	-	(485,000)	-	-
						<u>\$ 19,658,000</u>	<u>\$ -</u>	<u>\$ (1,610,000)</u>	<u>\$ -</u>	<u>\$ 18,048,000</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Long-Term Debt
 Statement of Obligations Under Capital Lease
 June 30, 2017

<u>Lessor</u>	<u>Date of Lease</u>	<u>Amount of Original Lease Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Amount Outstanding June 30, 2016</u>	<u>Issued Current Year</u>	<u>Cancelled Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2017</u>
TD Bank (Buses)	05/25/17	\$ 372,894	\$ 17,752	2.17%	\$ -	372,894	-	-	\$ 372,894
					<u>\$ -</u>	<u>372,894</u>	<u>-</u>	<u>-</u>	<u>\$ 372,894</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,886,711	\$ -	\$ 1,886,711	\$ 1,886,711	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	420,729	-	420,729	420,729	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	420,729	-	420,729	420,729	-
Total Revenues	2,307,440	-	2,307,440	2,307,440	-
EXPENDITURES:					
Regular Debt Service:					
Interest	697,440	-	697,440	697,440	-
Redemption of Principal	1,610,000	-	1,610,000	1,610,000	-
Total Regular Debt Service	2,307,440	-	2,307,440	2,307,440	-
Total Expenditures	2,307,440	-	2,307,440	2,307,440	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

Point Pleasant Borough School District
Statistical Section

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<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over</p>	102-107
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	108-111
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	112-115
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial</p>	116-117
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it</p>	118-122

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 12,139,361	\$ 12,514,561	\$ 13,402,758	\$ 13,881,928	\$ 13,367,679	\$ 14,476,105	\$ 5,000,313	\$ 14,660,093	\$ 17,825,529	\$ 19,506,349
Restricted	1,949,325	2,714,481	3,789,844	4,322,700	5,893,952	6,644,698	17,019,535	8,387,132	7,034,632	5,153,385
Unrestricted	(219,137)	(81,555)	(1,190,938)	(952,815)	(977,682)	(761,492)	(694,024)	(8,587,002)	(9,176,049)	(9,275,755)
Total governmental activities net assets/position	13,869,549	15,147,487	16,001,664	17,251,813	18,283,949	20,359,311	21,325,824	14,460,223	15,684,112	15,383,979
Business-type activities										
Net investment in capital assets	1,191,640	1,217,761	1,213,886	1,215,887	1,212,358	1,204,803	1,198,619	1,196,974	1,199,322	1,197,746
Restricted	31,313	31,313	-	-	-	-	-	-	-	-
Unrestricted	117,920	56,722	142,709	149,912	183,801	215,718	268,330	291,366	260,712	267,204
Total business-type activities net assets/position	1,340,873	1,305,796	1,356,595	1,365,799	1,396,159	1,420,521	1,466,949	1,488,340	1,460,034	1,464,950
District-wide										
Net investment in capital assets	13,331,001	13,732,322	14,616,644	15,097,815	14,580,037	15,680,908	6,198,932	15,857,067	19,024,851	20,704,095
Restricted	1,980,638	2,745,794	3,789,844	4,322,770	5,893,952	6,644,698	17,019,535	8,387,132	7,034,632	5,153,385
Unrestricted	(101,217)	(24,833)	(1,048,229)	(802,903)	(793,881)	(545,774)	(425,694)	(8,295,636)	(8,915,337)	(9,008,551)
Total district net assets/position	\$ 15,210,422	\$ 16,453,283	\$ 17,358,259	\$ 18,617,682	\$ 19,680,108	\$ 21,779,832	\$ 22,792,773	\$ 15,948,563	\$ 17,144,146	\$ 16,848,929

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 13,842,022	\$ 13,964,403	\$ 14,643,062	\$ 14,129,061	\$ 15,105,900	\$ 14,529,984	\$ 14,230,525	\$ 14,674,596	\$ 14,819,690	\$ 15,896,411
Special education	2,343,372	2,513,311	2,596,337	2,666,187	2,634,211	2,795,280	2,860,902	2,946,981	2,920,712	3,109,208
Other special education	957,324	989,942	1,066,562	978,129	982,274	1,043,182	995,149	1,063,130	1,331,703	1,462,947
Support Services:										
Instruction	632,197	935,011	827,080	1,011,338	1,491,483	1,141,009	1,722,477	2,161,268	1,822,569	2,296,656
Attendance and social work	181,851	192,738	201,891	169,016	166,807	167,135	181,977	154,912	156,899	169,080
Health services	342,555	364,328	391,529	387,386	404,587	423,198	424,009	462,161	436,770	423,168
Improvement of instr. services	54,124	45,420	48,460	102,802	99,744	111,442	130,029	133,043	110,031	110,245
Educational media services	360,250	385,431	375,710	273,996	254,831	271,900	350,934	328,310	364,946	373,257
Instruction staff training	174,266	161,649	170,315	125,119	124,189	192,240	180,212	198,381	231,039	239,887
School Administrative services	1,603,409	1,704,258	1,374,383	1,569,789	1,606,476	1,477,634	1,852,303	1,788,050	2,229,154	2,255,125
General administration	762,942	694,460	735,427	660,177	753,927	748,283	700,125	770,622	712,571	744,034
Central Services	466,820	481,931	483,544	500,948	514,830	529,115	535,384	553,778	566,109	572,119
Plant operations and maintenance	3,397,226	3,661,588	3,493,059	3,442,422	3,141,947	3,451,589	3,620,345	3,389,038	3,415,723	3,746,159
Administrative information technology	135,375	141,323	117,859	92,162	94,200	66,341	88,248	90,530	115,541	118,423
Pupil transportation	1,106,688	1,177,184	1,196,252	1,090,749	1,079,301	1,160,576	1,256,351	1,466,909	1,294,826	1,401,815
Other support services	2,578,478	2,446,081	2,613,264	2,695,387	2,811,171	2,940,450	3,074,900	3,242,310	3,472,910	3,476,966
Business and other support services	360	-	-	-	-	-	-	-	-	-
Non-budgeted expenditures	3,981,895	2,413,623	2,524,023	2,515,647	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,036,348
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	685,427	631,082	571,733	516,192	570,179	462,128	271,922	737,605	701,887	623,624
Unallocated employee benefits	5,230,309	4,417,831	5,204,436	5,613,916	5,511,376	5,773,040	5,918,470	6,299,246	6,512,214	6,395,897
Total governmental activities expenses	<u>38,836,890</u>	<u>37,321,594</u>	<u>38,634,926</u>	<u>38,540,423</u>	<u>40,339,945</u>	<u>41,021,142</u>	<u>41,662,017</u>	<u>43,288,111</u>	<u>44,258,514</u>	<u>46,451,369</u>
Business-type activities:										
Food service	857,939	823,841	750,605	770,828	784,820	782,055	748,018	754,676	750,258	743,111
Child Care	433,481	341,113	292,519	285,804	309,940	312,060	358,565	355,840	346,499	353,107
Total business-type activities expense	<u>1,291,420</u>	<u>1,164,954</u>	<u>1,043,124</u>	<u>1,056,632</u>	<u>1,094,760</u>	<u>1,094,115</u>	<u>1,106,583</u>	<u>1,110,516</u>	<u>1,096,757</u>	<u>1,096,218</u>
Total district expenses	<u>\$ 40,128,310</u>	<u>\$ 38,486,548</u>	<u>\$ 39,678,050</u>	<u>\$ 39,597,055</u>	<u>\$ 41,434,705</u>	<u>\$ 42,115,257</u>	<u>\$ 42,768,600</u>	<u>\$ 44,398,627</u>	<u>\$ 45,355,271</u>	<u>\$ 47,547,587</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	3,981,895	2,413,623	2,524,023	2,524,023	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,987,611
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>3,981,895</u>	<u>2,413,623</u>	<u>2,524,023</u>	<u>2,524,023</u>	<u>2,992,512</u>	<u>3,736,616</u>	<u>3,267,755</u>	<u>2,827,241</u>	<u>3,043,220</u>	<u>3,987,611</u>
Business-type activities:										
Charges for services										
Food service	\$ 703,586	\$ 681,816	\$ 627,533	\$ 627,533	\$ 604,085	\$ 569,263	\$ 562,342	\$ 572,540	\$ 499,230	\$ 533,007
Child Care	427,414	314,075	315,058	315,058	333,160	332,864	381,118	357,986	375,772	366,936
Operating grants and contributions	131,315	133,985	151,333	151,333	187,875	216,350	209,551	201,381	193,449	201,191
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>1,262,315</u>	<u>1,129,876</u>	<u>1,093,924</u>	<u>1,093,924</u>	<u>1,125,120</u>	<u>1,118,477</u>	<u>1,153,011</u>	<u>1,131,907</u>	<u>1,068,451</u>	<u>1,101,134</u>
Total district program revenues	<u>\$ 5,244,210</u>	<u>\$ 3,543,499</u>	<u>\$ 3,617,947</u>	<u>\$ 3,617,947</u>	<u>\$ 4,117,632</u>	<u>\$ 4,855,093</u>	<u>\$ 4,420,766</u>	<u>\$ 3,959,148</u>	<u>\$ 4,111,671</u>	<u>\$ 5,088,745</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental activities	\$ (38,836,890)	\$ (37,321,594)	\$ (38,634,926)	\$ (38,540,423)	\$ (40,339,945)	\$ (41,021,142)	\$ (41,662,017)	\$ (43,288,111)	\$ (44,258,514)	\$ (46,451,369)
Business-type activities	(1,291,420)	(1,164,954)	(1,043,124)	(1,056,632)	(1,094,760)	(1,094,115)	(1,106,583)	(1,110,516)	(1,096,757)	(1,096,218)
Total district-wide net expense	<u>\$ (40,128,310)</u>	<u>\$ (38,486,548)</u>	<u>\$ (39,678,050)</u>	<u>\$ (39,597,055)</u>	<u>\$ (41,434,705)</u>	<u>\$ (42,115,257)</u>	<u>\$ (42,768,600)</u>	<u>\$ (44,398,627)</u>	<u>\$ (45,355,271)</u>	<u>\$ (47,547,587)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 25,101,110	\$ 25,919,800	\$ 26,615,115	\$ 26,615,115	\$ 29,037,269	\$ 29,683,659	\$ 30,466,932	\$ 31,294,686	\$ 32,064,138	\$ 32,707,297
Taxes levied for debt service	1,984,203	1,968,875	1,969,090	1,969,090	1,604,425	1,553,426	1,177,423	1,880,378	1,904,172	1,886,711
Unrestricted grants and contributions	7,649,420	7,642,264	7,941,808	7,941,808	7,213,489	7,518,751	7,213,043	7,845,048	7,607,932	6,877,220
Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	300,119	243,401	83,667	83,667	-	-	-	-	-	-
Miscellaneous income	367,337	447,389	355,400	355,400	524,316	604,052	503,377	556,592	862,941	692,397
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>35,402,189</u>	<u>36,221,729</u>	<u>36,965,080</u>	<u>36,965,080</u>	<u>38,379,499</u>	<u>39,359,888</u>	<u>39,360,775</u>	<u>41,576,704</u>	<u>42,439,183</u>	<u>42,163,625</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 35,402,189</u>	<u>\$ 36,221,729</u>	<u>\$ 36,965,080</u>	<u>\$ 36,965,080</u>	<u>\$ 38,379,499</u>	<u>\$ 39,359,888</u>	<u>\$ 39,360,775</u>	<u>\$ 41,576,704</u>	<u>\$ 42,439,183</u>	<u>\$ 42,163,625</u>
Change in Net Assets/Position										
Governmental activities	\$ 547,194	\$ 1,313,758	\$ 854,177	\$ 948,680	\$ 1,032,066	\$ 2,075,362	\$ 966,513	\$ 1,115,834	\$ 1,223,889	\$ (300,133)
Business-type activities	(29,105)	(35,078)	50,800	37,292	30,360	24,362	46,428	21,391	(28,306)	4,916
Total district	<u>\$ 518,089</u>	<u>\$ 1,278,680</u>	<u>\$ 904,977</u>	<u>\$ 985,972</u>	<u>\$ 1,062,426</u>	<u>\$ 2,099,724</u>	<u>\$ 1,012,941</u>	<u>\$ 1,137,225</u>	<u>\$ 1,195,583</u>	<u>\$ (295,217)</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 2,361,452	\$ 2,932,696	\$ 3,789,844	\$ 4,322,770	\$ 5,841,731	\$ 6,557,225	\$ 5,501,195	\$ 5,465,918	\$ 6,174,742	\$ 4,915,731
Unreserved	393,303	393,303	103,183	333,420	284,764	300,152	396,976	417,488	373,101	569,888
Total general fund	<u>\$ 2,754,755</u>	<u>\$ 3,325,999</u>	<u>\$ 3,893,027</u>	<u>\$ 4,656,190</u>	<u>\$ 6,126,495</u>	<u>\$ 6,857,377</u>	<u>\$ 5,898,171</u>	<u>\$ 5,883,406</u>	<u>\$ 6,547,843</u>	<u>\$ 5,485,619</u>
All Other Governmental Funds										
Reserved	\$ -	\$ 4,130	\$ -	\$ -	\$ -	\$ -	\$ 8,474,260	\$ 1,749,259	\$ 767,196	\$ 219,919
Unreserved, reported in:										
Special revenue fund	-	2,602	-	-	-	-	-	-	-	-
Capital projects fund	19,675	-	-	-	-	-	3,008,828	1,171,955	92,694	17,735
Debt service fund	-	-	-	-	-	87,473	35,252	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 19,675</u>	<u>\$ 6,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,473</u>	<u>\$ 11,518,340</u>	<u>\$ 2,921,214</u>	<u>\$ 859,890</u>	<u>\$ 237,654</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	27,085,313	27,888,675	28,584,205	29,804,075	30,641,694	31,237,085	31,644,355	33,175,064	33,968,310	34,594,008
Tuition charges	74,161	111,863	120,548	107,720	287,912	245,274	266,030	189,795	282,985	251,974
Interest earnings	300,119	243,401	83,667	63,850	24,036	32,263	55,814	60,219	-	69,125
Miscellaneous	284,576	328,947	227,680	306,118	181,999	279,783	168,966	234,288	452,032	277,056
Transportation fees	8,600	6,579	22,550	42,197	58,318	54,342	34,830	69,491	121,946	115,234
State sources	10,791,234	9,230,404	8,434,755	8,106,190	9,040,095	10,039,078	9,530,503	9,699,903	9,687,203	9,868,803
Federal sources	840,081	825,483	2,031,076	1,311,414	1,165,906	1,216,289	950,295	972,386	963,949	996,028
Other financing sources	-	-	-	-	-	-	-	2,799	5,978	1,669
Total revenue	39,384,084	38,635,352	39,504,481	39,741,564	41,399,960	43,104,114	42,650,793	44,403,945	45,482,403	46,173,897
Expenditures										
Instruction										
Regular instruction	12,599,045	12,787,664	13,288,836	12,892,381	13,062,667	13,261,218	13,000,663	13,235,531	13,294,919	13,595,816
Special education instruction	2,299,502	2,471,779	2,548,541	2,622,539	2,562,097	2,750,500	2,817,495	2,896,191	2,866,897	3,028,010
Other special instruction	950,012	983,020	1,058,596	970,855	970,255	1,035,719	987,914	1,054,665	1,322,734	1,449,414
Support Services:										
Instruction	507,899	817,337	691,657	887,670	1,287,160	1,014,132	1,599,491	2,017,361	1,670,092	2,066,596
Attendance and social work	181,851	192,738	201,891	169,016	166,807	167,135	156,899	154,912	156,899	169,080
Health services	342,555	364,328	391,529	387,386	404,587	423,198	424,009	462,161	436,770	423,168
Other support services	2,578,478	2,446,081	2,613,264	2,695,387	2,811,171	2,940,450	3,074,900	3,242,310	3,472,910	3,476,966
Improvement of instruction	54,124	45,420	48,460	102,802	99,744	111,442	130,029	133,043	110,031	110,245
Educational media services	360,250	385,431	375,710	273,996	254,831	271,900	350,934	328,310	364,946	373,257
Instruction staff training	174,266	161,649	170,315	125,119	124,189	192,240	180,212	198,381	231,039	239,887
General administrative services	762,942	694,460	735,427	660,177	753,927	748,283	700,125	770,622	712,571	744,034
School administrative services	1,571,972	1,542,687	1,601,880	1,534,027	1,558,150	1,633,656	1,779,540	1,816,759	1,835,486	1,878,647
School central services	466,820	481,931	483,544	500,948	514,830	529,115	535,384	553,778	566,109	572,119
School admin info technology	135,375	141,323	117,859	92,162	94,200	66,341	88,248	90,530	115,541	118,423
Allowed maintenance for school facilities	878,462	1,037,973	942,677	919,054	810,731	1,103,589	1,168,015	826,065	760,504	822,302
Other operation & maintenance of plant	2,506,401	2,618,904	2,617,526	2,475,679	2,288,510	2,286,854	2,383,788	2,461,693	2,586,685	2,881,105
Student transportation services	1,106,688	1,177,184	1,196,252	1,090,749	1,079,301	1,160,576	1,256,351	1,466,909	1,294,826	1,401,815
Business and other support services	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	5,230,309	4,417,831	5,204,436	5,613,916	5,511,376	5,773,040	5,918,470	6,287,691	6,307,407	6,394,684
Non-budgeted expenditures	3,981,895	2,413,623	2,524,023	2,515,647	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,036,348
Special Schools										
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	260,774	160,486	729,995	658,056	773,323	1,416,179	6,994,232	9,856,054	3,405,014	2,769,001
Debt service:										
Principal	1,635,000	1,670,000	1,730,000	1,305,000	1,375,000	1,410,000	1,005,000	1,565,000	1,580,000	1,610,000
Interest and other charges	655,070	600,725	541,376	485,835	382,066	305,797	282,600	770,629	744,690	697,440
Total expenditures	39,239,690	37,612,575	39,813,794	38,978,401	39,877,434	42,337,980	48,127,132	53,015,836	46,879,290	47,858,357
Excess (Deficiency) of revenues over (under) expenditures	144,394	1,022,777	(309,313)	763,163	1,522,526	766,134	(5,476,339)	(8,611,891)	(1,396,887)	(1,684,460)
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	15,948,000	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	216,619	-	-
Transfers out	-	-	-	-	-	-	-	(216,619)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	15,948,000	-	-	-
Net change in fund balances	144,394	1,022,777	(309,313)	763,163	1,522,526	766,134	10,471,661	(8,611,891)	(1,396,887)	(1,684,460)
Debt service as a percentage of noncapital expenditures	5.88%	6.06%	5.81%	4.67%	4.49%	4.19%	3.13%	5.41%	5.35%	5.12%

Source: District records

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

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

Fiscal Year Ending June 30,	Sale of Capital Assets	Interest on Investments	Event Receipts	Rentals	Prior Year Refunds	Transportation Fees	Miscellaneous	Annual Totals
2008	-	300,120	54,091	34,530	-	7,140	140,338	536,219
2009	-	243,401	52,088	41,345	95,463	6,579	75,365	514,241
2010	-	83,667	49,119	40,061	18,648	22,550	96,503	310,548
2011	-	63,850	53,891	33,296	79,643	42,197	104,199	377,076
2012	5,370	24,036	47,854	23,143	52,217	58,318	98,772	309,710
2013	9,734	32,263	48,491	11,970	87,216	54,342	98,666	342,682
2014	-	55,815	41,694	17,539	7,745	34,830	92,115	249,738
2015	-	60,219	45,997	58,503	28,678	69,490	83,644	346,531
2016	5,978	47,009	56,459	24,253	256,670	121,946	57,940	570,255
2017	1,669	69,125	59,886	29,159	23,545	115,234	42,640	341,258

Source: District records

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

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2008	22,958,900	1,229,902,500			106,646,400		14,294,700	1,373,802,500	99,801,100	4,242,574	1,269,758,826	3,762,722,649 c	2.0080
2009	25,484,700	1,243,006,700			108,023,200		11,019,700	1,387,534,300	99,617,300	4,245,574	1,283,671,426	3,811,358,194 c	2.0420
2010	39,584,500	2,956,937,600			250,854,710		27,301,500	3,274,678,310	167,502,200	4,341,758	3,102,834,352	3,700,619,628 c	0.9090
2011	40,101,500	2,937,797,800			250,474,310		27,010,000	3,255,383,610	166,699,300	3,868,500	3,084,815,810	3,653,629,191 c	0.9400
2012	39,556,600	2,929,105,600			249,877,410		26,624,300	3,245,163,910	168,540,500	3,790,128	3,072,833,282	3,310,307,759 c	0.9600
2013	35,320,300	2,908,460,800			241,133,010		23,838,400	3,208,752,510	170,961,600	2,639,560	3,035,151,350	3,114,034,975 c	0.9840
2014	35,320,300	2,908,460,800			241,133,010		23,838,400	3,208,752,510	170,961,600	2,639,560	3,035,151,350	3,248,393,667 c	1.0330
2015	37,746,200	2,909,611,100			239,980,710		23,838,400	3,211,176,410	172,747,200	-	3,038,429,210	3,285,090,957 c	1.0580
2016	31,578,300	2,933,192,900			240,622,900		23,838,400	3,229,232,500	173,739,000	-	3,055,493,500	3,295,135,214 c	1.0710
2017	29,891,100	2,948,184,100			236,603,110		23,838,400	3,238,516,710	174,083,500	-	3,064,433,210	3,315,057,920 c	1.0860

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

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

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

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

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

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

Fiscal Year Ended June 30,	Point Pleasant Borough School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal ^c	Ocean County ^c	
2008	1.8658	0.1417	2.0075	0.8180	0.8300	3.7410
2009	1.9017	0.1407	2.0424	0.8530	0.8410	1.6440
2010	0.8606	0.0484	0.9090	0.3660	0.3690	1.6720
2011	0.8909	0.0486	0.9395	0.3820	0.3810	1.7365
2012	0.9133	0.0472	0.9605	0.4060	0.3910	1.7775
2013	0.9480	0.0380	0.9860	0.4200	0.3970	1.8030
2014	0.9745	0.0586	1.0331	0.4260	0.4120	1.8711
2015	0.9985	0.0593	1.0578	0.4320	0.4250	1.9148
2016	1.0129	0.0584	1.0713	0.4380	0.4290	1.9380
2017	1.0411	0.0445	1.0856	0.4430	0.4240	1.9530

Source: Municipal Tax Collector

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

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b** Rates for debt service are based on each year's requirements.
- c** 2010 municipal and county tax rate from local tax assessor.

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

	2017			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Clark's Landing	13,944,900		0.00%	4,221,600		4.2400%
Point 88 Realty	8,007,300		0.00%	5,782,600		5.8100%
Pulte Homes	-		0.00%	5,423,000		5.4500%
MGM Homes LLC	-		0.00%	2,500,000		2.5100%
Johnson Bros Boat Works, LLC	6,126,300		0.00%	2,150,000		2.1600%
Robelander Realty Inc.	4,468,800		0.00%	3,600,600		3.6200%
1501 Richmond Ave LLC	4,100,000		0.00%	-		0.0000%
Taxpayer 1	3,800,000		0.00%	1,984,700		1.9900%
SHM Crystal Point LLC	3,706,000		0.00%	1,889,500		1.8900%
Canal Point Marine Inc.	3,499,000		0.00%	-		0.0000%
Dad Realty, Inc.	3,444,200		0.00%	1,600,800		1.6100%
Taxpayer 2	3,312,400		0.00%	-		0.0000%
Butler Real Estate LLC	3,286,600		0.00%	-		0.0000%
Manasquan Savings Bank	2,559,200		0.00%	-		0.0000%
Claremont Health Systems	-		0.00%	-		0.0000%
Verizon	-		0.00%	1,723,000		1.7300%
Robert Enterprises	-		0.00%	-		0.0000%
Total	\$ 60,254,700		0.00%	\$ 30,875,800		31.01%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	50,872,401	49,393,149	97.09%	951,634
2009	52,352,741	50,799,422	97.03%	N/A
2010	53,913,656	50,796,681	94.24%	N/A
2011	55,635,545	53,822,115	96.74%	N/A
2012	57,901,688	55,828,445	96.42%	N/A
2013	57,972,061	55,828,445	96.30%	N/A
2014	60,085,149	58,694,307	97.69%	N/A
2015	61,853,741	60,862,639	98.40%	N/A
2016	62,582,526	61,974,964	98.73%	N/A
2017	63,248,235	N/A	N/A	N/A

Source: Municipal Chief Financial Officer

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

Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2008	15,758,000	-	-	-	-	15,758,000	0.26%	781.80
2009	14,088,000	-	-	-	-	14,088,000	0.29%	692.76
2010	12,358,000	-	-	-	-	12,358,000	0.33%	671.01
2011	11,053,000	-	-	-	-	11,053,000	0.38%	600.09
2012	9,270,000	-	-	-	-	9,270,000	0.46%	502.60
2013	7,860,000	-	-	-	-	7,860,000	0.55%	424.41
2014	22,803,000	-	-	-	-	22,803,000	0.02%	1,221.70
2015	21,238,000	-	-	-	-	21,238,000	0.02%	1,146.57
2016	19,658,000	-	-	-	-	19,658,000	N/A	1,060.01
2017	18,048,000	-	-	-	-	18,048,000	N/A	N/A

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2008	15,758,000	-	15,758,000	0.42%	782.46
2009	14,088,000	-	14,088,000	0.37%	692.76
2010	12,358,000	-	12,358,000	0.33%	670.68
2011	11,053,000	-	11,053,000	0.34%	598.07
2012	9,270,000	-	9,270,000	0.28%	502.46
2013	7,860,000	-	7,860,000	0.24%	424.38
2014	22,803,000	-	22,803,000	0.70%	1,231.20
2015	21,238,000	-	21,238,000	0.65%	1,137.85
2016	19,658,000	-	19,658,000	0.61%	1,053.20
2017	18,048,000	-	18,048,000	0.56%	966.94

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

a Use Estimated County equalized value from J-6

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

**POINT PLEASANT BOROUGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Point Pleasant Borough's Share (100%)	\$ 18,048,000	100.00% d	\$ 18,048,000
Other debt	-	-	-
County of Ocean - Borough's Share (XXX%)	a \$ 457,267,841	3.00%	\$ 13,718,035
Ocean County Utility Authority	b -	0.00%	-
Subtotal, overlapping debt			31,766,035
Point Pleasant School District Direct Debt			<u>18,048,000</u>
Total direct and overlapping debt			<u><u>\$ 49,814,035</u></u>

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

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

Equalized valuation basis	
2017	\$ 3,315,057,920 c
2016	3,295,135,214 c
2015	<u>3,292,501,189 c</u>
[A]	<u>\$ 9,902,694,323</u>

Average equalized valuation of taxable property	[A/3]	\$ 3,300,898,108
Debt limit (4 % of average equalization value)	[B]	132,035,924 a
	[C]	<u>\$ 18,048,000</u>
	[B-C]	<u>\$ 113,987,924</u>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 122,793,908	\$ 146,726,968	\$ 150,832,416	\$ 150,633,503	\$ 144,364,034	\$ 134,372,959	\$ 134,337,050	\$ 131,250,565	\$ 131,638,496	\$ 132,035,924
Total net debt applicable to limit	<u>15,758,000</u>	<u>14,088,000</u>	<u>12,358,000</u>	<u>11,053,000</u>	<u>9,270,000</u>	<u>7,860,000</u>	<u>22,803,000</u>	<u>21,238,000</u>	<u>19,658,000</u>	<u>18,048,000</u>
Legal debt margin	<u>\$ 107,035,908</u>	<u>\$ 132,638,968</u>	<u>\$ 138,474,416</u>	<u>\$ 139,580,503</u>	<u>\$ 135,094,034</u>	<u>\$ 126,512,959</u>	<u>\$ 111,534,050</u>	<u>\$ 110,012,565</u>	<u>\$ 11,980,496</u>	<u>\$ 113,987,924</u>
Total net debt applicable to the limit as a percentage of debt limit	12.83%	9.60%	8.19%	7.34%	6.42%	5.85%	16.97%	16.18%	14.93%	13.67%

Source:

- a Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
- b from Ocean County Abstract of ratables net valuation for county tax apportionment column 11

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2008	20,156	833,027,324	41,329	7.50%
2009	20,336	808,274,656	39,746	7.50%
2010	18,417	734,559,000	39,900	8.20%
2011	18,419	762,698,160	41,460	8.40%
2012	18,444	780,961,624	42,499	8.20%
2013	18,520	784,620,390	42,573	6.30%
2014	18,665	821,226,024	44,381	6.30%
2015	18,523	N/A	N/A	N/A
2016	18,545	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A

Source:

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

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

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

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

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

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Point Pleasant Board of Education	-		0%	-		0.00%
Point Pleasant Hospital	-		-	-		0.00%
Borough of Point Pleasant	-		0%	-		0.00%
Claremont Nursing Home	-		0%	-		0.00%
Stop and Shop(formerly Grand Union)	-		0%	-		0.00%
Weisleder	-		0%	-		0.00%
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source: Municipal Tax Collector

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

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	188	188	190	182	204	185.5	185.5	185.5	180.0	181.0
Special education	35	41	41	41	41	39.5	41.5	42.0	43.0	43.0
Other special education										
Vocational										
Other instruction	21	37	41	38	23	24.5	21.5	21.5	23.0	29.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	54	52	54	56	56	63.5	68.0	78.0	74.0	73.0
General administration	4	4	4	4	4	5.0	5.0	5.0	5.0	5.0
School administrative services	12	12	12	11	11	20.0	21.0	21.5	20.5	20.5
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	4	5	5	6	6	6.5	6.5	6.5	6.5	6.5
Administrative Information Technology	1	1	1	1	1	1.0	1.0	1.0	2.0	2.0
Plant operations and maintenance	3	8	8	5	5	7.5	8.5	8.0	8.5	9.0
Pupil transportation	14	11	10	11	11	13.0	13.5	13.5	11.0	12.5
Other support services	17	17	17	14	14	13.0	14.0	14.0	14.0	14.0
Special Schools										
Food Service	15	15	14	14	14	14.0	15.0	15.0	11.5	10.5
Child Care										
Total	<u>368.0</u>	<u>388.5</u>	<u>394.5</u>	<u>383.0</u>	<u>390.0</u>	<u>393.0</u>	<u>401.0</u>	<u>411.5</u>	<u>399.0</u>	<u>406.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2008	3,162	32,312,871	10,219	5.56%	223	15	14	13	3165	2,971	-0.20%	93.87%
2009	3,124	31,888,418	10,208	-0.11%	248	12	11	12	3116	2,956	-0.15%	94.87%
2010	3,037	32,249,703	10,384	1.73%	231	13	11	11	3048	2,888	-0.22%	94.77%
2011	3,008	32,847,824	10,817	4.17%	232	13	12	11	2998	2,839	-0.16%	94.70%
2012	2,952	33,474,068	11,280 d	8.63%	245	13 e	11 e	11 e	2951	2,805	-0.16%	95.05%
2013	2,919	34,311,286	11,754 d	8.67%	250	13.5 e	11 e	11 e	2918	2,489	-0.11%	85.30%
2014	2,880	35,674,045	12,342 d	14.68%	267	13 e	11 e	10 e	2878	2,752	-0.14%	95.62%
2015	2,801	37,124,407	12,920 d	4.68%	249	13 e	12 e	11 e	2785	2,664	-0.32%	95.66%
2016	2,739	37,178,728	12,988 d	5.23%	246	12.5 e	11 e	11 e	2739	2,627	-0.17%	95.91%
2017	2,855	-	-	-100.00%	256	12 e	10 e	10 e	2704	2,583	-0.29%	95.53%

Sources: District records

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

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

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

	<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>	<u>2017</u>
District Building										
<u>Elementary</u>										
Nellie Bennet										
Square Feet	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497
Capacity (students)	674	674	674	674	674	674	674	674	674	674
Enrollment	800	800	800	800	732	741	727	725	765	753
Ocean Road										
Square Feet	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406
Capacity (students)	556	556	556	556	556	556	556	556	556	556
Enrollment	546	568	568	568	550	577	575	535	554	540
<u>Middle School</u>										
Memorial Middle School										
Square Feet	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002
Capacity (students)	742	742	742	742	742	742	742	742	742	742
Enrollment	748	716	716	716	720	663	673	641	644	674
<u>High School</u>										
Point Pleasant High School										
Square Feet	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636
Capacity (students)	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Enrollment	1,053	1,030	1,030	1,030	919	959	901	914	952	888
<u>Other</u>										
Administration Building										
Square Feet	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320
Bus Garage										
Square Feet	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970

Number of Schools at June 30, 2015

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

Source: District Facilities Office

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

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

* School Facilities Project # (s)	Point Pleasant High School	Memorial Middle School	Nellie F. Bennett Elementary	Ocean Road Elementary School	Administra- tive and Maintenance Building	Total
2008	328,234	195,318	164,623	163,516	26,770	878,461
2009	406,115	243,411	177,295	162,915	48,237	1,037,973
2010	387,354	183,925	189,144	132,512	49,742	942,677
2011	292,612	236,600	164,496	169,884	55,465	919,057
2012	307,978	173,789	128,555	141,960	58,448	810,730
2013	465,527	240,109	197,539	162,631	37,783	1,103,589
2014	453,069	303,768	224,011	148,760	38,407	1,168,015
2015	298,946	151,837	145,466	129,625	100,191	826,065
2016	269,033	150,613	150,072	102,623	88,163	760,504
2017	330,673	142,265	175,442	101,004	72,918	822,302
Total School Facilities	\$ 3,539,541	\$ 2,021,635	\$ 1,716,643	\$ 1,415,430	\$ 576,124	\$ 9,269,373

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

Source: District records

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2017

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

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Point Pleasant Borough Board of Education basic financial statements, and have issued our report thereon dated October 10, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

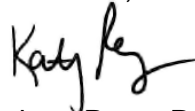
As part of obtaining reasonable assurance about whether the Point Pleasant Borough Board of Education financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which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

Purpose of this Report

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

Respectfully Submitted,

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



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

October 10, 2017

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Point Pleasant Borough School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Point Pleasant Borough Board of Education's major federal programs for the year ended June 30, 2017. Point Pleasant Borough Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, Point Pleasant Borough Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

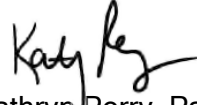
A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

Respectfully Submitted,

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

A handwritten signature in black ink, appearing to read "Kathy Perry", written in a cursive style.

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

October 10, 2017

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2016	Cash Received	Budgetary Expenditures	Balance at June 30, 2017		
							Deferred Revenue	Accounts Receivable	Due to Grantor
General Fund									
U.S. Department of Education									
FEMA	83.516	7/1/16-6/30/17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical Assistance Program	ARRA 93.778	4/1/09-12/31/10	1,967	-	1,967	(1,967)	-	-	-
Medical Assistance Program	93.778	9/1/15-8/31/16	42,988	(3,764)	3,764	-	-	-	-
Medical Assistance Program	93.778	9/1/16-8/31/17	42,798	-	39,702	(42,798)	-	(3,096)	-
Total General Fund				(3,764)	45,433	(44,765)	-	(3,096)	-
U.S. Department of Education									
Passed-through State Department of Education:									
Title I, Basic Allocation	84.010	7/1/16-6/30/17	255,476		197,808	(256,758)		(58,950)	
Title I, Basic Allocation	84.010	7/1/15-6/30/16	199,262	(43,380)	43,380	-	-	-	-
Title I, Basic Allocation - Carryover	84.010	7/1/14-6/30/15	202,954	(14,308)	14,308	-	-	-	-
Title II - Part A	84.340	7/1/16-6/30/17	52,716		37,705	(52,716)		(15,011)	
Title II - Part A	84.340	7/1/15-6/30/16	55,728	(16,129)	16,129	-	-	-	-
Title III	84.365	7/1/15-6/30/16	12,493	(3,720)	3,720	-	-	-	-
Title III	84.365	7/1/16-6/30/17	10,384		8,905	(9,855)		(950)	
I.D.E.A. Part B Basic	84.027	7/1/16-6/30/17	602,684		591,388	(605,940)		(14,552)	
I.D.E.A. Part B Basic	84.027	7/1/15-6/30/16	636,042	(1,809)	1,809	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/16-6/30/17	25,984		25,984	(25,984)		-	-
I.D.E.A. Part B Preschool	84.173	7/1/15-6/30/16	25,847	(55)	55	-	-	-	-
Total Special Revenue Fund				(79,401)	941,191	(951,253)	-	(89,463)	-
U.S. Department of Agriculture									
Passed-through State Department of Education:									
School Breakfast Program	10.553	7/1/15-6/30/16	13,897	(1,175)	1,175	-	-	-	-
School Breakfast Program	10.553	7/1/16-6/30/17	14,944	-	14,944	(14,944)	-	-	-
Food Distribution Program	10.550	7/1/16-6/30/17	38,232	-	38,232	(38,232)	-	-	-
National School Lunch Program	10.555	7/1/15-6/30/16	141,267	(7,433)	7,433	-	-	-	-
National School Lunch Program	10.555	7/1/16-6/30/17	142,558	-	135,148	(142,558)	-	(7,410)	-
Total Enterprise (Food Service) Fund				(8,608)	196,932	(195,734)	-	(7,410)	-
Total Expenditures of Federal Awards				\$ (91,773)	\$ 1,183,556	\$ (1,191,752)	\$ -	\$ (99,969)	\$ -

See accompanying notes to schedules of expenditures.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year ended June 30, 2017

											<u>MEMO</u>	
<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2016</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Deferred Revenue at June 30, 2017</u>	<u>(Accounts Receivable) at June 30, 2017</u>	<u>Due to Grantor at June 30, 2017</u>	<u>Budgetary Receivable</u>	<u>Cumulative Total Expenditures</u>	
New Jersey Department of Education												
General Fund:												
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	\$ 192,335	\$ (192,335)	\$ 192,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Extraordinary Aid	17-100-034-5120-473	7/1/16-6/30/17	342,946	-	-	(342,946)	-	(342,946)	-	-	(342,946)	
Special Education Categorical Aid	16-495-034-5120-089	7/1/15-6/30/16	1,663,733	(591,017)	(591,017)	-	-	-	-	-	-	
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	1,663,733	-	1,070,976	(1,663,733)	-	-	-	(592,757)	(1,663,733)	
Nonpublic Transportation Aid	16-495-034-5120-045	7/1/15-6/30/16	1,392	(1,392)	1,392	-	-	-	-	-	-	
Nonpublic Transportation Aid	17-495-034-5120-045	7/1/16-6/30/17	2,602	-	-	(2,602)	-	(2,602)	-	-	(2,602)	
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	3,924,507	-	3,924,507	(3,924,507)	-	-	-	-	(3,924,507)	
Categorical Security Aid	17-495-034-5120-084	7/1/16-6/30/17	184,043	-	184,043	(184,043)	-	-	-	-	(184,043)	
Categorical Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	85,308	-	85,308	(85,308)	-	-	-	-	(85,308)	
Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	98,493	-	98,493	(98,493)	-	-	-	-	(98,493)	
Under Adequacy Aid	17-495-034-5120-083	7/1/16-6/30/17	26,399	-	26,399	(26,399)	-	-	-	-	(26,399)	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	28,360	-	28,360	(28,360)	-	-	-	-	(28,360)	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	28,360	-	28,360	(28,360)	-	-	-	-	(28,360)	
Professional Learning Community Aid	17-495-034-5120-101	7/1/15-6/30/16	26,910	-	26,910	(26,910)	-	-	-	-	(26,910)	
Non-Federal Cost Share Program	DR4086NJ	7/1/16-6/30/17	624	-	624	(624)	-	-	-	-	(624)	
Hurricane Irene		7/1/16-6/30/17	1,181	-	1,181	(1,181)	-	-	-	-	(1,181)	
On-Behalf TPAF Pension Contribution	17-100-034-5095-002	7/1/16-6/30/17	2,009,590	-	2,009,590	(2,009,590)	-	-	-	-	(2,009,590)	
On-Behalf TPAF Post-Retirement Medical	17-100-034-5095-001	7/1/16-6/30/17	1,674,446	-	1,674,446	(1,674,446)	-	-	-	-	(1,674,446)	
On-Behalf TPAF Long-Term Disability Insurance	17-100-034-5095-004	7/1/16-6/30/17	4,057	-	4,057	(4,057)	-	-	-	-	(4,057)	
Reimbursed TPAF Social Security Tax Contribution	16-495-034-5094-003	7/1/15-6/30/16	1,336,523	(66,042)	66,042	-	-	-	-	-	-	
Reimbursed TPAF Social Security Tax Contribution	17-495-034-5094-003	7/1/16-6/30/17	1,357,845	-	1,291,273	(1,357,845)	-	(66,572)	-	-	(1,357,845)	
Total General Fund			<u>(850,786)</u>	<u>10,123,279</u>	<u>(11,459,404)</u>	<u>-</u>	<u>(412,120)</u>	<u>-</u>	<u>(592,757)</u>	<u>(11,459,404)</u>		
Debt Service Fund:												
Debt service aid	17-495-034-5120-017	7/1/16-6/30/17	420,729	-	420,729	(420,729)	-	-	-	-	-	
Total Debt service Aid			<u>-</u>	<u>420,729</u>	<u>(420,729)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Enterprise Fund:												
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	5,229	(273)	273	-	-	-	-	-	-	
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	-	-	5,067	(5,311)	-	(244)	-	-	-	
Total Enterprise Fund			<u>(273)</u>	<u>5,340</u>	<u>(5,311)</u>	<u>-</u>	<u>(244)</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Total Expenditures of State Awards			<u>\$ (851,059)</u>	<u>\$ 10,549,348</u>	<u>\$ (11,885,444)</u>	<u>\$ -</u>	<u>\$ (412,364)</u>	<u>\$ -</u>	<u>\$ (592,757)</u>	<u>\$ (11,459,404)</u>		
State Financial Assistance Not Subject to Single Audit Determination			<u>-</u>	<u>(3,688,093)</u>	<u>3,688,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,688,093</u>		
Total Expenditures of State Awards Subject to Single Audit Determination			<u>\$ (851,059)</u>	<u>\$ 6,861,255</u>	<u>\$ (8,197,351)</u>	<u>\$ -</u>	<u>\$ (412,364)</u>	<u>\$ -</u>	<u>\$ (592,757)</u>	<u>\$ (7,771,311)</u>		

See accompanying notes to schedules of expenditures.

Point Pleasant Borough Board of Education

Notes to Schedules of Awards and Financial Assistance

June 30, 2017

1. General

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

2. Basis of Accounting

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

3. Relationship to General Purpose Financial Statements

Relationship to Basic Financial Statements

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

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

Point Pleasant Borough Board of Education

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2017

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(2,011,330) for the general fund and \$(10) 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	\$ 44,765	9,448,074	\$ 9,492,839
Special Revenue Fund	951,263	-	951,263
Capital Projects Fund	-	-	-
Debt Service Fund	-	420,729	420,729
Food Service Fund	<u>195,734</u>	<u>5,311</u>	<u>201,045</u>
Total awards and financial assistance	<u>\$ 1,191,762</u>	<u>9,874,114</u>	<u>\$ 11,065,876</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, 2017.

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

Point Pleasant Borough Board of Education
Schedule of Findings and Questioned Costs
June 30, 2017

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? X yes _____no

Point Pleasant Borough Board of Education
Schedule of Findings and Questioned Costs (continued)
June 30, 2017

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? 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 no

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

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

Identification of major programs:

GMS Number(s)	Name of State Program
State Aid-Public (Cluster)	
495-034-5120-089	Special Education Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness
495-034-5120-101	Professional Learning Community Aid
495-034-5094-003	Reimbursed TPAF Social Security

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2017.

Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2017.

Point Pleasant Borough Board of Education

Summary Schedule of Prior Audit Findings

June 30, 2017

There were no prior year findings for the period ended June 30, 2016.