

SCHOOL DISTRICT  
OF  
POINT PLEASANT BOROUGH  
OF OCEAN COUNTY

Point Pleasant Borough Board of Education

Point Pleasant Borough, New Jersey

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Of the

Point Pleasant Borough School District  
Of Ocean County

Point Pleasant Borough, NJ

For the Fiscal Year Ended June 30, 2008

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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OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

# Point Pleasant Schools

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

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

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September 30, 2008

Honorable President and Members of the Board of Education  
Point Pleasant 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, 2008 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 Board's organization chart and a list of principal officials. The financial section includes the general purpose 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 Board is required to undergo an annual single audit in conformity with the provision of the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Government and Non-Profit Organizations", and the State Treasury Circular Letter 98-07, "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, is 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, 2007 resident enrollment of 3,161 students, which is 54 students lower than the previous year's enrollment. The following details the changes in the average daily enrollment of the district over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2007-08	3,161	(2.00)%
2006-07	3,215	(.003)%
2005-06	3,225	1.54%
2004-05	3,176	1.02%
2003-04	3,144	(1.32)%
2002-03	3,186	(.187)%
2001-02	3,192	1.88%
2000-01	3,133	1.42%
1999-00	3,089	4.15%
1998-99	2,966	1.54%

2. **ECONOMIC CONDITION AND OUTLOOK:** The Point Pleasant area is continuing to see an increase in its school age population through the turnover of existing housing and development of new housing. The district 2007-08 enrollment is at the past nine-year averages of 3,161.
  
3. **PROFESSIONAL DEVELOPMENT ACTIVITIES – 200-08:** The Point Pleasant Borough School District extended the adoption of the Everyday Math program to include grade 6. The 6<sup>th</sup> grade math teachers from Memorial Middle School received training for the new program. Additionally, newly hired staff members received in-district training from experienced elementary teachers for the upcoming school year. Once again, professional development from Dr. Eric Milou, a professor at Rowan University, was provided for grades K-12. The district focused summer workshops on special education, technology, world language curriculum development, and curriculum writing for the newly adopted World History program at the middle school. During the summer of 2008, twenty-five (25) workshops were presented to district staff.

**2008 Summer Workshops**

- Graphing Calculator Workshop
- Nurses' Conference
- Grade 8 Social Studies Curriculum Review
- Elementary Curriculum Review – Spanish
- Spanish I Curriculum Review
- HS English I, II, III and IV Curriculum Review
- Integrating Technology into the Classroom
- Essential Computer Skills for Teachers

Italian IV Curriculum Writing  
Cooperative Learning in the World Language  
Advanced Computer Skills  
Everyday Math  
Increasing Student Learning  
Strategies for Improving Reading & Writing  
Grant Writing  
HS Mid-Term Revision  
Star Student Discipline Model  
Classroom Management Strategies  
Crisis Prevention Training  
Kindergarten/Preschool Cross Curriculum  
Intro to Applied Behavior Analysis & Effective Behavior Management Practices  
Kindergarten Report Card Revision  
WEB Quests  
Successful Inclusion Strategies

The Point Pleasant School District offers a three-year comprehensive Teacher Induction Program. The first year emphasizes a mastery teaching cluster including instructional skills such as set, closure and active participation. The second year of induction includes presentations on cooperative learning, motivation, lesson analysis and technology. The third year consists of a Six Trait Writing Program and presentations on Differentiated Instruction. We have approximately 73 non-tenured teachers involved in the three-year induction program. Experienced, tenure teachers may also participate in these sessions and frequently are directed to attend based on Professional Improvement Plans. Professional development workshops in technology are offered throughout the school year on word processing, PowerPoint and web page design. The workshops offered include:

Classroom Management  
Lesson Design  
Technology  
Cooperative Learning  
Six Traits Writing  
Differentiated Instruction

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 judgements 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 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 canceled 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:** As of June 30, 2008, the Board's outstanding debt issues included \$17,393,000 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"). GUDPA 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

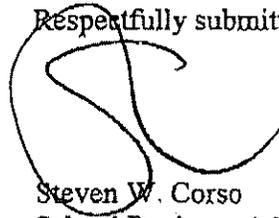
depositories located in New Jersey, where the funds are secured in accordance with the Act.

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, Scutellaro 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 U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Government, Non-Profit Organizations", and the State Treasury Circular Letter 98-07 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". 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,

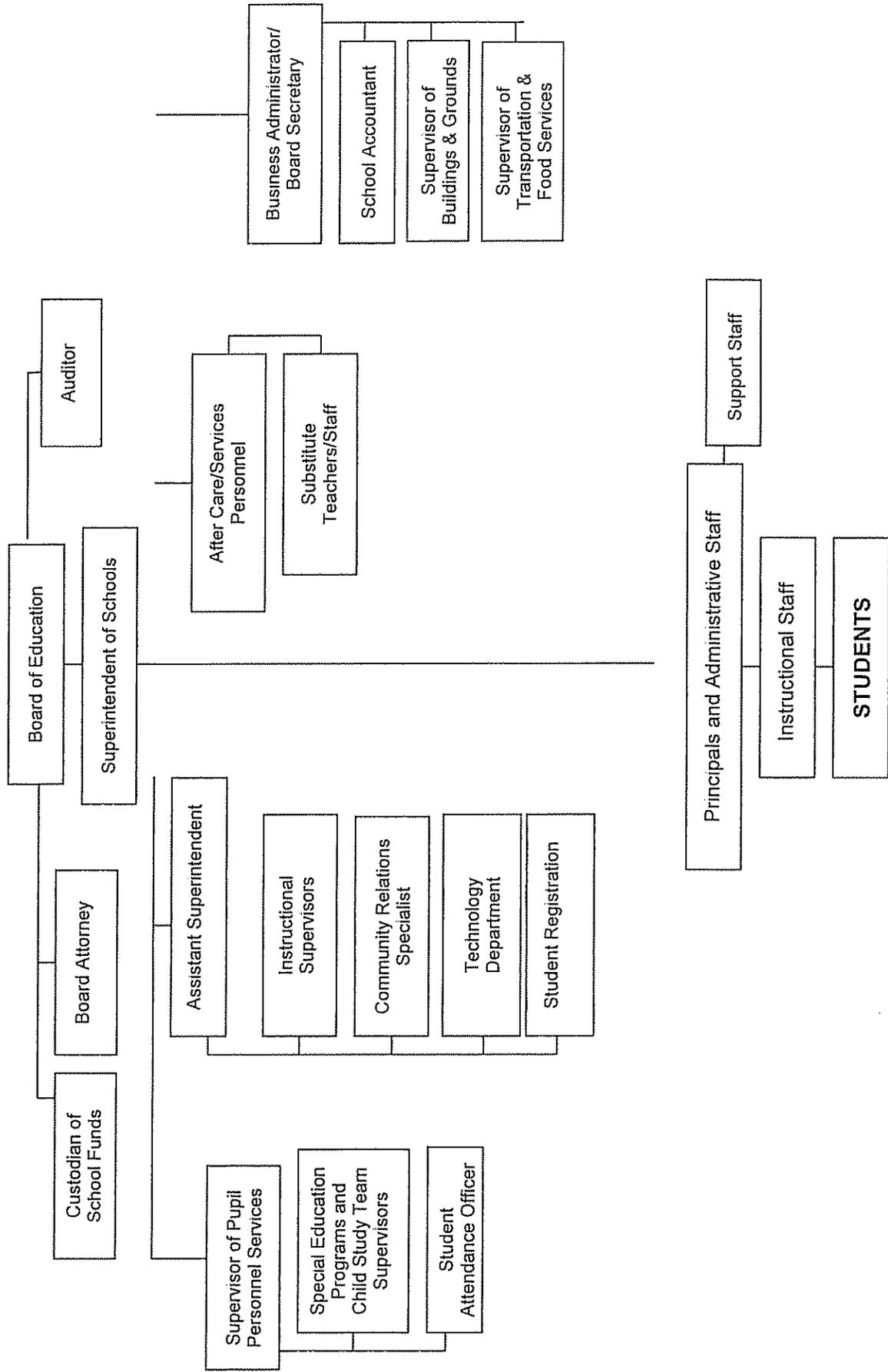


Steven W. Corso  
School Business Administrator/  
Board Secretary

VS:SWC:vt

# POINT PLEASANT SCHOOL DISTRICT

## TABLE OF ORGANIZATION



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

Roster of Officials  
June 30, 2008

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joan Speroni, President	2009
Laura Ferrie	2009
Louis Cuevas	2009
Sean Hagan	2010
John MacDermant	2011
Lawrence Williams	2011

Other Officials

Vincent Smith, Superintendent of Schools  
Maureen Madden, Assistant Superintendent  
Steven W. Corso, CPA, School Business Administrator/Board Secretary  
Denise L. McCarthy, CPA, Assistant Business Administrator  
Judith A. Block, Treasurer

Point Pleasant Borough Board of Education  
Consultants and Advisors

Architect

Fletcher Thompson Architectural Engineers  
One Tower Center Boulevard, 17<sup>th</sup> Floor  
East Brunswick, NJ 08806

Audit Firm

Jump, Scutellaro and Company, LLP  
12 Lexington Avenue  
Toms River, New Jersey 08754

Attorney

Daniel Popovitch, Esq.  
1601 Bay Avenue  
Point Pleasant, New Jersey 08742

Official Depository

Ocean First  
2400 Bridge Avenue  
Point Pleasant, NJ 08742

FINANCIAL SECTION

**JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS**

12 LEXINGTON AVENUE • CN 2044 • TOMS RIVER, NJ • 08754-2044 • PHONE: (732) 240-7377 • FAX: (732) 505-8307 • WEBSITE: jumpcpa.com

UNQUALIFIED OPINION ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED  
SUPPLEMENTARY INFORMATION AND SUPPLEMENTARY SCHEDULE OF FEDERAL AWARDS AND OTHER  
SUPPLEMENTARY INFORMATION - GOVERNMENTAL ENTITY

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Point Pleasant Borough School District in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Board of Education of Point Pleasant Borough School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information as the Board of Education of the Point Pleasant Borough School District County of Ocean, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 21, 2008 on our consideration of the Board of Education of the Point Pleasant Borough School District of Ocean County's internal control over the financial reporting and our test 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

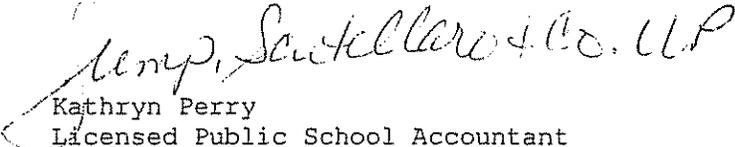
The Management's Discussion and Analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Point Pleasant Borough Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical tables are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying Schedules of Federal Awards and State Financial Assistance are presented for the purpose of additional analysis as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and schedule of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, financial schedules and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

JUMP, SCUTELLARO AND COMPANY, L.L.P.

  
Kathryn Perry  
Licensed Public School Accountant  
No. CS 20CS00226400

October 21, 2008

REQUIRED SUPPLEMENTARY INFORMATION - PART I

POINT PLEASANT SCHOOL DISTRICT

Management Discussion and Analysis  
For the Year Ended June 30, 2008

The Management's Discussion and Analysis (MD&A) of the Board of Education of the Point Pleasant School District provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2008. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal and the School Board's financial statements.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2007-2008 fiscal year include the following:

- In total, net assets increased \$518,139, which represents a 4% increase from 2007.
- Total assets decreased by \$997,353 as cash and cash equivalents increased by \$420,232. Receivables decreased by \$159,831. Capital assets decreased by \$1,214,808.
- Overall total liabilities decreased by \$1,515,492. Non-current liabilities decreased by \$1,652,800, primarily due to the pay-down of the 2002 referendum.
- General revenues account for \$35,402,189 in revenue or 87% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,244,210 or 13% of the total revenues of \$40,646,399.
- Total spending for all programs was \$40,128,310, including a charge of \$1,462,327 for depreciation. Expenses in the amount of \$1,291,420 were offset by specific charges for services and grants or contributions. General revenues (primarily local tax levy and state aid) of \$36,234,330 were adequate to provide for the balance of these programs.

## USING THE ANNUAL REPORT

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

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

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

THE SCHOOL DISTRICT AS A WHOLE

Table I provides a summary of the School Board's net assets as of June 30, 2008 and 2007.

Table I  
Statement of Net Assets  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>	<u>Percentage of Change 2007-2008</u>
<b>Assets</b>			
Cash and cash equivalents	\$4,051,037	\$3,630,805	12%
Receivables	157,964	317,795	(50%)
Inventories	16,566	14,024	18%
Interfund Receivables	2,431	17,562	(86%)
Other Assets	242,858	273,215	(11%)
Capital Assets	<u>28,879,302</u>	<u>30,094,110</u>	(-4%)
Total Assets	<u>\$33,350,158</u>	<u>\$34,347,511</u>	(-3%)
	<u>2008</u>	<u>2007</u>	<u>Percentage of Change 2007-2008</u>
<b>Liabilities</b>			
Accounts payable	\$475,141	402,207	18%
Accrued payroll	90,534	32,881	175%
Other current liabilities	67,442	---	100%
Interfund Payable	2,431	17,562	(86%)
Payable to State Government	23,093	57,751	(60%)
Deferred Revenue	19,767	30,699	(36%)
<b>Noncurrent Liabilities</b>			
Due within one year	1,923,908	1,894,320	2%
Due beyond one year	<u>15,537,420</u>	<u>17,219,808</u>	(10%)
Total Liabilities	<u>18,139,736</u>	<u>19,655,228</u>	

Net Assets			
Invested in capital assets	13,331,001	12,972,315	3%
Restricted for:			
Debt service	---	1,402	(100%)
Capital Projects	667,843	744,622	(48%)
Other purposes	1,312,795	1,887,521	(23%)
Unrestricted	<u>(101,217)</u>	<u>(913,577)</u>	(13%)
Total net assets	<u>15,210,422</u>	<u>14,692,283</u>	
TOTAL LIABILITIES & NET ASSETS			
	<u>\$33,350,158</u>	<u>\$34,347,511</u>	(3%)

Total assets decreased by \$997,353, the majority of the decrease resulted from payment of construction costs associated with the high school and middle school construction.

Total liabilities decreased by \$1,515,492. The decrease is primarily the result of the pay-down of the bond referendum issued for the Middle School and High School additions and renovations.

Table II shows the changes in net assets for fiscal year 2008 as compared to fiscal year 2007. This table categorizes total revenue generated by the School Board between program and general revenue, and total expenditures between instruction, support services and other items.

Table II  
Changes in Net Assets  
For the Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>	<u>Percentage of Change 2007-2008</u>
<b>Revenue</b>			
Program Revenue			
Charges for services	1,131,000	1,133,740	0%
Federal, state and local aid-restricted	4,113,210	2,827,221	45%
General revenue:			
Property Tax Aid	27,085,313	25,901,894	5%
Federal and State aid-unrestricted	7,649,420	7,455,499	3%
Other general revenue	<u>667,456</u>	<u>651,790</u>	18%
Total revenues	40,646,399	37,970,144	7%
<b>Function/Program Expenses</b>			
Instruction:			
Regular programs	13,842,022	13,103,968	6%
Special Education	2,343,372	2,176,721	8%
Other Special Instruction	957,324	978,313	-2%
Support Services:			
Tuition	632,197	548,033	15%
Attendance & Social Work	181,851	168,529	8%
Health Services	342,555	330,176	4%
Other Support Services	2,578,478	2,353,928	10%
Improvement of Instruction	54,124	61,229	-12%
Educational Media	360,250	353,330	2%
Instructional Staff Training	174,266	190,527	-9%
General Administration	762,942	618,521	23%
School Administration	1,603,409	1,470,623	9%
Central Services	466,820	423,022	10%
School Admin. Info. Technology	135,375	128,566	5%
Operations and Maintenance	3,397,586	3,385,650	0%
Transportation	1,106,688	1,026,518	8%
Employee Benefits	5,230,309	5,325,337	-2%
Interest Expense	1,291,420	735,156	2%
Business Type Activities	685,427	1,260,116	-7%
Non-Budgeted Expenditures	<u>3,981,895</u>	<u>2,700,365</u>	47%
 Total Expenses	 <u>40,128,310</u>	 <u>37,338,328</u>	 7%
 Change in Net Assets	 <u>\$ 518,089</u>	 <u>\$ 631,816</u>	 -18%

**Increase(decrease) in net assets**

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

Federal and state restricted aid increased primarily due to an increase in non-budget and on-behalf TPAF post-retirement pension contributions. This item is reflected in both revenue and expense in the financial statements.

Non-budgeted expenditures increased due to an increase in non-budget and on-behalf TPAF post-retirement pension contributions. These expenses are not paid for directly by the Board of Education but are directly funded by the State.

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

Operations and maintenance activities involve keeping the school grounds, buildings and associated equipment in an effective working condition. Depreciation expense of \$1,462,327 is allocated among the various programs.

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

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

Over 95% of instructional activities and over 97% of the support services and special items are supported through the local tax levy, federal and state aid (not restricted) and other general revenue.

**THE SCHOOL BOARD'S FUNDS**

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

As the School Board completed the fiscal year ended June 30, 2008, it reported a combined fund balance of \$15,210,422, which is an increase of \$518,139. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3 presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

### **GENERAL FUND BUDGETING HIGHLIGHTS**

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

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

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

The General Fund actual current expense totaled \$35,827,827 versus our final budget of \$33,444,853. The increase in actual expense over the budgeted amount is due to non-budgeted expenditures. Actual General Fund revenues (exclusive of non-budgeted expenditures) were about \$322,902 higher than budgeted. The increase in actual revenue received over the budgeted amount is due to the receipt of more interest income than budgeted and more money generated from tuition.

### **CAPITAL ASSETS**

On June 30, 2008, the School Board had approximately \$28,879,302 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table IV below shows the net book value of capital assets at the end of the 2008 and 2007 fiscal years.

Table IV  
 Capital Assets (net of accumulated depreciation)  
 June 30, 2008 and 2007

<u>2008</u>	<u>2007</u>	Percentage of Change <u>2007-2008</u>
\$28,879,302	\$30,094,110	(4%)

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

For the 2007-2008 school budget, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 21% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 75% of total revenue is from local tax levy. The balance, or 4%, of the revenue is comprised of tuition, admission fees, miscellaneous income and fund balance.

The 2007-2008 budget was adopted in March 2007 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 at or slightly above the previous year. Any future increases based on the enrollment formula originally formulated to allocate state education aid among districts will be minimal.

On June 24, 2004, the New Jersey Legislature voted and approved Senate Bill No. 1701, which was signed by the Governor and subsequently became P.L. 2004, c.73. This legislation had retroactive provisions effective to April 20, 2005, whereby it reduced the allowable unreserved and undesignated fund balance (surplus) for all New Jersey school districts from 6% to 3% for fiscal year ended June 30, 2004. In addition, beginning with the 2004-05 fiscal year, the allowable percentage is further reduced to 2% from 3%. This law also restricts all school districts budgetary transfers of appropriations and further limits districts' ability to utilize fund balance as well as unanticipated/unbudgeted revenue during the year beginning July 1, 2004.

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

The School Board anticipates a slight increase in enrollment for the 2008-2009 fiscal year, but the School Board cannot accurately forecast future enrollment.

### **CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT**

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Steven W. Corso, CPA, School Business Administrator/Board Secretary.

BASIC FINANCIAL STATEMENTS

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Statement of Net Assets  
June 30, 2008

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,924,146	\$ 130,405	\$ 3,054,551
Capital reserve cash	648,168	-	648,168
Maintenance reserve cash	198,283		198,283
Emergency reserve cash	150,035		150,035
Receivables - other	5,644	-	5,644
Receivables - state	136,396	460	136,856
Receivables - federal	11,062	4,402	15,464
Inventory	-	16,566	16,566
Interfund receivable	-	2,431	2,431
Other asset	242,858	-	242,858
Capital assets, net (Note 8):	27,654,503	1,224,799	28,879,302
Total assets	<u>\$ 31,971,095</u>	<u>\$ 1,379,063</u>	<u>\$ 33,350,158</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 470,997	\$ 4,144	\$ 475,141
Accrued payroll	56,533	34,001	90,534
Other current liabilities	67,442	-	67,442
Interfund payable	2,431	-	2,431
Payable to state government	23,093	-	23,093
Deferred revenue	19,767	-	19,767
Noncurrent liabilities (Note 10):			
Due within one year	1,923,908	-	1,923,908
Due beyond one year	15,537,375	45	15,537,420
Total liabilities	<u>18,101,546</u>	<u>38,190</u>	<u>18,139,736</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	12,139,361	1,191,640	13,331,001
Restricted for:			
Debt service	-	-	-
Capital projects	667,843	-	667,843
Other purposes	1,281,482	31,313	1,312,795
Unrestricted	(219,137)	117,920	(101,217)
Total net assets	<u>\$ 13,869,549</u>	<u>\$ 1,340,873</u>	<u>\$ 15,210,422</u>

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Statement of Activities  
For the Fiscal Year Ended June 30, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 13,842,022	\$ -	\$ -	\$ -	\$ (13,842,022)	\$ -	\$ (13,842,022)
Special schools instruction	2,343,372	-	-	-	(2,343,372)	-	(2,343,372)
Other special instruction	957,324	-	-	-	(957,324)	-	(957,324)
Support services and undistributed costs:							
Instruction	632,197	-	-	-	(632,197)	-	(632,197)
Attendance and social work	181,851	-	-	-	(181,851)	-	(181,851)
Health services	342,585	-	-	-	(342,585)	-	(342,585)
Other support services	2,578,478	-	-	-	(2,578,478)	-	(2,578,478)
Improvement of instruction	54,124	-	-	-	(54,124)	-	(54,124)
Educational media services	360,750	-	-	-	(360,750)	-	(360,750)
Instruction staff training	174,266	-	-	-	(174,266)	-	(174,266)
General administrative services	762,942	-	-	-	(762,942)	-	(762,942)
School administrative services	1,603,409	-	-	-	(1,603,409)	-	(1,603,409)
School central services	466,820	-	-	-	(466,820)	-	(466,820)
School admin info technology	135,375	-	-	-	(135,375)	-	(135,375)
Allowed maintenance for school facilities	878,462	-	-	-	(878,462)	-	(878,462)
Other operation & maintenance of plant	2,518,764	-	-	-	(2,518,764)	-	(2,518,764)
Student transportation services	1,106,688	-	-	-	(1,106,688)	-	(1,106,688)
Business and other support services	360	-	-	-	(360)	-	(360)
Unallocated employee benefits	5,230,309	-	-	-	(5,230,309)	-	(5,230,309)
Non-budgeted expenditures	3,981,895	-	-	-	(3,981,895)	-	(3,981,895)
Special schools	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Total governmental activities	30,836,890	-	3,981,895	-	(26,854,995)	-	(26,854,995)
<b>Business-type activities:</b>							
Food Service	857,939	703,586	131,315	-	-	(23,038)	(23,038)
Child Care	433,481	427,414	-	-	-	(6,067)	(6,067)
Total business-type activities	1,291,420	1,131,000	131,315	-	-	(29,105)	(29,105)
Total primary government	\$ 40,128,310	\$ 1,131,000	\$ 4,113,210	\$ -	\$ (34,054,995)	\$ (29,105)	\$ (34,084,100)
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					25,101,110	-	25,101,110
Taxes levied for debt service					1,884,203	-	1,884,203
Federal and state aid not restricted					7,649,420	-	7,649,420
State aid restricted					-	-	-
Miscellaneous income					367,337	-	367,337
Loss on disposal of fixed assets					-	-	-
Investment Earnings					308,119	-	308,119
Total general revenues, special items, extraordinary items and transfers					35,402,109	(29,105)	35,402,109
Change in net assets					547,194	4,369,978	4,917,172
Net assets—beginning					13,322,355	14,692,333	28,014,688
Net assets—ending					\$ 13,869,549	\$ 19,062,311	\$ 32,931,860

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Balance Sheet  
 Governmental Funds  
 June 30, 2008

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,857,965	\$ 46,506	\$ 19,675	\$ -	\$ 2,924,146
Investments	-	-	-	-	-
Receivables, net	-	-	-	-	-
Capital reserve account	648,168	-	-	-	648,168
Maintenance reserve account	198,283	-	-	-	198,283
Emergency reserve account	150,035	-	-	-	150,035
Receivables from other funds	-	-	-	-	-
Receivables from state	136,396	-	-	-	136,396
Receivables from federal	4	7,200	-	-	7,204
Receivables from other governments	3,858	-	-	-	3,858
Other receivables	5,476	168	-	-	5,644
<b>Total assets</b>	<b>\$ 4,000,185</b>	<b>\$ 53,874</b>	<b>\$ 19,675</b>	<b>\$ -</b>	<b>\$ 4,073,734</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 459,983	\$ 11,014	\$ -	\$ -	\$ 470,997
Accrued salaries and benefits	310,441	-	-	-	310,441
Interfund payable	2,431	-	-	-	2,431
Other current liabilities	67,442	-	-	-	67,442
Payable to state government	-	23,093	-	-	23,093
Deferred revenue	-	19,767	-	-	19,767
<b>Total liabilities</b>	<b>840,297</b>	<b>53,874</b>	<b>-</b>	<b>-</b>	<b>894,171</b>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Encumbrances	296,482	-	-	-	296,482
legally restricted -- unexpended additional spending proposal	-	-	-	-	-
legally restricted -- designated for subsequent year's expenditures	985,000	-	-	-	985,000
Capital reserve account	648,168	-	-	-	648,168
Maintenance reserve account	198,283	-	-	-	198,283
Emergency reserve account	150,035	-	-	-	150,035
Excess surplus	431,802	-	-	-	431,802
Excess surplus -- designated for subsequent year's expenditures	56,815	-	-	-	56,815
Other purposes	-	-	-	-	-
<b>Unreserved, reported in:</b>					
General fund	393,303	-	-	-	393,303
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	19,675	-	19,675
Special revenue fund	-	-	-	-	-
<b>Total fund balances</b>	<b>3,159,888</b>	<b>-</b>	<b>19,675</b>	<b>-</b>	<b>3,179,563</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,000,185</b>	<b>\$ 53,874</b>	<b>\$ 19,675</b>	<b>\$ -</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$43,994,277 and the accumulated depreciation is \$16,339,774.	27,654,503
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 \$425,000.	242,858
Long-term liabilities, including bonds payable but not including current portion of compensated absences of \$253,908, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 1D)	(17,207,375)
<b>Net assets of governmental activities</b>	<b>\$ 13,869,549</b>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Statement of Revenues, Expenditures, And Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2008

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 25,101,110	\$ -	\$ -	\$ 1,984,203	\$ 27,085,313
Tuition charges	74,161	-	-	-	74,161
Interest on investments	277,924	-	-	-	277,924
Interest earned on capital reserve funds	22,195	-	-	-	22,195
Transportation fees	8,600	-	-	-	8,600
Miscellaneous	261,282	23,294	-	-	284,576
Total - Local sources	25,745,272	23,294	-	1,984,203	27,752,769
State sources	10,487,062	-	(293)	304,465	10,791,234
Federal sources	1,996	838,085	-	-	840,081
Total revenues	36,234,330	861,379	(293)	2,288,668	39,384,084
<b>EXPENDITURES</b>					
Current:					
Regular instruction	\$ 11,914,391	\$ 684,654	\$ -	\$ -	\$ 12,599,045
Special education instruction	2,299,502	-	-	-	2,299,502
Other special instruction	950,012	-	-	-	950,012
Support services and undistributed costs:					
Instruction	507,899	-	-	-	507,899
Attendance and social work	181,851	-	-	-	181,851
Health services	342,555	-	-	-	342,555
Other support services	2,401,753	176,725	-	-	2,578,478
Improvement of instruction	54,124	-	-	-	54,124
Educational media services	360,250	-	-	-	360,250
Instruction staff training	174,266	-	-	-	174,266
General administrative services	762,942	-	-	-	762,942
School administrative services	1,571,972	-	-	-	1,571,972
School central services	466,820	-	-	-	466,820
School admin info technology	135,375	-	-	-	135,375
Required maintenance for school facilities	878,462	-	-	-	878,462
Other operation & maintenance of plant	2,506,401	-	-	-	2,506,401
Student transportation services	1,106,688	-	-	-	1,106,688
Business and other support services	360	-	-	-	360
Unallocated employee benefits	5,230,309	-	-	-	5,230,309
Non-budgeted expenditures	3,981,895	-	-	-	3,981,895
Special schools	-	-	-	-	-
Debt service:					
Principal	-	-	-	1,635,000	1,635,000
Interest and other charges	-	-	-	655,070	655,070
Capital outlay	179,456	-	81,318	-	260,774
Total expenditures	36,007,283	861,379	81,318	2,290,070	39,240,050
Excess (Deficiency) of revenues over expenditures	227,047	-	(81,611)	(1,402)	144,034
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	227,047	-	(81,611)	(1,402)	144,034
Fund balance—July 1	2,932,841	-	101,286	1,402	3,035,529
Fund balance—June 30	\$ 3,159,888	\$ -	\$ 19,675	\$ -	\$ 3,179,563

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenue, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2008

Total net change in fund balances - governmental funds (from B-2)	\$ 144,034
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.	\$ (1,462,327)
Depreciation expense	248,411
Capital outlays	(1,213,916)

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 assets 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, 2008	4,228
Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2008	(4,228)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 1,635,000

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. (30,357)

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. 12,433

Change in net assets of governmental activities

	\$ 547,194
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POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Statement of Net Assets  
Proprietary Funds  
June 30, 2008

	Business-type Activities - Enterprise Funds		
	Food	Child	Totals
	Service	Care	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 64,363	\$ 66,042	\$ 130,405
Investments	-	-	-
Receivables from state	460	-	460
Receivables from federal	4,246	156	4,402
Receivables from other government	-	-	-
Other receivables	2,431	-	2,431
Inventories	16,566	-	16,566
Total current assets	<u>88,066</u>	<u>66,198</u>	<u>154,264</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	-
Furniture, machinery & equipment	1,508,329	4,771	1,513,100
Less accumulated depreciation	(285,435)	(2,866)	(288,301)
Total noncurrent assets	<u>1,222,894</u>	<u>1,905</u>	<u>1,224,799</u>
Total assets	<u>\$ 1,310,960</u>	<u>\$ 68,103</u>	<u>\$ 1,379,063</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	-	4,144	4,144
Interfund payable	-	-	-
Accrued salaries and benefits	25,211	8,790	34,001
Total current liabilities	<u>25,211</u>	<u>12,934</u>	<u>38,145</u>
Noncurrent Liabilities:			
Compensated absences	45	-	45
Total noncurrent liabilities	<u>45</u>	<u>-</u>	<u>45</u>
Total liabilities	<u>25,256</u>	<u>12,934</u>	<u>38,190</u>
<b>NET ASSETS</b>			
Invested in capital assets net of related debt	1,191,001	639	1,191,640
Restricted for:			
Other	31,313	-	31,313
Unrestricted	63,390	54,530	117,920
Total net assets	<u>1,285,704</u>	<u>55,169</u>	<u>1,340,873</u>
Total liabilities and net assets	<u>\$ 1,310,960</u>	<u>\$ 68,103</u>	<u>\$ 1,379,063</u>

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2008

	Business-type Activities -		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ 1,353	\$ -	\$ 1,353
School lunch	293,066	-	293,066
Total daily sales reimbursable programs	294,419	-	294,419
Daily sales non-reimbursable programs	397,825	-	397,825
Special functions	10,441	-	10,441
Miscellaneous	901	427,414	428,315
Total operating revenues	703,586	427,414	1,131,000
Operating expenses:			
Salaries	273,794	327,991	601,785
Employee benefits	122,605	40,097	162,702
Purchased property	-	-	-
Other purchased services	18,283	18,692	36,975
Supplies and materials	22,728	34,095	56,823
Utilities	41,519	11,946	53,465
Other objects	630	555	1,185
Depreciation	6,802	105	6,907
Cost of sales	371,578	-	371,578
Total operating expenses	857,939	433,481	1,291,420
Operating income (loss)	(154,353)	(6,067)	(160,420)
Nonoperating revenues (expenses):			
Interest income	1,630	-	1,630
State sources:			
Vending machine grant	2,000	-	2,000
State school lunch program	8,331	-	8,331
State school breakfast program	694	-	694
Federal sources:			
School breakfast program	3,162	-	3,162
National school lunch program	82,635	-	82,635
Food distribution program	32,863	-	32,863
After school snack program	-	-	-
Total nonoperating revenues (expenses)	131,315	-	131,315
Income (loss) before contributions & transfers	(23,038)	(6,067)	(29,105)
Transfers in (out)	-	-	-
Change in net assets	(23,038)	(6,067)	(29,105)
Total net assets—beginning	1,308,742	61,236	1,369,978
Total net assets—ending	\$ 1,285,704	\$ 55,169	\$ 1,340,873

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Food Services Enterprise Fund  
 Combining Statement of Cash Flows  
 for the Fiscal Year ended June 30, 2008

	Business-type Activities -		
	Food Service	Child Care	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and other funds	\$ 736,449	\$ 427,382	\$ 1,163,831
Payments to employees & benefits	(395,299)	(371,854)	(767,153)
Payments to suppliers	(453,449)	(86,210)	(539,659)
Net cash used for operating activities	(112,299)	(30,682)	(142,981)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State sources	10,917	-	10,917
Federal sources	84,811	-	84,811
Board interfund loans	15,131	-	15,131
Net cash provided by (used for) non-capital financing activities	110,859	-	110,859
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Change in capital contributions	-	-	-
Purchases of capital assets	(5,965)	-	(5,965)
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used for) capital and related financing activities	(5,965)	-	(5,965)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	1,630	-	1,630
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	1,630	-	1,630
Net decrease in cash and cash equivalents	(5,775)	(30,682)	(36,457)
Balances--beginning of year	70,138	96,724	166,862
Balances--end of year	\$ 64,363	\$ 66,042	\$ 130,405
<b>Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:</b>			
Operating loss	\$ (154,353)	\$ (6,067)	\$ (160,420)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	6,802	105	6,907
Federal commodities	32,863	-	32,863
(Increase) decrease in accounts receivable, net	-	(32)	(32)
(Increase) decrease in inventories	(2,542)	-	(2,542)
Increase (decrease) in accounts payable	3,831	(20,922)	(17,091)
Increase (decrease) in accrued salaries benefits	45	(3,766)	(3,721)
Increase (decrease) in compensated absences	1,055	-	1,055
Total adjustments	42,054	(24,615)	17,439
Net cash used in operating activities	\$ (112,299)	\$ (30,682)	\$ (142,981)

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Statement of Fiduciary Net Assets  
 June 30, 2008

	Unemployment Compensation Trust	Scholarship Fund	Student Activity	Summer Savings	Class Reunion	Agency Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 142,670	\$ 42,574	\$ 226,146	\$ 770,257	\$ 9,799	\$ 131,772
Intergovernmental accounts receivable	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Total assets	<u>142,670</u>	<u>42,574</u>	<u>226,146</u>	<u>770,257</u>	<u>9,799</u>	<u>131,772</u>
<b>LIABILITIES</b>						
Accounts payable	-	-	-	-	-	-
Payroll deductions and withholdings	-	-	-	770,257	-	131,772
Payable to student groups	-	-	226,146	-	9,799	-
Accrued wages	-	-	-	-	-	-
Total liabilities	-	-	<u>226,146</u>	<u>770,257</u>	<u>9,799</u>	<u>131,772</u>
<b>NET ASSETS</b>						
Held in trust for unemployment claims and other purposes	142,670	-	-	-	-	-
Reserved for scholarships	-	42,574	-	-	-	-
Total net assets	<u>142,670</u>	<u>42,574</u>	-	-	-	-
Total liabilities and net assets	\$ 142,670	\$ 42,574	\$ 226,146	\$ 770,257	\$ 9,799	\$ 131,772

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2008

	Scholarship Funds	Unemployment Compensation Fund	Total
<b>ADDITIONS</b>			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	9,289	-	9,289
Total Contributions	<u>9,289</u>	<u>-</u>	<u>9,289</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	1,792	5,782	7,574
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>1,792</u>	<u>5,782</u>	<u>7,574</u>
Total additions	<u>11,081</u>	<u>5,782</u>	<u>16,863</u>
<b>DEDUCTIONS</b>			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	8,100	-	8,100
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>8,100</u>	<u>-</u>	<u>8,100</u>
Change in net assets	2,981	5,782	8,763
Net assets—beginning of the year	<u>39,593</u>	<u>136,896</u>	<u>176,489</u>
Net assets—end of the year	<u>\$ 42,574</u>	<u>\$ 142,678</u>	<u>\$ 185,252</u>

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2008

1. Summary of Significant Accounting Policies

The financial statements of the Board of Education, (the "Board"), of the Point Pleasant Borough School District, (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.

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 assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Statements: The District adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments; Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, as of July 1, 2002. The District's basic financial statements reflect the implementation.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

The district-wide financial statements (A-1 and A-2) include the statement of net assets and the statement of activities. These statements report financial information of the District as a whole excluding the 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 supported through taxes and user fees, from business-type activities, generally financed in whole or in part with fees charged to external customers.

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

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide detail of the governmental, proprietary and fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, Paragraph 76. 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.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

The District reports the following governmental funds:

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

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

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

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from state and federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

The District reports the following proprietary fund:

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

The District's Enterprise Fund is comprised of the Food Service Fund.

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

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

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

c. Basis of Accounting

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

c. Basis of Accounting (continued)

Governmental fund financial statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both 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 leases 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 moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting except for the special reserve fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2008 were insignificant.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

e. Budgets/Budgetary Control (continued)

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

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

f. Encumbrances

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

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

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

g. Cash, Cash Equivalents and Investments

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

g. Cash, Cash Equivalents and Investments (continued)

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 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 2007-2008 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.

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.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

l. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention 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, 2008, the amount earned by these employees but not disbursed was \$770,257.

n. Compensated Absences

District employees are granted vacation and sick leave under 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.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

o. Deferred Revenue

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 and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Bonds are recognized as a liability on the fund financial statements when due.

q. Net Assets

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

r. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and excess surplus as defined by State law.

s. Revenues - Exchange and Non-exchange Transactions

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

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

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

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

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

t. Operating Revenues and Expenses

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

u. Management Estimates

The preparation of financial statements in conformity with GAAP 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.

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, 2008, the carrying amount of the District's deposits was \$4,051,036 and the bank balance was \$4,091,908. Of the bank balance, \$100,000 was insured with Federal Deposit Insurance.

Pursuant to GASB Statement No. 40, 'Deposit and Investment Risk Disclosures' ("GASB 40'), the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

2. Cash, Cash Equivalents and Investments (continued)

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, 2008, 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.

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, 2008, the District had \$0 of investments on deposit.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

4. Capital Reserve Account

A capital reserve account was established by the District's Board of Education by inclusion of \$150,000 in the original 1999 and \$50,000 in the original 2000 annual capital outlay 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 will be included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's 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-5.1(d)7, 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, 2008, the District had actual interest earnings of \$22,195 and had transferred \$17,363 from the capital reserve account.

The activity of the capital reserve for the July 1, 2007 to June 30, 2008 fiscal year is as follows:

Beginning balance, July 1, 2007	\$	643,336
Interest earnings		22,195
Deposits		0
Withdrawals		<u>(17,363)</u>
Ending balance, June 30, 2008		<u>\$648,168</u>

The June 30, 2008 LRFP balance of local support costs of uncompleted capital projects is \$5,242,000. There were no withdrawals from the capital reserve for DOE approved facilities projects.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

5. Receivables:

Receivables at June 30, 2008, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Fund Financial Statements	District-Wide financial Statements
State Aid	136,396	136,856
Federal Aid	11,062	15,464
Other	5,644	5,644
Gross Receivables	153,102	157,964
Less:		
Allowance for Uncollectibles	-	-
Total Receivables, Net	153,102	157,964

6. Inventory

Inventory in the Food Service Fund at June 30, 2008 consisted of the following:

Food	\$8,697
Commodities	3,253
Supplies	4,616
	\$16,566

7. Grant Programs

Contingent liabilities

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.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

8. Capital Assets

Capital assets consisted of the following at June 30, 2008:

	Beginning			Ending
	Balance	Additions	Retirements	Balance
<b>GOVERNMENTAL ACTIVITIES:</b>				
Capital assets that are not being depreciated:				
Site and site improvements	\$ 275,324	-	-	\$ 275,324
Construction in progress	15,368,916	-	(15,368,916)	-
Total capital assets not being depreciated	15,644,240	-	(15,368,916)	275,324
Building and building/site improvements	24,008,690	15,536,144	-	39,544,834
Machinery and equipment	4,097,164	81,183	(4,228)	4,174,119
Totals at historical cost	28,105,854	15,617,327	(4,228)	43,718,953
Less accumulated depreciation for :				
Building and improvements	12,118,257	1,191,825	-	13,310,082
Equipment	2,763,418	270,502	(4,228)	3,029,692
Total accumulated depreciation	14,881,675	1,462,327	(4,228)	16,339,774
Total capital assets being depreciated net of accumulated depreciation	13,224,179	14,155,000	-	27,379,179
Government activities capital assets, net	\$28,868,419	14,155,000	(15,368,916)	\$27,654,503
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Building improvements	\$1,173,440	-	-	\$1,173,440
Equipment	333,695	5,965	-	339,660
Less: accumulated depreciation	281,394	6,907	-	288,301
Business-type activities capital assets, net	\$1,225,741	12,872	-	\$1,224,799

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

8. Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 1,242,977
Special education instruction	43,870
Other instruction	7,312
Student & Instruction Related Services	124,298
School administration	43,870
Total depreciation expense	<u>\$1,462,327</u>

9. Operating Leases

The District has no material commitments under operating leases at June 30, 2008.

10. Non-current Liabilities

During the fiscal year ended June 30, 2008 the following changes occurred in the non-current liabilities:

	<u>Balance</u> <u>6-30-07</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>6-30-08</u>	<u>Due</u> <u>within</u> <u>one year</u>
Governmental Activities:					
Bonds payable	17,393,000	-	1,635,000	15,758,000	1,670,000
Compensated absences payable	<u>1,721,128</u>	<u>-</u>	<u>17,845</u>	<u>1,703,283</u>	<u>253,908</u>
Total	<u>\$19,114,128</u>	<u>\$ -</u>	<u>\$1,652,845</u>	<u>\$17,461,283</u>	<u>\$1,923,908</u>

a. Bonds Payable

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

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

<u>Year ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	1,670,000	600,726	2,270,726
2010	1,730,000	541,377	2,271,377
2011	1,305,000	485,836	1,790,836
2012	1,355,000	435,022	1,790,022
2013	1,415,000	440,716	1,855,716
2014-2018	4,825,000	1,217,893	6,042,893
2019-2023	<u>3,458,000</u>	<u>441,739</u>	<u>3,899,739</u>
	<u>\$15,758,000</u>	<u>\$4,163,309</u>	<u>\$19,921,309</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

10. Non-current Liabilities (continued)

b. Bonds Authorized But Not Issued

As of June 30, 2008 the School District had no authorized but not issued bonds.

11. 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 PERS and the TPAF. These reports may be obtained by writing to the Division of Pensions and Benefits, PO 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 provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund 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 unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multi-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.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

11. Pension Plans (continued)

Vesting and Benefit Provisions - Vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
6/30/08	-	100	%	\$ 0
6/30/07	-	100		0
6/30/06	-	100		0

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

11. Pension Plans (continued)

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	\$	\$	Net Pension Obligation
6/30/08	\$2,742,090	100		\$	0
6/30/07	1,479,980	100			0
6/30/06	1,525,075	100			0

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 \$2,742,090. 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 \$1,239,805 during the fiscal year ended June 30, 2008 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 GASB 27.

12. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits of those State employees who retire after reaching age 60 and accumulating 25 years of credited service. As of June 30, 2007, there were 75,860 retirees eligible for post-retirement medical benefits. 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 with an additional contribution beginning in fiscal year 1996 which will increase the medical reserve by one half of 1% of the active State payroll.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in fiscal year 2007.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992 c.126, 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. In fiscal year 2007, the State paid \$110.3 million toward Chapter 126 benefits for 11,747 eligible retired members.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

13. Deferred Compensation

The Board offers its employees a choice of various 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 following is a list of the plan administrators:

American Express Financial Advisors, Inc.	Franklin Templeton Funds
Cadaret, Grant & Company, Inc.	MetLife Resources
The Copeland Companies	Siracusa Benefits Programs
Equitable Financial Company	Variable Annuity Life Insurance Co
Fidelity Investments	

14. Risk Management

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Ending Balance</u>
2007-2008	\$ -	-	5,782	\$142,678
2006-2007	-	-	6,873	136,896
2005-2006	-	-	5,677	130,023

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

15. 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, 2008:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ -	\$ 2,431
Special Revenue Fund	-	-
Capital Projects Fund	-	-
Debt Service Fund	-	-
Enterprise Fund	2,431	-
Trust and Agency Fund	-	-
	<u>\$ 2,431</u>	<u>\$ 2,431</u>

16. Compensated Absences

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

District employees are granted varying amounts of 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 10).

17. Fund Balance Appropriated

General Fund - of the \$3,159,888 General Fund balance at June 30, 2008, \$296,482 is reserved for encumbrances, \$648,168 is capital reserve, \$985,000 is designated for subsequent year expenditures, \$198,283 is a maintenance reserve, \$150,035 is an emergency reserve, \$431,802 is excess surplus, \$56,815 is excess surplus for subsequent year expenditures, and \$393,303 is unreserved and undesignated.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

18. 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, 2008 is \$431,802.

19. Contingent Liabilities

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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
<b>Local sources:</b>					
Local tax levy	\$ 24,851,110	\$ 250,000	\$ 25,101,110	\$ 25,101,110	\$ -
Interest on investments	204,000	(204,000)	-	277,924	277,924
Interest earned on capital reserve funds	7,950	(7,950)	-	22,195	22,195
Transportation fees	-	-	-	8,600	8,600
Tuition - from individuals	55,000	(55,000)	-	70,788	70,788
Tuition - from other LEA's within the state	-	-	-	3,373	3,373
Miscellaneous	140,000	266,950	406,950	261,282	(145,668)
<b>Total - local sources</b>	<b>25,258,060</b>	<b>250,000</b>	<b>25,508,060</b>	<b>25,745,272</b>	<b>237,212</b>
<b>State sources:</b>					
Transportation aid	350,240	-	350,240	350,240	-
Special education aid	2,163,888	-	2,163,888	2,163,888	-
Bilingual education	18,670	-	18,670	18,670	-
Stabilization aid	220,898	-	220,898	220,898	-
Core curriculum standards aid	2,873,337	-	2,873,337	2,873,337	-
Extraordinary aid	-	-	-	70,085	70,085
Consolidated aid	354,505	-	354,505	354,505	-
Additional Formula aid	364,276	-	364,276	364,276	-
Other state aid	95,162	-	95,162	108,571	13,409
TPAF pension (on-behalf - Non-budgeted)	-	-	-	2,742,090	2,742,090
TPAF social security (reimbursed - Non-budgeted)	-	-	-	1,239,805	1,239,805
<b>Total state sources</b>	<b>6,440,976</b>	<b>-</b>	<b>6,440,976</b>	<b>10,506,365</b>	<b>4,065,389</b>
<b>Federal sources:</b>					
Other federal aids	-	-	-	1,996	1,996
<b>Total Federal sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,996</b>	<b>1,996</b>
<b>Total revenues</b>	<b>31,699,036</b>	<b>250,000</b>	<b>31,949,036</b>	<b>36,253,633</b>	<b>4,304,597</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of teachers	\$ 633,840	\$ 4,176	\$ 638,016	\$ 637,749	\$ 267
Grades 1-5 - Salaries of teachers	3,753,875	(25,756)	3,728,119	3,724,419	3,700
Grades 6-8 - Salaries of teachers	2,688,182	(48,466)	2,639,716	2,631,303	8,413
Grades 9-12 - Salaries of teachers	3,795,794	(117,874)	3,677,920	3,670,670	7,250
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	30,000	30,935	60,935	60,935	-
Purchased professional-educational services	19,500	13,654	33,154	33,154	-
<b>Regular Programs - Undistributed Instruction</b>					
Other salaries for instruction	169,829	(14,884)	154,945	149,704	5,241
Purchased professional-educational services	5,700	(185)	5,515	5,500	15
Purchased technical services	15,096	(289)	14,807	9,597	5,210
Other purchased services (400-500 series)	86,582	13,168	99,750	69,984	29,766
General supplies	534,523	239,833	774,356	737,888	36,468
Textbooks	144,959	41,261	186,220	175,721	10,499
Other objects	10,179	47	10,226	7,767	2,459
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>11,888,059</b>	<b>135,620</b>	<b>12,023,679</b>	<b>11,914,391</b>	<b>109,288</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	41,270	300	41,570	41,570	-
Other salaries for instruction	550	498	1,048	583	465
General supplies	500	-	500	240	260
Textbooks	300	(300)	-	-	-
<b>Total Behavioral Disabilities</b>	<b>42,620</b>	<b>498</b>	<b>43,118</b>	<b>42,393</b>	<b>725</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	200,503	48,926	249,429	249,424	5
Other salaries for instruction	27,021	(866)	26,155	21,174	4,981
General supplies	1,250	2,449	3,699	3,628	71
<b>Total Multiple Disabilities</b>	<b>228,774</b>	<b>50,509</b>	<b>279,283</b>	<b>274,226</b>	<b>5,057</b>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	1,660,564	(7,467)	1,653,097	1,646,738	6,359
Other Salaries for Instruction	95,505	31,830	127,335	123,377	3,958
General Supplies	3,557	(341)	3,216	2,789	427
Textbooks	1,000	766	1,766	695	1,071
<b>Total Resource Room/Resource Center</b>	<b>1,760,626</b>	<b>24,788</b>	<b>1,785,414</b>	<b>1,773,599</b>	<b>11,815</b>
<b>Autism:</b>					
Salaries of Teachers	52,262	2,758	55,020	54,543	477
Other Salaries for Instruction	1,608	-	1,608	84	1,524
General Supplies	500	10	510	510	-
<b>Total Autism</b>	<b>54,370</b>	<b>2,768</b>	<b>57,138</b>	<b>55,137</b>	<b>2,001</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	94,503	905	95,408	95,141	267
Other Salaries for Instruction	28,528	(4,731)	23,797	20,992	2,805
General Supplies	2,200	(2,200)	-	-	-
<b>Total Preschool Disabilities - Full-Time</b>	<b>125,231</b>	<b>(6,026)</b>	<b>119,205</b>	<b>116,133</b>	<b>3,072</b>
<b>Home Instruction:</b>					
Salaries of Teachers	45,000	3,000	48,000	36,539	11,461
Purchased Professional-Educational Services	2,500	(1,000)	1,500	1,475	25
<b>Total Home Instruction</b>	<b>47,500</b>	<b>2,000</b>	<b>49,500</b>	<b>38,014</b>	<b>11,486</b>
<b>TOTAL SPECIAL EDUCATION- INSTRUCTION</b>	<b>2,259,121</b>	<b>74,537</b>	<b>2,333,658</b>	<b>2,299,502</b>	<b>34,156</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	77,946	5,162	83,108	80,695	2,413
Other Purchased Services (400-500 series)	5,500	5,630	11,130	11,130	-
General Supplies	3,650	(686)	3,164	1,162	2,002
Other Objects	-	-	-	-	-
<b>Total Basic Skills/Remedial - Instruction</b>	<b>87,296</b>	<b>10,106</b>	<b>97,402</b>	<b>92,987</b>	<b>4,415</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	49,540	-	49,540	48,725	815
Other Purchased Services (400-500 series)	150	-	150	-	150
General Supplies	1,300	-	1,300	343	957
<b>Total Bilingual Education - Instruction</b>	<b>50,990</b>	<b>-</b>	<b>50,990</b>	<b>49,068</b>	<b>1,922</b>
<b>School-Spon Cocurricular Actvts - Instruction</b>					
Salaries	206,727	-	206,727	171,464	35,263
Purchased Services (300-500 series)	18,300	2,589	20,889	19,439	1,450
Supplies and Materials	22,950	(628)	22,322	19,009	3,313
Other Objects	9,710	(939)	8,771	3,619	5,252
<b>Total School-Spon. Cocurricular Actvts - Instruction</b>	<b>257,687</b>	<b>1,022</b>	<b>258,709</b>	<b>213,431</b>	<b>45,278</b>
<b>School-Spon Athletics - Instruction</b>					
Salaries	496,792	(22,680)	474,112	443,094	31,018
Purchased Services (300-500 series)	79,600	8,000	87,600	75,821	11,779
Supplies and Materials	78,250	2,215	80,465	70,817	9,648
Other Objects	8,200	(1,000)	7,200	4,794	2,406
<b>Total School-Spon. Cocurricular Actvts - Instruction</b>	<b>662,842</b>	<b>(13,465)</b>	<b>649,377</b>	<b>594,526</b>	<b>54,851</b>
<b>Total Instruction</b>	<b>15,205,995</b>	<b>207,820</b>	<b>15,413,815</b>	<b>15,163,905</b>	<b>249,910</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other IEAs within the state - regular	-	-	-	-	-
Tuition to Co. Voc. School Dist - reg	8,000	10,198	18,198	17,200	998
Tuition to co. voc. school district - special	-	-	-	-	-
Tuition to Co. Spec. Serv. & Reg. Day schools	108,844	-	108,844	89,565	19,279
Tuition to Private Sch for Disbl w/I State	517,812	(60,141)	457,671	346,559	111,112
Tuition Priv Sch Disbl & Otr IEA o/s State	41,404	-	41,404	35,749	5,655
Tuition - State Facilities	4,500	4,089	8,589	8,589	-
Tuition - Other	30,940	(8,726)	22,214	10,237	11,977
<b>Total Undistributed Expenditures - Instruction:</b>	<b>711,500</b>	<b>(54,580)</b>	<b>656,920</b>	<b>507,899</b>	<b>149,021</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	177,844	4,073	181,917	180,573	1,344
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	1,990	-	1,990	1,278	712
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>179,834</b>	<b>4,073</b>	<b>183,907</b>	<b>181,851</b>	<b>2,056</b>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend - Health Services					
Salaries	314,997	(3,764)	311,233	310,552	681
Purchased professional and technical services	28,350	2,450	30,800	25,269	5,531
Other purchased services (400-500 series)	1,641	(302)	1,339	422	917
Supplies and materials	4,270	2,172	6,442	6,312	130
Total Undistributed Expenditures - Health Services	349,258	556	349,814	342,555	7,259
Undist. Expend. - Other Support Services - Students - Related Service					
Salaries	233,072	(24,984)	208,088	207,184	904
Purchased Prof. Ed. Services	81,696	38,691	120,387	100,731	19,656
Supplies and Materials	1,950	-	1,950	1,681	269
Total Undist. Expend. - Other Support Services - Students - Related Service	316,718	13,707	330,425	309,596	20,829
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	415,980	(3,828)	412,152	390,813	21,339
Purchased professional - educational services	-	-	-	-	-
Total Undist. Expend. - Other Support Services Students - Extraordinary Ser	415,980	(3,828)	412,152	390,813	21,339
Undist. Expend. - Other Support Services Students-Regular					
Salaries of Other Professional Staff	680,638	13,419	694,057	693,884	173
Salaries of Secretarial and Clerical Assistants	124,857	(360)	124,497	123,757	740
Other Salaries	1,719	3,111	4,830	4,830	-
Other Purch. Prof & Tech Svc.	12,000	1,689	13,689	5,920	7,769
Other Purchased Services (400-500 series)	13,879	3,002	16,881	8,479	8,402
Supplies and Materials	18,763	1,259	20,022	18,016	2,006
Other Objects	1,080	-	1,080	1,070	10
Total Undist. Expend. - Other Support Services - Students-Regular	852,936	22,120	875,056	855,956	19,100
Undist. Expend. - Other Support Services - Students-Special					
Salaries of Other Professional Staff	708,721	8,684	717,405	717,401	4
Salaries of secretarial and clerical assistants	94,094	(1,792)	92,302	93,288	914
Purchased Professional - Educational Services	25,000	4,607	29,607	23,327	6,280
Other Purchased Prof & Tech Services	2,600	64	2,664	2,545	119
Misc. Purch Serv	5,400	(777)	4,623	4,047	576
Supplies and Materials	6,300	1,126	7,426	5,399	2,027
Other Objects	1,610	-	1,610	1,281	329
Total Undist. Expend. - Other Support Services - Students-Special	843,725	11,912	855,637	845,388	10,249
Undist. Expend. - Imprvmt of Instr. Svcs-Other Support Services-Instr.					
Salaries Superv. Of Instr.	41,344	776	42,120	42,120	-
Salaries Other Prof. Staff	5,000	-	5,000	-	5,000
Salaries Secr & Clerical Asst.	9,245	-	9,245	9,245	-
Other Salaries	12,500	-	12,500	550	11,950
Other Purchased Services (400-500)	-	-	-	-	-
Supplies and Materials	2,500	-	2,500	2,209	291
Total Undist. Expend -Imprvmt of Instr. Svcs-Other Support Services-Instr	70,589	776	71,365	54,124	17,243
Undist. Expend. - Educational Media Services/School Library					
Salaries	331,522	(10,621)	320,901	319,241	1,660
Purchased Prof & Tech Svc.	1,800	-	1,800	1,800	-
Other Purchased Services (400-500)	800	(68)	732	130	602
Supplies and Materials	44,350	122	44,472	39,079	5,393
Other objects	-	-	-	-	-
Total Undist. Expend - Educational Media Services/School Library	378,472	(10,567)	367,905	360,250	7,655
Undist. Expend. - Instruction Staff Training Services					
Salaries of Supervisors of Instruction	91,247	2,326	93,573	93,573	-
Salaries of Other Professional Staff	42,000	(2,083)	39,917	24,648	15,269
Salaries of Secretarial & Clerical Assistants	27,735	-	27,735	27,735	-
Other Salaries	-	3,288	3,288	3,288	-
Purchased Professional - Educational Services	6,500	2,158	8,658	8,658	-
Other Purchased Services (400-500 series)	14,920	1,485	16,405	13,455	2,950
Supplies and materials	4,500	(1,453)	3,047	2,909	138
Total Undist. Expend. - Instruction Staff Training Services	186,902	5,721	192,623	174,266	18,357

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expnd. - Support Service - General Administration					
Salaries	333,302	69,464	402,766	402,724	42
Legal Services	31,000	2,088	33,088	30,882	2,206
Other Purchased Professional Services	25,500	22,855	48,355	40,019	8,336
Communications/Telephone	69,900	16,021	85,921	48,443	37,478
BOE Other Purchased Services	3,050	14,990	18,040	4,470	13,570
Other Purchased Services (400-500 series)	173,433	(5,563)	167,870	153,221	14,649
General Supplies	6,500	975	7,475	6,222	1,253
BOE In-house Training/Meeting Supplies	5,500	1,486	6,986	6,842	144
Judgements Against the School District	25,000	23,514	48,514	45,000	3,514
Miscellaneous expenditures	28,706	5,548	34,254	25,119	9,135
<b>Total Undist. Expnd. - Support Service - General Administration</b>	<b>701,891</b>	<b>151,378</b>	<b>853,269</b>	<b>762,842</b>	<b>90,327</b>
Undist. Expnd. - Support Service - School Administration					
Salaries of Principals/Assistant principals	1,097,081	4,719	1,101,800	1,101,473	327
Salaries of Other Professional Staff	43,653	2	43,655	43,655	-
Salaries of Secretarial and Clerical Assistants	377,270	12,487	389,757	388,624	1,133
Other Purchased Services (400-500 series)	22,450	(556)	21,894	14,057	7,837
Supplies and Materials	13,000	(125)	12,875	11,087	1,708
Other Objects	11,759	1,745	13,504	13,076	428
<b>Total Undist. Expnd. - Support Service - School Administration</b>	<b>1,565,213</b>	<b>18,272</b>	<b>1,583,485</b>	<b>1,571,972</b>	<b>11,513</b>
Undistributed Expenditures- Central Services					
Salaries	405,313	20,262	425,575	419,777	5,798
Purchased Professional and Technical Services	31,500	11,420	42,920	31,549	11,371
Misc. Purchased Services	6,100	(907)	5,193	4,682	511
Supplies and Materials	5,500	1,081	6,581	5,549	1,032
Interest on Lease Purchase Agreements	-	1,745	1,745	1,745	-
Other Objects	4,519	(699)	3,820	3,518	302
<b>Total Undistributed Expenditures-Central Services</b>	<b>452,932</b>	<b>32,902</b>	<b>485,834</b>	<b>466,820</b>	<b>19,014</b>
Undistributed Expenditures- Administration Information Technology					
Salaries	135,566	-	135,566	135,375	191
<b>Total Undistributed Expenditures-Admin info tech</b>	<b>135,566</b>	<b>-</b>	<b>135,566</b>	<b>135,375</b>	<b>191</b>
Undist. Expnd. - Allowed Maintenance for School Facilities					
Cleaning, repair and maintenance services	832,509	28,046	860,555	799,054	61,501
General supplies	72,850	10,225	83,075	75,217	7,858
Other objects	3,900	563	4,463	4,331	272
<b>Total Undist. Expnd. - Allowed Maintenance for School Facilities</b>	<b>909,259</b>	<b>38,834</b>	<b>948,093</b>	<b>878,462</b>	<b>69,631</b>
Undist. Expnd. - Other Operation & Maintenance of Plant					
Salaries	159,412	(2,069)	157,343	146,861	10,482
Purchased Professional and Technical Services	1,138,340	(22,755)	1,115,585	1,115,585	-
Cleaning, Repair and Maintenance Services	117,925	24,699	142,624	121,386	21,238
Rental of Land and Building Other than Lease	14,800	-	14,800	13,275	1,525
Other Purchased Property Services	34,200	2,500	36,700	29,450	7,250
Insurance	122,284	(1,699)	120,585	103,463	17,122
Miscellaneous Purchased Services	12,000	31,382	43,382	32,684	10,698
General Supplies	28,450	7,470	35,920	32,345	3,575
Energy (Energy and Electricity)	912,500	162,130	1,074,630	911,352	163,278
<b>Total Undist. Expnd. - Other Operation &amp; Maintenance Of Plant</b>	<b>2,539,911</b>	<b>201,658</b>	<b>2,741,569</b>	<b>2,506,401</b>	<b>235,168</b>
Undist. Expnd. - Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	282,034	(39,082)	242,952	242,599	353
Salaries for Pupil Transportation (Between Home and School) - Special	97,295	2,760	100,055	98,473	1,582
Salaries for Pupil Transportation (Other than Between Home and School)	77,700	2,182	79,882	73,838	5,944
Salaries for Pupil Transportation (Between Home and School) - Non Public	37,815	(766)	37,049	36,190	859
Management Fee - ESC's CSTA Trans. Program	13,650	(5,500)	8,150	7,118	1,032
Other Purchased Professional & Technical Services	7,700	4,000	11,700	8,069	3,631
Cleaning, Repair and Maint. Services	47,000	(10,412)	36,588	27,515	9,073
Contract Svc (btw Home & Sch) - vendors	-	44,964	44,964	44,688	276
Contr Serv (Oth than Bet Home & Sch) - Vend	17,700	(6,796)	10,904	6,542	4,362
Contract Svc (btw home & sch) - joint agree	19,000	35,072	54,072	51,278	2,794
Contract Svc (Sp Ed) - vendors	26,400	10,034	36,434	34,273	2,161
Contract Svc. (Sp Ed) - joint agreements	36,000	(18,000)	18,000	18,000	-
Contract Svc. (Sp Ed) - joint agreements	80,000	(10,992)	69,008	68,208	800
Contract Svc. (Reg std) - ESCs	195,000	27,501	222,501	222,338	163
Contract Svc. - (Sp Ed) - ESCs	21,268	-	21,268	19,243	2,025
Contr Svc - Aid in lieu Paymnts-Non Pub Sch	21,650	(388)	21,262	20,655	607
Misc. Purchased Svc. - Transp	118,000	34,018	152,018	126,583	25,435
Supplies and Materials	500	478	978	978	-
Misc. Expenditures	500	-	-	-	-
<b>Total Undist. Expnd. - Student Transportation Services</b>	<b>1,098,712</b>	<b>69,073</b>	<b>1,167,785</b>	<b>1,106,688</b>	<b>61,097</b>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend - Business and Other Support Services	-	-	-	-	-
Salaries	-	-	-	-	-
Purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Other purchased services (400-500 series)	-	360	360	360	-
Supplies and materials	-	-	-	-	-
Interest for lease purchase agreements	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
<b>Total Undist. Expend. - Business and Other Support Services</b>	<b>-</b>	<b>360</b>	<b>360</b>	<b>360</b>	<b>-</b>
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Social security contributions	373,234	69,415	442,649	343,844	98,805
Other Retirement Contributions-Regular	157,000	11,103	168,103	137,270	30,833
Unemployment compensation	48,614	7,281	55,895	53,397	2,498
Workmen's compensation	165,329	99,243	264,572	264,572	-
Health benefits	4,938,261	(342,676)	4,595,585	4,186,505	409,080
Tuition reimbursement	29,000	(4,670)	24,330	16,290	8,040
Other employee benefits	135,000	133,139	268,139	228,431	39,708
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<b>5,846,438</b>	<b>(27,165)</b>	<b>5,819,273</b>	<b>5,230,309</b>	<b>588,964</b>
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	2,742,090	(2,742,090)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	1,239,805	(1,239,805)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,981,895</b>	<b>(3,981,895)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>5,846,438</b>	<b>(27,165)</b>	<b>5,819,273</b>	<b>9,212,204</b>	<b>(3,392,931)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>17,555,836</b>	<b>475,202</b>	<b>18,031,038</b>	<b>20,663,922</b>	<b>(2,632,884)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>32,761,831</b>	<b>683,022</b>	<b>33,444,853</b>	<b>35,827,827</b>	<b>(2,382,974)</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	22,000	(13,500)	8,500	7,514	986
Grades 6-8	17,250	(10,040)	7,210	6,038	1,172
Grades 9-12	7,500	(5,105)	2,395	2,395	-
Special Education- Instruction:					
School - Sponsored and Other Instructional Program	3,000	6,376	9,376	3,776	5,600
Undistributed Expenses					
Support Services-Related & Extra	2,300	(1,870)	430	-	430
Support Serv.- Students-Spl.	5,000	(5,000)	-	-	-
School Administration	3,500	-	3,500	-	3,500
Operation & Maint. of Plant Serv	3,700	139,419	143,119	122,090	21,029
Undistributed exp -Non-instructional services					
School Buses -Regular	18,000	(2,499)	15,501	476	15,025
School Buses -Special	20,156	-	20,156	19,804	352
<b>Total Equipment</b>	<b>102,406</b>	<b>107,781</b>	<b>210,187</b>	<b>162,093</b>	<b>48,094</b>
Facilities Acquisition and Construction Services					
Construction services	50,000	-	50,000	17,363	32,637
<b>Total</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>17,363</b>	<b>32,637</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>152,406</b>	<b>107,781</b>	<b>260,187</b>	<b>179,456</b>	<b>80,731</b>
<b>TOTAL EXPENDITURES</b>	<b>32,914,237</b>	<b>790,803</b>	<b>33,705,040</b>	<b>36,007,283</b>	<b>(2,302,243)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,215,201)	(540,803)	(1,756,004)	246,350	2,002,354
Other Financing Uses:					
Transfer to Capital Projects	-	-	-	-	-
<b>Total Other Financing Sources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,215,201)	(540,803)	(1,756,004)	246,350	2,002,354
Fund Balance, July 1	3,235,525	-	3,235,525	3,235,525	-
Fund Balance, June 30	<u>\$ 2,020,324</u>	<u>\$ (540,803)</u>	<u>\$ 1,479,521</u>	<u>3,481,875</u>	<u>\$ 2,002,354</u>
Recapitulation:					
Reserve for encumbrances				296,482	
Maintenance reserve				198,283	
Emergency Reserve				150,035	
Reserve for excess surplus				431,802	
Reserve for excess surplus-designated for subsequent year's expenditures				56,815	
Capital reserve				648,168	
Designated for subsequent year's expenditures unrestricted/undesignated				<u>985,000</u>	
				715,290	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				<u>(321,987)</u>	
Fund balance per governmental funds (GAAP)				<u>393,303</u>	

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ 34,381	2,037	\$ 36,418	\$ 32,411	\$ (4,007)
State sources	-	-	-	-	-
Federal sources	828,312	22,107	850,419	838,439	(11,980)
<b>Total Revenues</b>	<b>862,693</b>	<b>24,144</b>	<b>886,837</b>	<b>870,850</b>	<b>(15,987)</b>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Personal services-salaries	168,321	19,582	187,903	181,512	6,391
Purchased professional services	1,000	2,551	3,551	3,551	-
General supplies	26,624	15,253	41,877	35,250	6,627
Tuition	472,000	287	472,287	472,287	-
Other objects	1,750	(326)	1,424	1,425	(1)
<b>Total instruction</b>	<b>669,695</b>	<b>37,347</b>	<b>707,042</b>	<b>694,025</b>	<b>13,017</b>
<b>Support services:</b>					
Personal services - salaries	-	-	-	-	-
Purchased professional services	141,212	4,992	146,204	145,537	667
Purchased property services	5,000	-	5,000	4,850	150
Other purchased professional services	1,800	(473)	1,327	1,326	1
Employee benefits	39,146	(13,982)	25,164	25,112	52
Supplies- materials	-	-	-	-	-
Other objects	-	-	-	-	-
<b>Total support services</b>	<b>187,158</b>	<b>(9,463)</b>	<b>177,695</b>	<b>176,825</b>	<b>870</b>
<b>EXPENDITURES (CONT'D):</b>					
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	5,840	(3,740)	2,100	-	2,100
<b>Total facilities acquisition and const. serv.</b>	<b>5,840</b>	<b>(3,740)</b>	<b>2,100</b>	<b>-</b>	<b>2,100</b>
<b>Total expenditures</b>	<b>862,693</b>	<b>24,144</b>	<b>886,837</b>	<b>870,850</b>	<b>15,987</b>
<b>Other financing sources (uses)</b>					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
<b>Total outflows</b>	<b>862,693</b>	<b>24,144</b>	<b>886,837</b>	<b>870,850</b>	<b>15,987</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				\$ -	
Fund balance per governmental funds (GAAP)				\$ -	

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2008

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

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 36,253,633	[C-2]	\$ 870,850
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				(9,471)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(321,987)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		302,684		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 36,234,330	[B-2]	\$ 861,379
 <b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 36,007,283	[C-2]	\$ 870,850
Differences - budget to GAAP:				
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.				(9,471)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 36,007,283	[B-2]	\$ 861,379

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, 2008

	Title I 07/08	Title I 06/07	IDEIA-Part B-Basic Reg Prog 07/08	IDEIA-Part B-Basic Reg Prog 06/07
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	<u>104,245</u>	<u>5,600</u>	<u>609,608</u>	<u>15,007</u>
<b>Total revenues</b>	<u>104,245</u>	<u>5,600</u>	<u>609,608</u>	<u>15,007</u>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Personal services - salaries	90,688	5,202	-	-
Purchased professional services	-	-	-	3,092
General supplies	-	-	14,455	7,807
Tuition	-	-	462,287	-
Other Objects	-	-	531	25
<b>Total instruction</b>	<u>90,688</u>	<u>5,202</u>	<u>477,273</u>	<u>10,924</u>
<b>Support services:</b>				
<b>Other support services - students - special:</b>				
Personal services - salaries	-	-	-	-
Purchased prof. and tech. services	-	-	131,009	4,083
Purchased property services	-	-	-	-
Other purchased services	-	-	1,326	-
Employee benefits	13,557	398	-	-
Supplies and Materials	-	-	-	-
Other objects	-	-	-	-
<b>Total other support services - students - special</b>	<u>13,557</u>	<u>398</u>	<u>132,335</u>	<u>4,083</u>
<b>Total support services</b>	<u>13,557</u>	<u>398</u>	<u>132,335</u>	<u>4,083</u>
<b>Equipment:</b>				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 104,245</u>	<u>\$ 5,600</u>	<u>\$ 609,608</u>	<u>\$ 15,007</u>

(Continued on next page)

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2008

(Continued from prior page)

	IDEIA-Part B-Preschool Reg Prog 07/08	IDEIA-Part B-Preschool Reg Prog 06/07	Title V 07/08	Title II Part A 07/08
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	<u>22,369</u>	<u>1,500</u>	<u>3,669</u>	<u>69,046</u>
Total revenues	<u><u>22,369</u></u>	<u><u>1,500</u></u>	<u><u>3,669</u></u>	<u><u>69,046</u></u>
Expenditures:				
Instruction:				
Personal services - salaries	-	-	3,181	60,000
Purchased professional services	-	459	-	-
General Supplies	3,600	1,041	-	-
Tuition	10,000	-	-	-
Other Objects	<u>869</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction	<u><u>14,469</u></u>	<u><u>1,500</u></u>	<u><u>3,181</u></u>	<u><u>60,000</u></u>
Support services:				
Other support services - students - special:				
Personal services - salaries	-	-	-	-
Purchased prof. and tech. services	7,900	-	-	-
Purchased property services	-	-	-	-
Other purchased services	-	-	-	-
Employee benefits	-	-	488	9,046
Supplies and Materials	-	-	-	-
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other support services - students - special	<u><u>7,900</u></u>	<u><u>-</u></u>	<u><u>488</u></u>	<u><u>9,046</u></u>
Total support services	<u><u>7,900</u></u>	<u><u>-</u></u>	<u><u>488</u></u>	<u><u>9,046</u></u>
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equipment	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Total expenditures	<u><u>\$ 22,369</u></u>	<u><u>\$ 1,500</u></u>	<u><u>\$ 3,669</u></u>	<u><u>\$ 69,046</u></u>

(Continued on next page)

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2008

(Continued from prior page)

	Title IV DFSCA 07/08	IACE Grant 07/08	Ocean First Grant 07/08
<b>Revenues:</b>			
Local sources	\$ -	\$ 7,200	\$ 168
State sources	-	-	-
Federal sources	7,395	-	-
<b>Total revenues</b>	<b>7,395</b>	<b>7,200</b>	<b>168</b>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Personal services - salaries	-	-	-
Purchased professional services	-	-	-
General supplies	-	7,200	168
Tuition	-	-	-
Other Objects	-	-	-
<b>Total instruction</b>	<b>-</b>	<b>7,200</b>	<b>168</b>
<b>Support services:</b>			
<b>Other support services - students - special:</b>			
Personal services - salaries	-	-	-
Purchased prof. and tech. services	2,545	-	-
Purchased property services	4,850	-	-
Other purchased services	-	-	-
Employee benefits	-	-	-
Supplies and Materials	-	-	-
Other objects	-	-	-
<b>Total other support services - students - special</b>	<b>7,395</b>	<b>-</b>	<b>-</b>
<b>Total support services</b>	<b>7,395</b>	<b>-</b>	<b>-</b>
<b>Equipment:</b>			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
<b>Total equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 7,395</b>	<b>\$ 7,200</b>	<b>\$ 168</b>

(Continued on next page)

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2008

(Continued from prior page)

	Jackson Township Grant	Other	Total 2008
<b>Revenues:</b>			
Local sources	\$ 24,064	\$ 979	\$ 32,411
State sources	-	-	-
Federal sources	-	-	838,439
<b>Total revenues</b>	<u>24,064</u>	<u>979</u>	<u>870,850</u>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Personal services - salaries	22,441	-	181,512
Purchased professional services	-	-	3,551
General supplies	-	979	35,250
Tuition	-	-	472,287
Miscellaneous expenses	-	-	1,425
<b>Total instruction</b>	<u>22,441</u>	<u>979</u>	<u>694,025</u>
<b>Support services:</b>			
<b>Other support services - students - special:</b>			
Personal services - salaries	-	-	-
Purchased prof. and tech. services	-	-	145,537
Purchased property services	-	-	4,850
Other purchased services	-	-	1,326
Employee benefits	1,623	-	25,112
Supplies and Materials	-	-	-
Other objects	-	-	-
<b>Total other support services - students - special</b>	<u>1,623</u>	<u>-</u>	<u>176,825</u>
<b>Total support services</b>	<u>1,623</u>	<u>-</u>	<u>176,825</u>
<b>Equipment:</b>			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 24,064</u>	<u>\$ 979</u>	<u>\$ 870,850</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, 2008

<b>Revenues and Other Financing Sources</b>	
State Sources - SCC Grant	\$ (293)
Bond proceeds and transfers	-
Contribution from private source	-
Transfer from capital reserve	-
Transfer from capital outlay	-
Total revenues	<u>(293)</u>
 <b>Expenditures and Other Financing Uses</b>	
Purchased professional and technical services	61,854
Land and improvements	-
Construction services	1,810
Other objects	-
Equipment purchases	17,654
Total expenditures	<u>81,318</u>
 Deficiency of revenues under expenditures	 (81,611)
 Fund balance - beginning	 <u>101,286</u>
 Fund balance - ending	 <u>\$ 19,675</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
 High School Renovation  
 From Inception and for the Year Ended June 30, 2008

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 2,499,213	\$ -	\$ 2,499,213	\$ 2,499,213
Bond proceeds and transfers	5,628,124	-	5,628,124	5,628,124
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>8,127,337</u>	<u>-</u>	<u>8,127,337</u>	<u>8,127,337</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and tech. services	639,012	13,060	652,072	-
Land and improvements	-	-	-	-
Construction services	7,290,993	-	7,290,993	8,127,337
Other objects	73,880	-	73,880	-
Equipment purchases	92,738	17,654	110,392	-
Total expenditures	<u>8,096,623</u>	<u>30,714</u>	<u>8,127,337</u>	<u>8,127,337</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 30,714</u>	<u>\$ (30,714)</u>	<u>\$ -</u>	<u>\$ -</u>

## Additional project information:

Project Number	4210-030-03-0239
Grant Date	12/10/2002
Bond Authorization Date	3/15/2003
Bonds Authorized	\$ 5,628,124
Bonds Issued	5,628,124
Original Authorized Cost	8,127,337
Additional Authorized Cost	-
Revised Authorized Cost	8,127,337
Percentage Increase over Original Authorized Cost	-
Percentage Completion	-
Original target completion date	9/2004
Revised target completion date	9/2005

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
 Middle School Renovation  
 From Inception and for the Year Ended June 30, 2008

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 1,809,775	\$ -	\$ 1,809,775	\$ 1,809,775
Bond proceeds and transfers	4,824,876	-	4,824,876	4,824,876
Contribution from private sources	-	-	-	-
Transfer from capital reserve	125,000	-	125,000	125,000
Transfer from capital outlay	-	-	-	-
Total revenues	<u>6,759,651</u>	<u>-</u>	<u>6,759,651</u>	<u>6,759,651</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and tech. services	463,399	11,940	475,339	475,000
Land and improvements	-	-	-	-
Construction services	6,114,277	1,810	6,116,087	6,169,651
Other objects	100,389	-	100,389	55,000
Equipment purchases	48,165	-	48,165	60,000
Total expenditures	<u>6,726,230</u>	<u>13,750</u>	<u>6,739,980</u>	<u>6,759,651</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 33,421</u>	<u>\$ (13,750)</u>	<u>\$ 19,671</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	4210-050-03-0240			
Grant Date	12/10/2002			
Bond Authorization Date	3/15/2003			
Bonds Authorized	\$ 4,824,876			
Bonds Issued	4,824,876			
Original Authorized Cost	6,759,651			
Additional Authorized Cost	125,000			
Revised Authorized Cost	6,884,651			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	-			
Original target completion date	1/2005			
Revised target completion date	11/2005			

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
 HVAC Ocean Road School  
 From Inception and for the Year Ended June 30, 2008

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 102,750	\$ (293)	\$ 102,457	\$ 102,457
Bond proceeds and transfers	152,450	-	152,450	152,450
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>255,200</u>	<u>(293)</u>	<u>254,907</u>	<u>254,907</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and tech. services	1,812	17,553	19,365	-
Land and improvements	-	-	-	-
Construction services	235,542	-	235,542	254,907
Other objects	-	-	-	-
Equipment purchases	-	-	-	-
Total expenditures	<u>237,354</u>	<u>17,553</u>	<u>254,907</u>	<u>254,907</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 17,846</u>	<u>\$ (17,846)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	4210-060-05-1000			
Grant Date	12/9/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 254,907			
Additional Authorized Cost	-			
Revised Authorized Cost	254,907			
Percentage Increase over Original Authorized Cost				
Percentage Completion	-			
Original target completion date	12/2005			
Revised target completion date	12/2005			

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
 HVAC Nellie Bennet School  
 From Inception and for the Year Ended June 30, 2008

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 114,297	\$ -	\$ 114,297	\$ 114,297
Bond proceeds and transfers	176,468	-	176,468	176,468
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>290,765</u>	<u>-</u>	<u>290,765</u>	<u>290,765</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and tech. services	2,682	14,301	16,983	-
Land and improvements	-	-	-	-
Construction services	273,782	-	273,782	290,765
Other objects	-	-	-	-
Equipment purchases	-	-	-	-
Total expenditures	<u>276,464</u>	<u>14,301</u>	<u>290,765</u>	<u>290,765</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 14,301</u>	<u>\$ (14,301)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	4210-055-05-1000			
Grant Date	12/9/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 290,765			
Additional Authorized Cost	-			
Revised Authorized Cost	290,765			
Percentage Increase over Original				
Authorized Cost	-			
Percentage Completion	-			
Original target completion date	12/2005			
Revised target completion date	12/2005			

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis  
 Window wall Project  
 From Inception and for the Year Ended June 30, 2008

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 13,380	\$ -	\$ 13,380	\$ 13,380
Bond proceeds and transfers	23,870	-	23,870	23,870
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>37,250</u>	<u>-</u>	<u>37,250</u>	<u>37,250</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and tech. services	-	5,000	5,000	-
Land and improvements	-	-	-	-
Construction services	32,250	-	32,250	37,250
Other objects	-	-	-	-
Equipment purchases	-	-	-	-
Total expenditures	<u>32,250</u>	<u>5,000</u>	<u>37,250</u>	<u>37,250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,000</u>	<u>\$ (5,000)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	4210-055-05-2000			
Grant Date	12/9/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 37,250			
Additional Authorized Cost	-			
Revised Authorized Cost	37,250			
<b>Percentage Increase over Original Authorized Cost</b>				
Percentage Completion	-			
Original target completion date	12/2005			
Revised target completion date	12/2005			

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Enterprise Funds  
Combining Statement of Net Assets  
June 30, 2008

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 64,363	\$ 66,042	\$ 130,405
Accounts receivable:			
State	460	-	460
Federal	4,246	156	4,402
Other government	-	-	-
Interfund	2,431	-	2,431
Inventories	16,566	-	16,566
Total current assets	<u>88,066</u>	<u>66,198</u>	<u>154,264</u>
Fixed assets:			
Equipment	334,889	4,771	339,660
Buildings and Improvements	1,173,440	-	1,173,440
Accumulated depreciation	(285,435)	(2,866)	(288,301)
Total fixed assets	<u>1,222,894</u>	<u>1,905</u>	<u>1,224,799</u>
<b>Total assets</b>	<u>\$ 1,310,960</u>	<u>\$ 68,103</u>	<u>\$ 1,379,063</u>
<b>Liabilities and Fund Equity:</b>			
Liabilities:			
Accounts payable	11,638	4,144	15,782
Accrued salaries and benefits	45	8,790	8,835
Compensated absences	13,573	-	13,573
Interfund payable	-	-	-
Total liabilities	<u>25,256</u>	<u>12,934</u>	<u>38,190</u>
Net assets:			
Invested in capital assets	1,191,001	639	1,191,640
Restricted for other purposes	31,313	-	31,313
Unrestricted net assets	63,390	54,530	117,920
Total fund equity	<u>1,285,704</u>	<u>55,169</u>	<u>1,340,873</u>
<b>Total liabilities and fund equity</b>	<u>\$ 1,310,960</u>	<u>\$ 68,103</u>	<u>\$ 1,379,063</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Enterprise Funds  
Combined Statement of Revenues, Expenses and  
Changes in Net Assets  
For the Fiscal Year ended June 30, 2008

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales-reimbursable programs:			
School breakfast program	\$ 1,353	\$ -	\$ 1,353
School lunch program	293,066	-	293,066
Total-daily sales-reimbursable programs	294,419	-	294,419
Daily sales non-reimbursable programs	397,825	-	397,825
Special functions	10,441	-	10,441
Miscellaneous	901	427,414	428,315
Total operating revenues	703,586	427,414	1,131,000
Operating expenses:			
Salaries	273,794	327,991	601,785
Employee benefits	122,605	40,097	162,702
Purchased property			-
Other purchased services	18,283	18,692	36,975
Supplies and materials	22,728	34,095	56,823
Utilities	41,519	11,946	53,465
Other objects	630	555	1,185
Depreciation	6,802	105	6,907
Cost of sales	371,578	-	371,578
Total operating expenses	857,939	433,481	1,291,420
Operating income (loss)	(154,353)	(6,067)	(160,420)
Nonoperating revenues:			
State sources:			
Vending Machine Grant	2,000	-	2,000
State school lunch program	8,331	-	8,331
State school breakfast program	694	-	694
Federal sources:			
School breakfast program	3,162	-	3,162
National school lunch program	82,635	-	82,635
After school snack program	-	-	-
Food distribution program	32,863	-	32,863
Interest	1,630	-	1,630
Total nonoperating revenues	131,315	-	131,315
Change in net assets before transfers	(23,038)	(6,067)	(29,105)
Transfers in (out)	-	-	-
Change in net assets	(23,038)	(6,067)	(29,105)
Total unrestricted net assets beginning	1,308,742	61,236	1,369,978
Total unrestricted net assets ending	\$ 1,285,704	\$ 55,169	\$ 1,340,873

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Food Services Enterprise Fund  
Combining Statement of Cash Flows  
for the Fiscal Year ended June 30, 2008

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers an other funds	\$ 736,449	\$ 427,382	\$ 1,163,831
Payments to employees & benefits	(395,299)	(371,854)	(767,153)
Payments to suppliers	(453,449)	(86,210)	(539,659)
Net cash used for operating activities	<u>(112,299)</u>	<u>(30,682)</u>	<u>(142,981)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State sources	10,917	-	10,917
Federal sources	84,811	-	84,811
Board interfund loans	15,131	-	15,131
Net cash provided by (used for) non-capital financing activities	<u>110,859</u>	<u>-</u>	<u>110,859</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Change in capital contributions	-	-	-
Purchases of capital assets	(5,965)	-	(5,965)
Gain/loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(5,965)</u>	<u>-</u>	<u>(5,965)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	1,630	-	1,630
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	<u>1,630</u>	<u>-</u>	<u>1,630</u>
Net decrease in cash and cash equivalents	(5,775)	(30,682)	(36,457)
Balances-beginning of year	70,138	96,724	166,862
Balances-end of year	<u>\$ 64,363</u>	<u>\$ 66,042</u>	<u>\$ 130,405</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:</b>			
Operating loss	\$ (154,353)	\$ (6,067)	\$ (160,420)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	6,802	105	6,907
Federal commodities	32,863	-	32,863
(Increase) decrease in accounts receivable, net	-	(32)	(32)
(Increase) decrease in inventories	(2,542)	-	(2,542)
Increase (decrease) in accounts payable	3,831	(20,922)	(17,091)
Increase (decrease) in accrued salaries benefits	45	(3,766)	(3,721)
Increase (decrease) in compensated absences	1,055	-	1,055
Total adjustments	<u>42,054</u>	<u>(24,615)</u>	<u>17,439</u>
Net cash used in operating activities	<u>\$ (112,299)</u>	<u>\$ (30,682)</u>	<u>\$ (142,981)</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Combining Statement of Fiduciary Net Assets  
 June 30, 2008

	Student Activity	Payroll Agency	Scholarship Fund	Summer Savings	Class Reunion	Unemployment Compensation Trust	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 226,146	\$ 131,772	\$ 42,574	\$ 770,257	\$ 9,799	\$ 142,678	\$ 1,323,226
Deposits	-	-	-	-	-	-	-
Total assets	<u>226,146</u>	<u>131,772</u>	<u>42,574</u>	<u>770,257</u>	<u>9,799</u>	<u>142,678</u>	<u>1,323,226</u>
<b>LIABILITIES</b>							
Payroll deductions and withholdings	-	131,772	-	770,257	-	-	902,029
Payable to student groups	226,146	-	-	-	9,799	-	235,945
Accrued wages	-	-	-	-	-	-	-
Total liabilities	<u>226,146</u>	<u>131,772</u>	<u>-</u>	<u>770,257</u>	<u>9,799</u>	<u>-</u>	<u>1,137,974</u>
<b>Fund Balances</b>							
Unreserved	-	-	42,574	-	-	142,678	185,252
Total fund balances	-	-	<u>42,574</u>	-	-	<u>142,678</u>	<u>185,252</u>
Total liabilities and fund balances	\$ 226,146	\$ 131,772	\$ 42,574	\$ 770,257	\$ 9,799	\$ 142,678	\$ 1,323,226

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2008

	Scholarship Funds	Unemployment Compensation Fund	Total
<b>ADDITIONS</b>			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	9,289	-	9,289
Total Contributions	<u>9,289</u>	<u>-</u>	<u>9,289</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	1,792	5,782	7,574
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>1,792</u>	<u>5,782</u>	<u>7,574</u>
Total additions	<u>11,081</u>	<u>5,782</u>	<u>16,863</u>
<b>DEDUCTIONS</b>			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	8,100	-	8,100
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>8,100</u>	<u>-</u>	<u>8,100</u>
Change in net assets	2,981	5,782	8,763
Net assets--beginning of the year	<u>39,593</u>	<u>136,896</u>	<u>176,489</u>
Net assets--end of the year	<u>\$ 42,574</u>	<u>\$ 142,678</u>	<u>\$ 185,252</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year ended June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2008</u>
Student Activities Funds	<u>\$ 175,947</u>	<u>\$ 587,276</u>	<u>\$ 537,077</u>	<u>\$ 226,146</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year ended June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
ASSETS:				
Cash and cash equivalents	\$ 120,259	\$ 24,155,753	\$ 24,144,240	\$ 131,772
Total assets	<u>\$ 120,259</u>	<u>24,155,753</u>	<u>24,144,240</u>	<u>131,772</u>
LIABILITIES:				
Payroll deductions and withholdings	118,995	9,715,938	9,703,161	131,772
Accrued salaries and wages	1,264	14,439,815	14,441,079	-
Interfund payable	-	-	-	-
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 120,259</u>	<u>\$ 24,155,753</u>	<u>\$ 24,144,240</u>	<u>\$ 131,772</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Long-Term Debt  
 Schedule of Serial Bonds  
 June 30, 2008

Issue	Date of Issue	Amount of Issue	Annual Maturities Data	Annual Maturities Amount	Interest Rate	Balance May 1, 2007	Issued	Retired	Refinanced	Balance June 30, 2008
School Bonds - Additions to Ocean Road and Nellie Bennett	5/28/1998	4,600,000	5/15/2009 5/15/2010 5/15/2011 5/15/2012 5/15/2013	345,000 365,000 380,000 400,000 415,000	4.650% 4.650% 4.650% 4.650% 4.650%	2,235,000		(330,000)		1,905,000
School Bonds	1/15/03	8,940,000	7/15/2008 7/15/2009 7/15/2010 7/15/2011 7/15/2012 7/15/2013 7/15/2014 7/15/2015 7/15/2016	905,000 925,000 465,000 475,000 500,000 505,000 500,000 495,000	3.000% 3.250% 3.500% 3.750% 4.000% 4.000% 4.130% 4.200%	6,175,000	(900,000)			5,275,000
School Bonds - Additions to the middle and high school	3/15/2003	10,453,000	3/15/2009 3/15/2010 3/15/2011 3/15/2012 3/15/2013 3/15/2014 3/15/2015 3/15/2016 3/15/2017 3/15/2018 3/15/2019 3/15/2020 3/15/2021 3/15/2022 3/15/2023	420,000 440,000 460,000 480,000 500,000 520,000 540,000 565,000 585,000 610,000 635,000 665,000 690,000 720,000 748,000	3.500% 3.500% 3.500% 3.500% 3.500% 3.750% 3.750% 4.000% 4.000% 4.000% 4.000% 4.000% 4.130% 4.130%					8,578,000
						\$ 17,393,000	\$	(1,635,000)	\$	\$ 15,758,000

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,984,203	-	\$ 1,984,203	\$ 1,984,203	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	304,465	-	304,465	304,465	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	304,465	-	304,465	304,465	-
Total Revenues	2,288,668	-	2,288,668	2,288,668	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	655,070	-	655,070	655,070	-
Redemption of Principal	1,635,000	-	1,635,000	1,635,000	-
Total Regular Debt Service	2,290,070	-	2,290,070	2,290,070	-
Total Expenditures	2,290,070	-	2,290,070	2,290,070	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,402)	-	(1,402)	(1,402)	-
Other Financing Sources:					
Operating Transfers In:					
Interest	-	-	-	-	-
Miscellaneous	(1,402)	-	(1,402)	(1,402)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1,402)	-	(1,402)	(1,402)	-
Fund Balance, July 1	1,402	-	1,402	1,402	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

**Point Pleasant Borough School District  
Statistical Section**

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	85-90
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	91-94
<b>Debt Capacity</b>	
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	95-98
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	99-101
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	102-105

*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 by Component  
 Last Five Fiscal Years\*  
 (accrual basis of accounting)

	2004	2005	2006	2007	2008
Governmental activities					
Invested in capital assets, net of related debt	\$ 5,450,352	\$ 8,973,868	\$ 10,004,685	\$ 11,748,634	\$ 12,139,361
Restricted	6,926,082	4,724,812	3,884,868	2,602,232	1,949,325
Unrestricted	(976,938)	(1,131,357)	(1,198,234)	(1,028,511)	(219,137)
Total governmental activities net assets	<u>\$ 11,399,496</u>	<u>\$ 12,567,323</u>	<u>\$ 12,691,319</u>	<u>13,322,355</u>	<u>13,869,549</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 1,191,827	\$ 1,191,001	\$ 1,191,640	\$ 1,223,731	1,191,640
Restricted	-	-	31,388	31,313	31,313
Unrestricted	485,643	166,756	146,170	114,934	117,920
Total business-type activities net assets	<u>\$ 1,677,470</u>	<u>\$ 1,357,757</u>	<u>\$ 1,369,198</u>	<u>1,369,978</u>	<u>1,340,873</u>
District-wide					
Invested in capital assets, net of related debt	\$ 6,642,179	\$ 10,164,869	\$ 11,196,325	\$ 12,972,365	13,331,001
Restricted	6,926,082	4,724,812	3,916,256	2,633,545	1,980,638
Unrestricted	(491,295)	(964,601)	(1,052,064)	(913,577)	(101,217)
Total district net assets	<u>\$ 13,076,966</u>	<u>\$ 13,925,080</u>	<u>\$ 14,060,517</u>	<u>\$ 14,692,333</u>	<u>15,210,422</u>

\* GASB requires that ten years of statistical data be presented, however in FY07, only statistical data for 4 years need be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

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

	Fiscal Year Ending June 30.				
	2004	2005	2006	2007	2008
<b>Expenses</b>					
<b>Governmental activities</b>					
Instruction					
Regular	\$ 11,000,362	\$ 12,558,395	\$ 12,812,203	\$ 13,103,968	\$ 13,842,022
Special education	1,890,030	1,918,518	2,117,621	2,176,721	2,343,372
Other special education	974,969	970,602	1,014,809	978,313	957,324
Support Services:					
Instruction	764,306	620,284	610,763	548,033	632,197
Attendance and social work	161,092	171,756	160,829	168,529	181,851
Health services	278,399	298,951	320,930	330,176	342,555
Improvement of instr. services	51,829	60,033	56,964	61,229	54,124
Educational media services	321,790	345,007	337,477	353,330	360,250
Instruction staff training	144,808	160,655	169,091	190,527	174,266
School Administrative services	1,371,339	1,345,144	1,497,264	1,470,623	1,603,409
General Administration	521,318	629,903	586,218	618,521	762,942
Central Services	-	389,831	413,170	423,022	466,820
Plant operations and maintenance	3,860,448	2,688,428	3,333,575	3,385,650	3,397,226
Administrative information technology	-	67,834	46,860	128,566	135,375
Pupil transportation	931,490	975,576	1,029,601	1,026,518	1,106,688
Other support services	2,614,601	2,262,894	2,243,754	2,353,928	2,578,478
Business and other support services	-	-	-	-	360
Non-budgeted expenditures	2,122,985	2,320,325	2,682,995	2,700,065	3,981,895
Special Schools	-	-	-	-	-
Interest on long-term debt	886,713	837,550	781,212	735,156	685,427
Unallocated employee benefits	4,412,802	5,035,482	5,190,170	5,325,337	5,230,309
Total governmental activities expenses	<u>32,309,281</u>	<u>33,657,368</u>	<u>35,405,506</u>	<u>36,078,212</u>	<u>38,836,890</u>
<b>Business-type activities:</b>					
Food service	22,233	863,046	865,368	871,279	857,939
Child Care	33,914	306,178	343,115	388,837	433,481
Total business-type activities expense	<u>56,147</u>	<u>1,170,224</u>	<u>1,208,483</u>	<u>1,260,116</u>	<u>1,291,420</u>
Total district expenses	<u>\$ 32,365,428</u>	<u>\$ 34,827,392</u>	<u>\$ 36,613,989</u>	<u>\$ 37,338,328</u>	<u>\$ 40,128,310</u>
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
Charges for services:					
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-
Central and other support services	-	-	-	-	-
Operating grants and contributions	-	2,320,325	2,682,995	2,700,065	3,981,895
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>-</u>	<u>2,320,325</u>	<u>2,682,995</u>	<u>2,700,065</u>	<u>3,981,895</u>
<b>Business-type activities:</b>					
Charges for services:					
Food service	\$ 668,587	\$ 709,030	\$ 758,114	\$ 744,148	\$ 703,886
Child Care	334,978	328,831	357,439	389,592	427,414
Operating grants and contributions	94,196	113,437	102,209	127,156	131,315
Capital grants and contributions	-	-	-	-	-
Total business type activities program revenues	<u>1,097,761</u>	<u>1,151,298</u>	<u>1,217,762</u>	<u>1,260,896</u>	<u>1,262,615</u>
Total district program revenues	<u>\$ 1,097,761</u>	<u>\$ 3,471,623</u>	<u>\$ 3,900,757</u>	<u>\$ 3,960,961</u>	<u>\$ 5,244,510</u>

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

	Fiscal Year Ending June 30,				
	2004	2005	2006	2007	2008
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (32,309,281)	\$ (33,657,368)	\$ (35,405,506)	\$ (36,078,212)	\$ (38,836,890)
Business-type activities	(56,147)	(1,170,024)	(1,208,483)	(1,260,116)	(1,291,420)
<b>Total district-wide net expense</b>	<u>\$ (32,365,428)</u>	<u>\$ (34,827,392)</u>	<u>\$ (36,613,989)</u>	<u>\$ (37,338,328)</u>	<u>\$ (40,128,310)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Property taxes levied for general purposes, net	\$ 21,177,276	\$ 21,940,645	\$ 22,727,187	\$ 23,810,271	\$ 25,101,110
Taxes levied for debt service	1,867,297	1,841,796	1,995,324	2,091,623	1,984,203
Unrestricted grants and contributions	9,434,348	7,872,518	7,569,719	7,455,499	7,649,420
Payments in lieu of taxes	-	-	-	-	-
Tuition Received	-	-	-	-	-
Investment earnings	487,672	334,630	400,390	378,920	300,119
Miscellaneous income	202,631	214,294	153,886	272,670	367,337
Transfers	-	-	-	-	-
<b>Total governmental activities</b>	<u>33,089,224</u>	<u>32,203,883</u>	<u>32,846,506</u>	<u>34,009,183</u>	<u>35,402,189</u>
Business-type activities:					
Investment earnings	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Total business-type activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total district-wide</b>	<u>\$ 33,089,224</u>	<u>\$ 32,203,883</u>	<u>\$ 32,846,506</u>	<u>\$ 34,009,183</u>	<u>\$ 35,402,189</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 779,943	\$ 866,840	\$ 123,995	\$ 631,036	\$ 547,194
Business-type activities	(56,147)	(18,726)	11,441	780	(29,105)
<b>Total district</b>	<u>\$ 723,796</u>	<u>\$ 848,114</u>	<u>\$ 135,436</u>	<u>\$ 631,816</u>	<u>\$ 518,089</u>

\* GASB requires that ten years of statistical data be presented, however in FY07, only statistical data for 4 years need be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

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

	Fiscal Year Ending June 30,				
	2004	2005	2006	2007	2008
General Fund					
Reserved	3,507,990	\$ 3,673,653	\$ 3,066,035	\$ 2,556,359	\$ 2,361,452
Unreserved	592,380	331,125	316,625	376,482	393,303
Total general fund	<u>4,100,370</u>	<u>\$ 4,004,778</u>	<u>\$ 3,382,660</u>	<u>\$ 2,932,841</u>	<u>\$ 2,754,755</u>
All Other Governmental Funds					
Reserved	11,083,058	\$ 3,270,356	\$ 702,653	\$ 75,208	\$ -
Unreserved, reported in:					
Special revenue fund	-	208,240	-	-	-
Capital projects fund	93,175	7,563	111,261	26,078	19,675
Debt service fund	-	-	4,919	1,402	-
Permanent fund	-	-	-	-	-
Total all other governmental funds	<u>11,176,233</u>	<u>\$ 3,486,159</u>	<u>\$ 818,833</u>	<u>\$ 102,688</u>	<u>\$ 19,675</u>

\* GASB requires that ten years of statistical data be presented, however in FY07, only statistical data for 4 years need be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

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

	2004	2005	2006	2007	2008
<b>Revenues</b>					
Tax levy	23,007,258	23,782,441	24,722,511	25,901,894	27,085,313
Tuition charges	38,491	57,112	52,351	94,067	74,161
Interest earnings	407,672	337,200	372,194	378,920	300,119
Miscellaneous	164,140	33,676	150,244	154,546	284,576
Transportation fees	37,315	123,506	7,683	31,819	8,600
State sources	8,554,420	9,191,871	9,238,654	9,143,056	10,791,234
Federal sources	879,928	1,000,972	1,014,060	1,012,508	840,081
<b>Total revenue</b>	<b>33,089,224</b>	<b>34,526,778</b>	<b>35,557,697</b>	<b>36,716,810</b>	<b>39,384,084</b>
<b>Expenditures</b>					
<b>Instruction</b>					
Regular instruction	11,006,750	11,584,993	11,954,708	12,198,434	12,599,045
Special education instruction	1,890,030	1,878,671	2,082,519	2,144,761	2,299,502
Other special instruction	974,969	966,216	1,010,770	972,986	950,012
<b>Support Services:</b>					
Instruction	764,306	523,155	525,199	457,480	507,899
Attendance and social work	161,092	171,756	160,829	168,529	181,851
Health services	278,399	298,951	320,930	330,176	342,555
Other support services	2,193,680	2,262,694	2,243,754	2,353,928	2,578,478
Improvement of instruction	51,829	60,033	56,964	61,229	54,124
Educational media services	321,790	345,007	337,477	353,330	360,250
Instruction staff training	144,808	160,655	169,091	190,527	174,266
General administrative services	521,318	629,903	586,218	618,521	762,942
School administrative services	1,371,339	1,421,135	1,417,715	1,491,714	1,571,972
School central services	-	389,831	413,170	423,022	466,820
School admin info technology	-	67,834	46,860	128,566	135,375
Allowed maintenance for school facilities	694,668	751,907	813,836	838,137	878,462
Other operation & maintenance of plant	2,092,686	1,948,088	2,519,739	2,547,513	2,506,401
Student transportation services	931,490	975,576	1,029,601	1,026,518	1,106,688
Business and other support services	420,921	200	-	-	-
Unallocated employee benefits	4,412,802	5,035,482	5,190,170	5,325,337	5,230,309
Non-budgeted expenditures	2,122,985	2,320,325	2,682,995	2,700,065	3,981,895
Special Schools	-	-	-	-	-
Charter Schools	-	-	-	-	-
Capital outlay	3,933,886	8,508,826	2,978,742	1,219,640	260,774
<b>Debt service:</b>					
Principal	1,470,000	1,505,000	1,555,000	1,610,000	1,635,000
Interest and other charges	856,356	807,193	750,855	704,799	655,070
<b>Total expenditures</b>	<b>36,616,104</b>	<b>42,613,431</b>	<b>38,847,142</b>	<b>37,865,212</b>	<b>39,239,690</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(3,526,880)</b>	<b>(8,086,653)</b>	<b>(3,289,445)</b>	<b>(1,148,402)</b>	<b>144,394</b>
<b>Other Financing sources (uses)</b>					
Proceeds from borrowing	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Transfers in	-	370,350	125,000	-	-
Transfers out	-	(69,363)	(125,000)	(17,562)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>300,987</b>	<b>-</b>	<b>(17,562)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(3,526,880)</b>	<b>(7,785,666)</b>	<b>(3,289,445)</b>	<b>(1,165,964)</b>	<b>144,394</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>7.12%</b>	<b>6.78%</b>	<b>6.43%</b>	<b>6.32%</b>	<b>5.88%</b>

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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
1999	-	589,753	-	17,777	291,102	1,013	143,626	1,043,271
2000	-	541,793	-	14,225	248,191	9,581	72,781	886,571
2001	-	490,092	-	13,255	75,318	6,372	73,882	658,919
2002	-	206,184	-	16,651	87,265	24,078	42,087	376,265
2003	-	231,800	-	17,821	45,441	59,135	656,669	1,010,866
2004	-	403,626	-	-	-	37,315	164,140	605,081
2005	-	337,200	-	-	-	33,676	119,746	490,622
2006	1,200	372,194	31,737	24,613	19,100	7,683	46,882	503,409
2007	-	378,920	46,526	24,702	-	31,819	59,125	541,092
2008	\$ -	300,120	54,091	34,530	-	7,140	140,338	536,219

Source: District records

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

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Reg.	Gain	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities *	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
1998	23,917,000	1,078,176,100			110,534,800		11,850,400	1,323,655,100	89,176,600	7,867,030	1,232,346,130	1,273,090,419	1.516
1999	22,385,200	1,098,149,700			111,088,700		13,098,000	1,342,426,900	86,785,300	6,584,942	1,252,036,242	1,336,072,543	1.530
2000	19,658,700	1,153,006,300			114,056,400		13,676,500	1,400,806,400	86,070,500	3,837,339	1,385,895,239	1,403,892,730	1.555
2001	19,639,700	1,187,115,700			115,958,000		13,715,200	1,417,608,500	101,258,900	4,049,032	1,320,477,612	1,511,804,905	1.507
2002	18,748,300	1,181,686,600			112,234,600		13,715,600	1,417,494,800	91,048,500	3,924,793	1,320,311,093	1,659,164,617	1.626
2003	18,541,400	1,193,232,500			113,426,200		13,715,600	1,429,624,000	91,708,100	3,536,680	1,341,452,580	1,901,225,452	1.715
2004	18,398,900	1,198,914,200			113,158,400		14,344,700	1,436,236,900	91,428,100	3,012,889	1,347,621,089	2,224,379,452	1.764
2005	17,907,100	1,207,638,100			109,088,500		14,344,700	1,456,300,500	97,410,100	2,505,559	1,371,395,959	2,612,676,233	1.829
2006	23,561,400	1,217,658,100			102,501,000		14,294,700	1,459,903,600	97,886,600	2,182,200	1,364,119,200	3,056,251,124	1.901
2007	22,950,900	1,230,660,600			106,646,400		14,294,700	1,374,560,600	98,328,300	1,863,476	1,376,424,076	3,538,613,763	1.968
2008	N/A	N/A			N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

c Based on county abstract of rates column ii net valuation for county tax apportionment

d 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 <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Municipal		Ocean County
1999	1.538		1.538	0.430	0.592	2.560
2000	1.555		1.555	0.440	0.612	2.607
2001	1.587		1.587	0.444	0.634	2.665
2002	1.626		1.626	0.466	0.659	2.751
2003	1.715		1.715	0.514	0.687	2.916
2004	1.764		1.764	0.554	0.708	3.026
2005	1.829		1.829	0.65	0.740	3.220
2006	1.901		1.901	0.738	0.757	3.396
2007	1.968		1.968	0.799	0.080	3.566
2008	2.008		2.008	0.818	0.830	3.662

Source: Municipal Tax Collector

Note:

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

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

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

	2008			1998		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Jersey Bell Telephone				\$ 7,434,344		0.61%
Point 88 Realty Co. Inc	5,782,600		5.81%			
Pulte Homes of NJ	5,423,000		5.45%			
Clark's Landing	4,221,600		4.24%	5,096,500		0.42%
MGM Homes LLC	2,500,000		2.51%	4,204,000		0.33%
Point 88 Realty				4,088,000		0.21%
Taxpayer 1				2,624,800		0.20%
Jersey Shore Land Holdings				2,500,000		0.20%
Robert Enterprises				2,500,000		0.20%
Johnson Bros Boat Works, LLC	2,150,000		2.16%			
Paglia	1,984,700		1.99%			0.00%
Crystal-Manasquan, LLC	1,889,500		1.89%			
Robelander Realty, Inc.	1,800,300		1.81%			
Verizon	1,723,000		1.73%	1,839,400		0.15%
Robelander Realty, Inc.	1,800,300		1.81%	1,760,000		0.14%
Dad Realty	1,600,800		1.61%			
Total	\$ 30,875,800		31.01%	\$ 32,047,044		2.26%

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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
1999	32,052,128	31,239,361	97.46%	997,712
2000	34,268,131	33,032,248	96.39%	1,154,298
2001	35,454,537	33,931,615	95.70%	1,424,849
2002	36,872,618	35,449,641	96.14%	1,428,304
2003	39,116,815	38,418,271	98.21%	871,638
2004	40,785,066	39,876,275	97.77%	1,175,249
2005	43,513,218	42,429,211	97.51%	1,396,869
2006	46,365,482	45,490,072	98.11%	521,128
2007	49,081,108	47,820,984	97.43%	817,279
2008	N/A	N/A	N/A	N/A

Source: Municipal Chief Financial Officer

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

Fiscal Year Ended June 30,	Governmental Activities				Capital Leases	Business-Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)					
1999	16,270,000	-	495,269	-	-	16,765,269	3.17%	856.24	
2000	15,415,000	-	472,258	-	-	15,887,258	3.00%	822.92	
2001	14,525,000	-	442,090	-	-	14,967,090	2.72%	772.81	
2002	13,615,000	-	34,597	-	-	13,649,597	2.21%	710.84	
2003	23,533,000	-	276,936	-	-	23,809,936	3.78%	1,202.10	
2004	22,063,000	-	-	-	-	22,063,000	3.32%	1,113.45	
2005	20,558,000	-	-	-	-	20,558,000	3.12%	1,035.09	
2006	19,003,000	-	-	-	-	19,003,000	2.77%	955.79	
2007	17,393,000	-	-	-	-	17,393,000	N/A	N/A	
2008	15,758,000	-	-	-	-	15,758,000	N/A	N/A	

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
1999	16,270,000	-	16,270,000	1.30%	830.95
2000	15,415,000	-	15,415,000	1.18%	798.46
2001	14,525,000	-	14,525,000	1.10%	749.99
2002	13,615,000	-	13,615,000	1.02%	693.23
2003	23,533,000	-	23,533,000	1.75%	1,188.12
2004	22,063,000	-	22,063,000	1.64%	1,113.45
2005	20,558,000	-	20,558,000	1.50%	1,035.09
2006	19,003,000	-	19,003,000	1.39%	955.79
2007	17,393,000	-	17,393,000	1.36%	N/A
2008	15,758,000	-	15,758,000		N/A

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

a See Exhibit NJ J-6 for property tax data.

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, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable *</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Point Pleasant Borough's Share (100%)	\$ 22,186,956	100.00%	\$ 22,186,956
Other debt		-	-
County of Ocean - Borough's Share (XXX%)	a \$ 457,507,604	3.50%	\$ 16,012,766
Ocean County Utility Authority	b 310,865,284	2.65%	8,266,718
Subtotal, overlapping debt			46,466,440
Point Pleasant School District Direct Debt			15,758,000
Total direct and overlapping debt			<u>\$ 62,224,440</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.

a= June 30 2008 county of ocean total net debt      b = as provided by OCUA Santo Manilito allocated based on flow gallons

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

Legal Debt Margin Calculation for Fiscal Year 2007

	Equalized valuation basis
	2007 \$ 3,038,613,763 c
	2006 3,038,281,124 c
	2005 2,612,676,233 c
	[A] \$ 2,208,543,120
Average equalized valuation of taxable property	[A/3] \$ 3,069,647,767
Debt limit (4 % of average equalization value)	[B] 122,793,906 a
Total Net Debt Applicable to Limit	[C] 15,756,000
Legal debt margin	[B-C] \$ 107,035,906

	Fiscal Year										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 49,064,000	\$ 50,799,766	\$ 52,451,028	\$ 55,630,775	\$ 60,062,361	\$ 60,741,400	\$ 72,694,023	\$ 72,694,023	\$ 66,366,585	122,793,906	122,793,906
Total net debt applicable to limit	17,065,000	16,278,000	15,435,000	14,525,000	13,615,000	23,533,000	22,063,000	20,556,000	18,003,000	17,393,000	15,756,000
Legal debt margin	\$ 32,779,000	\$ 34,521,766	\$ 37,016,028	\$ 41,105,775	\$ 46,447,361	\$ 43,208,400	\$ 50,631,023	\$ 52,138,023	\$ 47,363,585	\$ 105,400,906	\$ 107,035,906
Total net debt applicable to the limit as a percentage of debt limit	34.26%	32.03%	29.39%	26.12%	22.67%	38.26%	30.35%	28.28%	26.63%	14.16%	12.63%

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

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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
1998	19,551	503,848,821	25,771	4.10%
1999	19,580	528,894,960	27,012	3.70%
2000	19,306	529,003,706	27,401	3.50%
2001	19,367	550,720,012	28,436	2.90%
2002	19,640	618,601,080	31,497	4.10%
2003	19,807	629,506,074	31,782	4.30%
2004	19,815	664,951,770	33,558	3.80%
2005	19,861	658,034,652	33,132	3.50%
2006	19,882	686,107,938	34,509	3.90%
2007	19,961	719,334,557	36,037	3.40%
2008	N/A	N/A	N/A	N/A

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

Employer	2008		1998		Percentage of Total Municipal Employment
	Employees	Rank [Optional]	Employees	Rank [Optional]	
Point Pleasant Board of Education	425	1	344	1	3.16%
Point Pleasant Hospital			200	2	1.84%
Borough of Point Pleasant	125	2	125	3	1.15%
Claremont Nursing Home	75	3	75	4	0.69%
Stop and Shop (formerly Grand Union)	50	4	50	5	0.46%
Acme Markets			50	6	0.46%
Weisleder	40	5		7	0.37%
	715		844		8.13%

Source: Municipal Tax Collector

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

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Instruction										
Regular	174.4	174.4	188.5	188.5	193.9	189.0	193.0	193.0	193	188
Special education	31.5	31.5	33.5	33.5	33.0	34.0	32.0	33.0	34	35
Other special education										
Vocational										
Other instruction	28.0	28.0	30.0	30.0	30.0	16.0	15.0	18.0	19	21
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	38.9	46.2	49.1	57.6	57.6	47.0	54.0	49.0	52	54
General administration	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4	4
School administrative services	13.6	13.6	14.0	14.0	15.0	12.0	12.0	12.0	12	12
Other administrative services	32.6	31.3	34.3	32.3	32.3	--	--	--	--	--
Central services	1.0	3.0	2.5	3.1	3.1	4.0	4.0	4.0	4	4
Administrative Information Technology										
Plant operations and maintenance						3.0	3.0	4.0	3	3
Pupil transportation						15.0	15.0	16.0	16	14
Other support services	15.0	15.9	16.2	15.9	15.9	17.0	17.0	17.0	17	17
Special Schools										
Food Service	15.0	15.0	16.0	15.0	15.0	17.0	16.0	16.0	16	15
Child Care										
<b>Total</b>	<b>353.0</b>	<b>361.9</b>	<b>387.1</b>	<b>392.9</b>	<b>399.0</b>	<b>350.0</b>	<b>365.0</b>	<b>366.0</b>	<b>371.0</b>	<b>368.0</b>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	School					
1999	3,030	23,434,166	7,734		206	17	14	8	2966	2,788	REF <sup>1</sup>	94.00%	
2000	3,118	25,184,646	8,077	4.44%	206	16	13	11	3089	2,905	4.15%	94.04%	
2001	3,152	26,591,588	8,437	4.46%	223	16	12	11	3133	2,955	1.42%	94.32%	
2002	3,218	26,301,809	8,173	-3.13%	223	15	12	12	3192	3,013	1.88%	94.39%	
2003	3,182	27,434,882	8,622	5.49%	227	14.5	13	11	3186	3,012	-0.19%	94.54%	
2004	3,189	28,639,280	8,981	4.16%	227	13.5	13	10	3144	2,967	-1.32%	94.37%	
2005	3,183	28,470,659	8,945	-0.40%	227	13	12	11	3176	2,991	1.02%	94.18%	
2006	3,223	29,853,379	9,263	3.56%	228	13	12	11	3225	3,054	1.54%	94.70%	
2007	3,215	31,124,621	9,681	4.52%	229	13	11	11	3229	3,046	0.12%	94.33%	
2008	3,162	32,312,871	10,219	5.56%	223	15	14	13	3165	2,971	-1.96%	93.87%	

Sources: District records

Note: Enrollment based on annual October district count.

- 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).

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>District Building</u>										
<u>Elementary</u>										
Nellie Bennet										
Square Feet	57,678	57,678	57,678	57,678	88,497	88,497	88,497	88,497	88,497	88,497
Capacity (students)	475	674	674	674	674	674	674	674	674	674
Enrollment	833	879	912	913	896	865	858	846	822	800
<u>Ocean Road</u>										
Square Feet	61,739	61,739	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406
Capacity (students)	494	494	556	556	556	556	556	556	556	556
Enrollment	646	645	610	609	604	563	591	582	565	546
<u>Middle School</u>										
Memorial Middle School										
Square Feet	78,758	78,758	78,758	78,758	78,758	78,758	78,758	100,002	100,002	100,002
Capacity (students)	644	644	644	644	644	644	644	742	742	742
Enrollment	694	714	720	720	760	777	776	750	765	748
<u>High School</u>										
Point Pleasant High School										
Square Feet	134,251	134,251	134,251	134,251	134,251	134,251	134,251	167,636	167,636	167,636
Capacity (students)	644	644	644	644	644	644	644	1,092	1,092	1,092
Enrollment	857	870	892	954	937	939	938	1,005	1,026	1,053
<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, 2007  
 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 Seven 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
2002	248,620	197,137	218,865	109,644	14,636	788,902
2003	218,427	141,736	148,664	123,417	17,940	650,184
2004	226,079	167,010	164,658	122,130	14,791	694,668
2005	249,262	173,834	183,995	130,262	14,554	751,907
2006	345,853	192,477	133,733	123,801	17,972	813,836
2007	311,332	191,677	168,709	130,399	36,021	838,138
2008	328,234	195,318	164,623	163,516	26,770	878,461
Total School Facilities	\$ 1,927,807	\$ 1,259,189	\$ 1,183,247	\$ 903,169	\$ 142,684	\$ 5,416,096

\* 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, 2008

	<u>Coverage</u>	<u>Deductible</u>
School package policy -		
Property-blanket building & contents	\$ 69,399,206	5,000
Extra expense	5,000,000	
Valuable papers	5,000,000	
Electronic Data Processing	2,500,000	
General liability aggregate	2,000,000	-
Medical coverage		
Flood and earthquake               Zones A & V	1,000,000	* 500,000
Boiler & Machinery:Eqp Breakdown/Business Interruptic	100,000,000	1,000
Personal injury liability	1,000,000	
Employee benefits liability		
Building Ordinance/Increased Cost of Construction	2,500,000	
Forgery and alteration	50,000	1,000
Money and securities	50,000	1,000
Public employee dishonesty - per employee	250,000	5,000
Computer Fraud	50,000	1,000
Bodily injury		
Each occurrence	1,000,000	
Aggregate		
Umbrella liability -		
Umbrella policy	10,000,000	10,000
School board legal liability	-	-
Board legal liability	1,000,000	10,000
Auto Liability	1,000,000	1,000
Public employee's faithful performance blanket:	-	-
Busines Administrator - Selective Insurance Co.		
Board secretary - Selective Insurance Co.		
Treasurer - Selective Insurance Co.	250,000	
Worker's compensation policy	5,000,000	-

\* Re: Flood - Zone B \$2,000,000; All Other Zones 5,000,000  
Source: District Records

SINGLE AUDIT SECTION

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 School District  
County of Ocean  
Point Pleasant Borough, New Jersey 08533

We have audited the basic financial statements of the Board of Education of the Point Pleasant Borough School District in the County of Ocean, State of New Jersey as of and for the year ended June 30, 2008, and have issued our report thereon dated October 21, 2008. We conducted our audit in accordance with the generally accepted auditing standards of 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 Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Education of Point Pleasant Borough School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of Point Pleasant Borough School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of Point Pleasant Borough School District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board of Education of Point Pleasant Borough School District's financial statements that is more than inconsequential will not be prevented or detected by the Board of Education of the Point Pleasant Borough School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board of Education of Point Pleasant Borough School District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

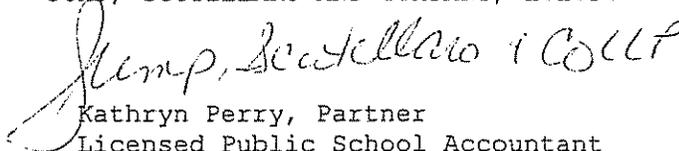
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of Point Pleasant Borough School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of law, 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*.

This report is intended solely for the information of the Board of Education of the Point Pleasant Borough School District, management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

JUMP, SCUTELLARO AND COMPANY, L.L.P.

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

October 21, 2008

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
NEW JERSEY OMB CIRCULAR LETTER 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Point Pleasant Borough School District's with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and New Jersey OMB Circular 04-04 that are applicable to each of its major programs for the year ended June 30, 2008. The Board of Education of the Point Pleasant Borough School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education of the Point Pleasant Borough School District's management. Our responsibility is to express an opinion on the Board of Education of the Point Pleasant Borough School District's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04. Those standards and OMB Circular A-133 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 the Board of Education of the Point Pleasant Borough School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board of Education of the Point Pleasant Borough School District's compliance with those requirements.

In our opinion, the Board of Education of the Point Pleasant Borough School District, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Board of Education of the Point Pleasant Borough School District's is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to the federal and state programs. In planning and performing our audit, we considered the Board of Education of the Point Pleasant Borough School District's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Point Pleasant Borough School District's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a state or federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the board of education, management, state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

JUMP, SCUTELLARO & COMPANY, L.L.P.

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

October 21, 2008

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2008

Federal Grant Number/Program Title	Federal Grant Period	Award Amount	Balance at June 30, 2007	Allotments	Cash Unencumbered	Budgetary Encumbrances	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2008	Accounts Receivable at June 30, 2008	Due to Grantor at June 30, 2008
<b>U.S. Department of Education</b>										
Passed-through State Department of Education:										
84.293C Foreign Language Grant	9/1/05-9/31/06	175,000	(508)	-	508	-	-	-	-	-
84.293C Foreign Language Grant	9/1/06-9/31/07	175,000	(60,916)	-	60,916	-	-	-	-	-
84.010 Title I, Basic Allocation	9/1/07-9/31/08	103,172	-	-	103,172	-	-	-	-	-
84.010 Title I, Basic Allocation - Carryover	9/1/06-9/31/07	103,170	5,600	-	109,772	104,245	-	5,407	-	-
84.340 Title II - Part A	9/1/07-9/31/08	69,046	-	-	69,046	-	-	-	-	-
84.168 Title II - Part D	9/1/07-9/31/08	739	-	-	739	-	-	-	-	-
84.186 Title IV, Safe and Drug-Free Schools	9/1/07-9/31/08	8,212	-	-	8,212	7,395	-	-	-	-
84.296 Title V, Innovative Education	9/1/07-9/31/08	J.669	-	-	J.669	3,669	-	-	-	-
I.D.E.A. Part B Basic	9/1/07-9/31/08	609,640	-	-	609,640	609,608	-	-	-	-
I.D.E.A. Part B Basic-Carryover	9/1/06-9/31/07	591,992	15,007	-	-	15,007	-	32	-	-
I.D.E.A. Part B Preschool	9/1/07-9/31/08	27,274	-	-	27,274	22,369	-	-	-	-
I.D.E.A. Part B Preschool - Carryover	9/1/06-9/31/07	27,224	4,508	-	-	4,508	-	4,905	-	-
Total Special Revenue Fund			(39,217)	-	689,716	630,439	-	11,900	-	-
<b>U.S. Department of Agriculture</b>										
Passed-through State Department of Education:										
10.553 School Breakfast Program	7/1/07-6/30/08	J.621	-	-	J.182	2,646	-	-	-	-
10.553 School Breakfast Program	7/1/06-6/30/07	J.621	(256)	-	250	-	-	-	316	-
10.553 Food Distribution Program	7/1/07-6/30/08	23,179	(2,172)	-	-	-	-	-	-	-
10.553 Food Distribution Program	7/1/06-6/30/07	23,179	-	-	7,172	-	-	-	-	-
10.555 National School Lunch Program	7/1/07-6/30/08	88,103	(3,002)	-	3,002	70,717	-	-	3,930	-
10.555 National School Lunch Program	7/1/06-6/30/07	88,103	-	-	-	-	-	-	-	-
Total Enterprises (Food Service) Fund			(5,432)	-	91,241	81,563	-	-	4,246	-
Total Expenditures of Federal Awards			(44,749)	-	908,977	920,002	-	11,900	4,246	-

See accompanying notes to schedules of expenditures.

FOURTY EIGHT STATE SCHOOLS DISTRICT  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year ended June 30, 2009

State Grantor/ Program Title	Grant or State Account Number	Grant Expiry	Award Amount	Balance at June 30, 2008	Actuals	Cash Disbursements	Budgetary Commitments	Payment of Prior Years' Balance	Deferred Revenues At June 30, 2008	Accounts Receivable At June 30, 2008	Due to Operator At June 30, 2008	Necessary Reservables	Cumulative Total Expenditures
<b>General Fund:</b>													
Core Curriculum Aid	07-493-034-3120-022	7/1/04-6/30/07	2,873,237	(136,302)	-	136,302	-	-	-	-	-	-	(2,736,935)
Core Curriculum Aid	08-493-034-3120-022	7/1/07-6/30/08	2,873,237	(11,048)	-	2,762,189	-	-	-	-	-	141,234	(2,625,327)
Stabilization Aid	07-493-034-3120-030	7/1/04-6/30/07	220,890	(17,512)	-	203,378	-	-	-	-	-	11,045	(182,337)
Stabilization Aid	08-493-034-3120-030	7/1/07-6/30/08	220,890	(17,512)	-	203,378	-	-	-	-	-	11,045	(171,333)
Transportation Aid	07-493-034-3120-014	7/1/04-6/30/07	350,410	(29,843)	-	320,567	-	-	-	-	-	17,842	(302,725)
Transportation Aid	08-493-034-3120-014	7/1/07-6/30/08	350,410	(29,843)	-	320,567	-	-	-	-	-	17,842	(282,923)
Bilingual Aid	07-493-034-3120-008	7/1/04-6/30/07	18,470	-	-	18,470	-	-	-	-	-	923	(17,547)
Bilingual Aid	08-493-034-3120-008	7/1/07-6/30/08	18,470	-	-	18,470	-	-	-	(70,081)	-	-	(51,611)
Supplementary Aid	07-100-034-3120-473	7/1/04-6/30/07	35,074	(184,674)	-	149,600	-	-	-	-	-	-	(149,600)
Supplementary Aid	08-100-034-3120-473	7/1/07-6/30/08	35,074	(184,674)	-	149,600	-	-	-	-	-	-	(149,600)
Special Education Aid	07-493-034-3120-011	7/1/04-6/30/07	2,182,888	(108,194)	-	2,074,694	-	-	-	-	-	108,194	(1,866,504)
Special Education Aid	08-493-034-3120-011	7/1/07-6/30/08	2,182,888	(108,194)	-	2,074,694	-	-	-	-	-	108,194	(1,768,310)
Consolidated Aid	07-493-034-3120-037	7/1/04-6/30/07	254,203	(6,771)	-	247,432	-	-	-	-	-	17,729	(229,703)
Consolidated Aid	08-493-034-3120-037	7/1/07-6/30/08	254,203	(6,771)	-	247,432	-	-	-	-	-	17,729	(211,974)
Additional Formula Aid	07-493-034-3120-038	7/1/04-6/30/07	344,314	-	-	344,314	-	-	-	-	-	38,214	(306,100)
Additional Formula Aid	08-493-034-3120-038	7/1/07-6/30/08	344,314	-	-	344,314	-	-	-	-	-	38,214	(265,900)
Reimbursed Post-Retirement Medical	08-493-034-3120-043	7/1/07-6/30/08	4,897	-	-	4,897	-	-	-	-	-	-	(4,897)
Reimbursed TRAF Social Security Tax	07-100-034-5093-002	7/1/04-6/30/07	1,157,820	(59,745)	-	1,098,075	-	-	-	-	-	-	(1,098,075)
Reimbursed TRAF Social Security Tax	08-100-034-5093-002	7/1/07-6/30/08	1,157,820	(59,745)	-	1,098,075	-	-	-	(61,614)	-	-	(1,159,689)
Total General Fund			1,220,063	(439,074)	-	780,989	-	-	-	(134,314)	-	-	(652,399)
<b>Enterprise Fund:</b>													
State School Lunch Program	08-100-010-3140-047	7/1/07-6/30/08	-	-	-	7,928	-	-	-	-	-	-	(7,928)
State School Lunch Program	07-100-010-3140-047	7/1/04-6/30/07	8,014	(2,741)	-	5,273	-	-	-	-	-	-	(2,741)
State School Breakfast Program	07-100-010-3140-047	7/1/04-6/30/07	701	(527)	-	174	-	-	-	-	-	-	(153)
State School Breakfast Program	08-100-010-3140-047	7/1/07-6/30/08	701	(527)	-	174	-	-	-	-	-	-	(153)
Total Enterprise Fund			9,416	(3,795)	-	5,621	-	-	-	-	-	-	(4,687)
<b>Special Revenue Fund:</b>													
Agricultural Grant 04/07		7/1/04-6/30/07	2,000	1,763	-	-	-	-	1,373	-	-	-	(1,373)
State Grant			2,500	1,053	-	-	-	-	1,333	-	-	-	(1,333)
Total Special Revenue Fund			4,500	2,816	-	-	-	-	2,706	-	-	-	(1,706)
<b>Debt Service Fund:</b>													
Debt Service State Support	08-493-034-3120-410	7/1/07-6/30/08	304,485	(412,244)	-	107,759	-	-	-	-	-	-	(304,485)
Total Expenditures of State Aids			1,624,568	(878,288)	-	746,280	-	-	4,081	(134,314)	-	-	(966,321)

See accompanying notes to schedule of expenditures.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to the Schedules of Awards and Financial Assistance

June 30, 2008

1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Board of Education, Point Pleasant 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 SCHOOL DISTRICT

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

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(19,303) for the general fund and \$(9,471) 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>Local</u>	<u>Total</u>
General Fund	\$ 1,996	10,487,062	-	\$10,489,058
Special Revenue Fund	838,085	-	23,294	861,379
Debt Service Fund	-	304,465	-	304,465
Food Service Fund	<u>118,660</u>	<u>11,025</u>	<u>-</u>	<u>129,685</u>
Total awards and financial assistance	<u>\$958,741</u>	<u>10,802,552</u>	<u>23,294</u>	<u>\$ 11,784,587</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

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2008. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2008.

Point Pleasant Borough School District

Ocean County, New Jersey

For the Year Ended June 30, 2008

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Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unqualified 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: Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ yes  X  no

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

Point Pleasant Borough School District

Ocean County, New Jersey

For the Year Ended June 30, 2008

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

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?              X   yes              no

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

Internal Control over major programs:

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

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

Any audit findings disclosed that are required  
to be reported in accordance with NJOMB  
Circular Letter 04-04?                                   yes         X   no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-022</u>	<u>Core Curriculum Standards Aid</u>
<u>495-034-5120-011</u>	<u>Special Education Aid</u>

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Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2008.

Prior Year Audit Findings - N/A

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Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2008.

There were no prior year findings for the period ended June 30, 2007.