

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, 2012

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, 2012

Prepared by

Point Pleasant Borough Board of Education
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

POINT PLEASANT SCHOOLS

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

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

October 26, 2012

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Point Pleasant Schools Board of Education (Board) for the fiscal year ended June 30, 2012 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 14, 2011 resident enrollment of 2,952 students, which is 55 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.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2011-12	2,952	(1.83)%
2010-11	3,007	(.96) %
2009-10	3,036	(2.8) %
2008-09	3,124	(1.00) %
2007-08	3,161	(2.00) %
2006-07	3,215	(.003) %
2005-06	3,225	1.54 %
2004-05	3,176	1.02 %
2003-04	3,144	(1.32) %
2002-03	3,186	(.187) %

2. ECONOMIC CONDITION AND OUTLOOK: The Point Pleasant area sees stabilization in its school age population. Enrollment has declined slightly in the last few years.

PROFESSIONAL DEVELOPMENT ACTIVITIES – 2011-2012:

The Point Pleasant School District continues to offer a three-year comprehensive Teacher Induction Program. The content of these monthly afterschool training sessions includes mastery teaching lesson dynamics, technology applications, peer assessment, tenure review presentation, learning styles and current writing models. We have approximately forty five non-tenured teachers involved in the induction program. As in the past, tenured teachers are welcome to attend any of the induction workshops.

We also offered many opportunities for faculty to revise and align our current curricula to the new Common Core Standards. A two day district-wide presentation entitled "Connected Action Roadmap" was offered through NJPSA to educate teachers and administration in an aligned and coherent process for school improvement.

Another district-wide workshop was offered to address the new Anti-Bullying Bill of Rights for all employees to comply with issues of harassment, intimidation, and bullying by Spectrum Diversity.

Beginning and end-of-year professional development activities were also conducted at building-based Professional Learning Communities or PLC's.

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

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

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

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

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

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

5. 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.
6. 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.

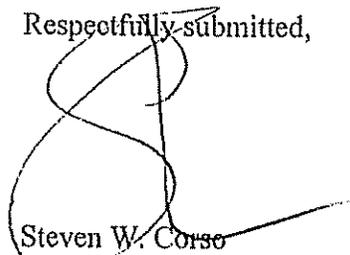
Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

7. DEBT ADMINISTRATION: As of June 30, 2012, the Board's outstanding debt issues included \$9,270,000 of general obligation bonds.
8. CASH MANAGEMENT: The investment policy of the Board is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The Board has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act

("GUDPA"). GUPDA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. 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.
10. 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.
11. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Point Pleasant Schools Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

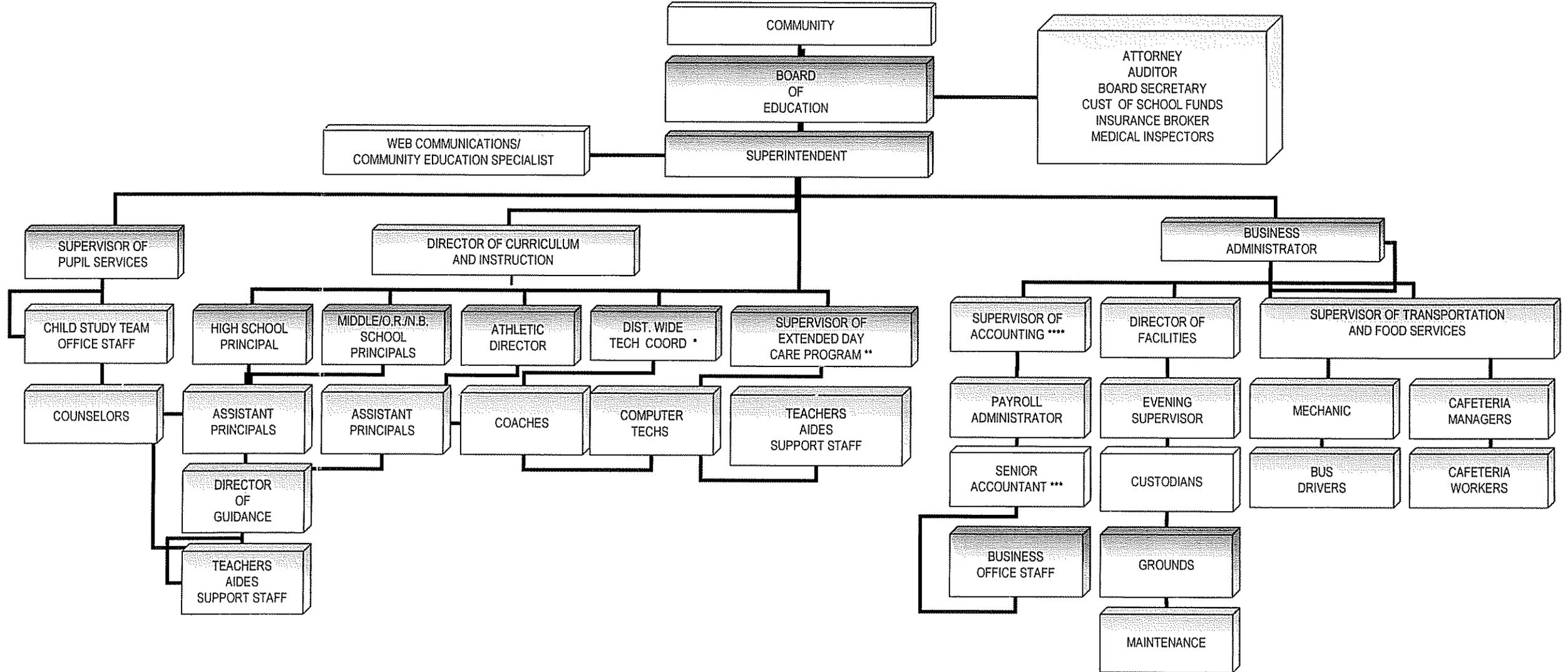


Steven W. Corso
School Business Administrator/Board Secretary

Vincent S. Smith
Superintendent of Schools

VS:SWC:lt

POINT PLEASANT SCHOOL DISTRICT TABLE OF ORGANIZATION



•Also serves as High School Assistant Principal
 ** Not full time position Also serves as Elementary Assistant Principal
 *** Senior Staff Accountant reports to Superintendent
 **** Change of Title

Adopted 5/26/09
 Revised 7/13/09
 Revised 5/12/10
 Revised 8/01/10
 Revised 10/25/10

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

Roster of Officials
June 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Sean Hagan, President	2013
Susan Byington, Vice President	2013
Susan Ward	2014
Louis Cuevas	2012
Ricardo Ruiz	2012
Joan Speroni	2012
Regina Foley	2014

Other Officials

Vincent S. Smith, Superintendent of Schools

Robert Alfonse, Director of Curriculum & Instruction (this position replaces the
Assistant Superintendent's position)

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

Denise L. McCarthy, CPA, Supervisor of Accounting

Patricia Christopher, CPA, Treasurer

Point Pleasant Borough Board of Education
Consultants and Advisors

Architect

Spiezle Architectural Group
120 Sanhican Drive
Trenton, NJ 08618

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 · TOMS RIVER, NJ 08753 · PHONE (732) 240-7377 · FAX (732) 505-8307 · WEBSITE: jumppcpa.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, 2012, 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, 2012, 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 26, 2012 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 the Governmental Accounting Standards Board. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 26, 2012

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Point Pleasant Schools

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

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Fax: (732) 295-2320

POINT PLEASANT SCHOOL DISTRICT

Management Discussion and Analysis For the Year Ended June 30, 2012

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, 2012. 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 2011-2012 fiscal year include the following:

- In total, net assets increased \$1,062,426, which represents a 6% increase from 2011.
- Total assets decreased by \$367,216 as cash and cash equivalents increased by \$1,076,341. Receivables increased by \$97,126. Capital assets decreased by \$1,704,665 due to an increase in accumulated depreciation.
- Overall total liabilities decreased by \$1,429,642. Non-current liabilities decreased by \$1,910,273, primarily due to the pay-down of the 2002 bond referendum while the district has not taken on any more debt.
- General revenues account for \$38,407,448 in revenue or 90% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,117,632 or 9% of the total revenues of \$42,525,080.
- Total spending for all programs was \$41,462,654, including a charge of \$2,431,753 for depreciation. Expenses in the amount of \$1,094,760 were offset by specific charges for services and grants or contributions. General revenues (primarily local tax levy and state aid) of \$38,407,448 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, 2012 and 2011.

Table I
 Statement of Net Assets
 June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>	<u>Percentage of Change 2011-2012</u>
Assets			
Cash and cash equivalents	\$6,579,974	\$5,503,633	20%
Receivables	576,581	479,455	20%
Inventories	18,798	12,824	47%
Other Assets	306,795	151,787	104%
Capital Assets	<u>24,294,363</u>	<u>25,999,028</u>	(-7%)
Total Assets	<u>\$31,779,511</u>	<u>\$32,146,727</u>	(-1%)
	<u>2012</u>	<u>2011</u>	<u>Percentage of Change 2010-2012</u>
Liabilities			
Accounts payable	\$ 412,942	\$661,497	(-38%)
Accrued payroll	41,679	32,155	30%
Other current liabilities	754,121	79,067	854%
Payable to State Government	24,388	33,124	(-26%)
Deferred Revenue	143,318	42,563	237%
Noncurrent Liabilities			
Due within one year	1,592,548	1,639,959	(-3%)
Due beyond one year	<u>9,130,407</u>	<u>11,040,680</u>	(-17%)
Total Liabilities	<u>\$12,099,403</u>	<u>\$13,529,045</u>	(-11%)

Net Assets			
Invested in capital assets	14,580,037	15,097,815	(-3%)
Restricted for:			
Debt service	52,221	---	100%
Capital Projects	881,379	679,695	30%
Other purposes	4,960,352	3,643,075	36%
Unrestricted	<u>(793,881)</u>	<u>(802,903)</u>	(-1%)
Total net assets	<u>\$19,680,108</u>	<u>\$18,617,682</u>	6%
TOTAL LIABILITIES & NET ASSETS			
	<u>\$31,779,511</u>	<u>\$32,146,727</u>	(-1%)

Total assets decreased by \$367,216. The decrease is primarily due to the depreciation of capital assets offset by an increase in cash.

Total liabilities decreased by \$1,429,642. 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 2012 as compared to fiscal year 2011. 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, 2012 and 2011

	<u>2012</u>	<u>2011</u>	<u>Percentage of Change 2011-2012</u>
Revenue			
Program Revenue			
Charges for services	937,245	912,461	3%
Federal, state and local aid-restricted	3,180,387	2,669,022	19%
General revenue:			
Property Tax Aid	30,641,694	29,804,075	3%
Federal and State aid-unrestricted	7,213,489	6,901,957	5%
Other general revenue	<u>552,265</u>	<u>568,963</u>	(-3%)
Total revenues	\$42,525,080	\$40,856,478	4%
Function/Program Expenses			
Instruction:			
Regular Programs	15,129,657	14,128,651	7%
Special Education	2,635,050	2,666,187	(-1%)
Other Special Instruction	982,414	978,130	0%
Support Services:			
Tuition	1,493,859	1,010,825	48%
Attendance & Social Work	166,807	169,530	(-2%)
Health Services	404,587	386,948	5%
Other Support Services	2,811,171	2,695,387	4%
Improvement of Instruction	95,123	4,621	5%
Educational Media	254,831	274,844	(-7%)
Instructional Staff Training	124,189	125,119	(-1%)
General Administration	753,927	660,177	14%
School Administration	1,607,313	1,569,789	2%
Operations & Maintenance	514,830	500,948	3%
Central Services	94,200	92,162	2%
School Admin. Info. Technology	3,141,947	3,450,100	(-9%)
Transportation	1,079,301	1,090,749	(-1%)
Employee Benefits	5,511,376	5,613,916	(-2%)
Business Type Activities	1,094,760	1,056,632	4%
Interest Expense	570,179	516,192	10%
Non-Budgeted Expenditures	<u>2,992,512</u>	<u>2,515,647</u>	19%
Total Expenses	<u>41,462,654</u>	<u>39,597,056</u>	5%
Change in Net Assets	<u>\$ 1,062,426</u>	<u>\$ 1,259,422</u>	(-16%)

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.

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 \$2,431,753 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 48% of instructional activities and over 59% of the support services and special items are supported through the local tax levy, federal and state aid (not restricted) and other general revenue.

THE SCHOOL BOARD'S FUNDS

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

As the School Board completed the fiscal year ended June 30, 2012, it reported a combined net assets of \$19,680,108, which is an increase of \$1,062,426. 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 \$37,239,903 versus our final budget of \$37,271,428. Actual General Fund revenues (exclusive of non-budgeted expenditures) were about \$768,969 higher than budgeted. The increase in actual revenue received over the budgeted amount is due to the receipt of more Extraordinary Aid and SEMI reimbursement than anticipated, as well as more tuition students received and unexpected additional State Aid from the prior year.

CAPITAL ASSETS

As of June 30, 2012, the School Board had approximately \$24,294,363 invested in a broad range of capital assets, including land, buildings, vehicles, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table IV below shows the net book value of capital assets at the end of the 2012 and 2011 fiscal years.

Table IV
 Capital Assets (net of accumulated depreciation)
 June 30, 2012 and 2011

<u>2012</u>	<u>2011</u>	<u>Percentage of Change 2012-2011</u>
\$24,294,363	\$25,999,028	(-7%)

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

For the 2011-2012 school budget, the School Board was able to sustain its budget through the local tax levy (although capped at 2%), state education aid and local revenue sources. Approximately 18% of the School Board’s revenue is from federal, state and local aid (restricted and not restricted), while 76% of total revenue is from local tax levy. The balance, or 6%, of the revenue is comprised of tuition, admission fees, miscellaneous income and fund balance.

The 2011-2012 budget was adopted based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey, funding from the State for the current year was less than that of the previous year. Any future increases based on the enrollment formula originally formulated to allocate state education aid among districts will be minimal. Given the current economic condition of the State, we anticipate State Aid to be further reduced. The School Board continues to explore other avenues of generating revenue without sacrificing programs due to the relative freeze on State Aid. One area is the sale of billboard advertising to local businesses at our athletic fields. The District generated approximately \$27,000 in billboard advertising in the 2011-2012 fiscal year. Another area of additional revenue is the sale of district surplus property on a government website. The District earned approximately \$9,000 from the sale of property no longer needed by the District in the 2011-2012 fiscal year. In August of 2011, the Board elected to approve the refunding of all of the 1998 bonds and a portion of the March 15, 2003 bonds. The purpose of the refunding is to incur an interest cost savings of \$540,555 to the District.

The Board of Education was awarded \$232,724 in Education Jobs money and elected to use this money in the 2011-2012 school year to offset an increase in salaries.

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

balance as well as unanticipated/unbudgeted revenue during the year beginning July 1, 2004.

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

The School Board anticipates enrollment for the 2012-2013 fiscal year to remain relatively the same, but the School Board cannot accurately forecast future enrollment.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,520,397	\$ 178,198	\$ 5,698,595
Capital reserve cash	881,379	-	881,379
Receivables - other	30,774	-	30,774
Receivables - state	227,843	201	228,044
Receivables - federal	310,415	7,348	317,763
Inventory	-	18,798	18,798
Interfund receivable	-	-	-
Other asset	309,795	-	309,795
Capital assets, net (Note 8):	23,082,005	1,212,358	24,294,363
Total assets	<u>\$ 30,362,608</u>	<u>\$ 1,416,903</u>	<u>\$ 31,779,511</u>
LIABILITIES			
Accounts payable	\$ 412,485	\$ 457	\$ 412,942
Accrued payroll	29,353	12,326	41,679
Other liabilities	754,121	-	754,121
Interfund payable	-	-	-
Payable to state government	24,388	-	24,388
Deferred revenue	143,318	-	143,318
Noncurrent liabilities (Note 10):			
Due within one year	1,592,548	-	1,592,548
Due beyond one year	9,122,446	7,961	9,130,407
Total liabilities	<u>12,078,659</u>	<u>20,744</u>	<u>12,099,403</u>
NET ASSETS			
Invested in capital assets, net of related debt	13,367,679	1,212,358	14,580,037
Restricted for:			
Debt service	52,221	-	52,221
Capital projects	881,379	-	881,379
Other purposes	4,960,352	-	4,960,352
Unrestricted	(977,682)	183,801	(793,881)
Total net assets	<u>\$ 18,283,949</u>	<u>\$ 1,396,159</u>	<u>\$ 19,680,108</u>

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 15,105,900	\$ -	\$ -	\$ -	\$ (15,105,900)	\$ -	\$ (15,105,900)
Special education instruction	2,634,211	-	-	-	(2,634,211)	-	(2,634,211)
Other special instruction	982,274	-	-	-	(982,274)	-	(982,274)
Support services and undistributed costs:							
Instruction	1,491,483	-	-	-	(1,491,483)	-	(1,491,483)
Attendance and social work	166,807	-	-	-	(166,807)	-	(166,807)
Health services	404,587	-	-	-	(404,587)	-	(404,587)
Other support services	2,811,171	-	-	-	(2,811,171)	-	(2,811,171)
Improvement of instruction	99,744	-	-	-	(99,744)	-	(99,744)
Educational media services	254,831	-	-	-	(254,831)	-	(254,831)
Instruction staff training	124,189	-	-	-	(124,189)	-	(124,189)
General administrative services	753,927	-	-	-	(753,927)	-	(753,927)
School administrative services	1,606,476	-	-	-	(1,606,476)	-	(1,606,476)
School central services	514,830	-	-	-	(514,830)	-	(514,830)
School admin info technology	94,200	-	-	-	(94,200)	-	(94,200)
Allowed maintenance for school facilities	810,731	-	-	-	(810,731)	-	(810,731)
Other operation & maintenance of plant	2,129,693	-	-	-	(2,129,693)	-	(2,129,693)
Care & upkeep of grounds	120,718	-	-	-	(120,718)	-	(120,718)
Security	80,805	-	-	-	(80,805)	-	(80,805)
Student transportation services	1,079,301	-	-	-	(1,079,301)	-	(1,079,301)
Unallocated employee benefits	5,511,376	-	-	-	(5,511,376)	-	(5,511,376)
Non-budgeted expenditures	2,992,512	-	2,992,512	-	-	-	-
Interest expense	570,179	-	-	-	(570,179)	-	(570,179)
Total governmental activities	40,339,945	-	2,992,512	-	(37,347,433)	-	(37,347,433)
Business-type activities:							
Food Service	784,820	604,085	187,875	-	-	7,140	7,140
Child Care	309,940	333,160	-	-	-	23,220	23,220
Total business-type activities	1,094,760	937,245	187,875	-	-	30,360	30,360
Total primary government	\$ 41,434,705	\$ 937,245	\$ 3,180,387	\$ -	\$ (37,347,433)	\$ 30,360	\$ (37,317,073)
General revenues:							
Taxes:							
Property taxes levied for general purpose					29,037,269	-	29,037,269
Taxes levied for debt service					1,604,425	-	1,604,425
Federal and state aid not restricted					7,213,489	-	7,213,489
State aid restricted					-	-	-
Miscellaneous income					524,316	-	524,316
Sale of fixed assets					-	-	-
Donated assets					-	-	-
Total general revenues, special items, extraordinary items and transfers					38,379,499	-	38,379,499
Change in net assets					1,032,066	30,360	1,062,426
Net assets—beginning					17,251,883	1,365,799	18,617,682
Net assets—ending					\$ 18,283,949	1,396,159	\$ 19,680,108

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,530,648	\$ (62,472)	\$ -	\$ 52,221	\$ 5,520,397
Capital reserve account	881,379	-	-	-	881,379
Receivables, net	-	-	-	-	-
Receivables from other funds	-	-	-	-	-
Receivables from state	227,843	-	-	-	227,843
Receivables from federal	37,979	272,436	-	-	310,415
Receivables from other governments	-	-	-	-	-
Other receivables	21,196	9,578	-	-	30,774
Total assets	<u>\$ 6,699,045</u>	<u>\$ 219,542</u>	<u>\$ -</u>	<u>\$ 52,221</u>	<u>\$ 6,970,808</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 367,549	\$ 44,936	\$ -	\$ -	\$ 412,485
Accrued salaries and benefits	22,453	6,900	-	-	29,353
Interfund payable	-	-	-	-	-
Other current liabilities	182,548	-	-	-	182,548
Payable to state government	-	24,388	-	-	24,388
Deferred revenue	-	143,318	-	-	143,318
Total liabilities	<u>572,550</u>	<u>219,542</u>	<u>-</u>	<u>-</u>	<u>792,092</u>
Fund Balances:					
Reserved for:					
Unexpended additional spending proposal	-	-	-	-	-
Capital reserve account	881,379	-	-	-	881,379
Maintenance reserve account	855,700	-	-	-	855,700
Emergency reserve account	348,924	-	-	-	348,924
Excess surplus - current year	794,159	-	-	-	794,159
Excess surplus -- designated for	-	-	-	-	-
Subsequent year's expenditures	278,264	-	-	-	278,264
Debt service fund	-	-	-	52,221	52,221
Capital projects fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Committed to:	-	-	-	-	-
Other purposes	761,569	-	-	-	761,569
Assigned to:	-	-	-	-	-
Debt service fund	-	-	-	-	-
Designated by the BOE for subsequent year's expenditure	1,921,736	-	-	-	1,921,736
Capital projects fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Unassigned to:	-	-	-	-	-
General fund	284,764	-	-	-	284,764
Special revenue fund	-	-	-	-	-
Total fund balances	<u>6,126,495</u>	<u>-</u>	<u>-</u>	<u>52,221</u>	<u>6,178,716</u>
Total liabilities and fund balances	<u>\$ 6,699,045</u>	<u>\$ 219,542</u>	<u>\$ -</u>	<u>\$ 52,221</u>	

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 \$45,777,914 and the accumulated depreciation is \$22,695,909.	23,082,005
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 \$583,008.	309,795
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$756,570.	(754,121)
Long-term liabilities, including bonds payable but not including current portion of compensated absences of \$182,548 are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 10).	(10,532,446)
Net assets of governmental activities	<u>\$ 18,283,949</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 29,037,269	\$ -	\$ -	\$ 1,604,425	\$ 30,641,694
Tuition charges	287,912	-	-	-	287,912
Interest on investments	22,352	-	-	-	22,352
Interest earned on capital reserve funds	1,684	-	-	-	1,684
Transportation fees	58,318	-	-	-	58,318
Miscellaneous	171,177	10,822	-	-	181,999
Total - Local sources	29,578,712	10,822	-	1,604,425	31,193,959
State sources	8,835,233	-	-	204,862	9,040,095
Federal sources	296,263	869,643	-	-	1,165,906
Total revenues	38,710,208	880,465	-	1,809,287	41,399,960
EXPENDITURES					
Current:					
Regular instruction	\$ 12,400,910	\$ 661,757	\$ -	\$ -	\$ 13,062,667
Special education instruction	2,562,097	-	-	-	2,562,097
Other special instruction	970,255	-	-	-	970,255
Support services and undistributed costs:					
Instruction	1,107,303	179,857	-	-	1,287,160
Attendance and social work	166,807	-	-	-	166,807
Health services	404,587	-	-	-	404,587
Other support services	2,776,102	35,069	-	-	2,811,171
Improvement of instruction	95,962	3,782	-	-	99,744
Educational media services	254,831	-	-	-	254,831
Instruction staff training	124,189	-	-	-	124,189
General administrative services	753,927	-	-	-	753,927
School administrative services	1,558,150	-	-	-	1,558,150
School central services	514,830	-	-	-	514,830
School admin info technology	94,200	-	-	-	94,200
Required maintenance for school facilities	810,731	-	-	-	810,731
Other operation & maintenance of plant	2,086,987	-	-	-	2,086,987
Care & upkeep of grounds	120,718	-	-	-	120,718
Security	80,805	-	-	-	80,805
Student transportation services	1,079,301	-	-	-	1,079,301
Unallocated employee benefits	5,511,376	-	-	-	5,511,376
Non-budgeted expenditures	2,992,512	-	-	-	2,992,512
Debt service:					
Principal	-	-	-	1,375,000	1,375,000
Interest and other charges	-	-	-	382,066	382,066
Capital outlay	773,323	-	-	-	773,323
Total expenditures	37,239,903	880,465	-	1,757,066	39,877,434
Excess (Deficiency) of revenues over expenditures	1,470,305	-	-	52,221	1,522,526
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	9,190,000	9,190,000
Sale of Bonds	-	-	-	-	-
Refunding of bonds	-	-	-	(9,598,000)	(9,598,000)
Costs for bond issuance	-	-	-	408,000	408,000
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	1,470,305	-	-	52,221	1,522,526
Fund balance-July 1	4,656,190	-	-	-	4,656,190
Fund balance-June 30	\$ 6,126,495	\$ -	\$ -	\$ 52,221	\$ 6,178,716

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2) **\$ 1,522,526**

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

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

Depreciation expense	\$ (2,403,804)	
Capital outlays	<u>730,617</u>	(1,673,187)

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, 2012	54,549	
Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2012	<u>(82,498)</u>	(27,949)

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. 1,375,000

In the Statement of Activities, the amortization of bond premium is recorded as a reduction to interest expense. In the governmental funds, the amortization is not recorded. 2,449

In the Statement of Activities, the bond premium is reclassified as a liability. In the governmental funds, the premium is recorded as a source of funds. (756,570)

In the Statement of Activities, the bond issuance costs are reclassified as an asset. In the governmental funds, the premium is recorded as a use of funds. 348,570

The receipt of bond principal is an other financing sources in the governmental funds, but it increases long-term liabilities in the statement of net assets and should not be reported in the statement of activities. (9,190,000)

The payment of bond principal is an other financing use in the governmental funds, but it decreases long-term liabilities in the statement of net assets and should not be reported in the statement of activities. 9,598,000

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. (190,562)

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. 23,789

Change in net assets of governmental activities **\$ 1,032,066**

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 60,470	\$ 117,728	\$ 178,198
Investments	-	-	-
Receivables from state	201	-	201
Receivables from federal	4,985	-	4,985
Receivables from other government	2,363	-	2,363
Other receivables	-	-	-
Inventories	18,798	-	18,798
Total current assets	<u>86,817</u>	<u>117,728</u>	<u>204,545</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	-
Furniture, machinery & equipment	1,526,875	4,771	1,531,646
Less accumulated depreciation	<u>(316,002)</u>	<u>(3,286)</u>	<u>(319,288)</u>
Total noncurrent assets	<u>1,210,873</u>	<u>1,485</u>	<u>1,212,358</u>
Total assets	<u>\$ 1,297,690</u>	<u>\$ 119,213</u>	<u>\$ 1,416,903</u>
LIABILITIES			
Current liabilities:			
Accounts payable	457	-	457
Interfund payable	-	-	-
Accrued salaries and benefits	92	12,234	12,326
Total current liabilities	<u>549</u>	<u>12,234</u>	<u>12,783</u>
Noncurrent Liabilities:			
Compensated absences	7,961	-	7,961
Total noncurrent liabilities	<u>7,961</u>	<u>-</u>	<u>7,961</u>
Total liabilities	<u>8,510</u>	<u>12,234</u>	<u>20,744</u>
NET ASSETS			
Invested in capital assets net of related debt	1,210,873	1,485	1,212,358
Restricted for:			
Other	-	-	-
Unrestricted	78,307	105,494	183,801
Total net assets	<u>1,289,180</u>	<u>106,979</u>	<u>1,396,159</u>
Total liabilities and net assets	<u>\$ 1,297,690</u>	<u>\$ 119,213</u>	<u>\$ 1,416,903</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, 2012

	Business-type Activities -		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ 2,985	\$ -	\$ 2,985
School lunch	295,826	-	295,826
Total daily sales reimbursable programs	<u>298,811</u>	<u>-</u>	<u>298,811</u>
Daily sales non-reimbursable programs	286,252	-	286,252
Special functions	5,708	-	5,708
Miscellaneous	13,314	333,160	346,474
Total operating revenues	<u>604,085</u>	<u>333,160</u>	<u>937,245</u>
Operating expenses:			
Salaries	245,564	251,428	496,992
Employee benefits	117,045	23,108	140,153
Other purchased services	16,630	13,486	30,116
Supplies and materials	9,195	7,799	16,994
Utilities	41,149	13,810	54,959
Other objects	374	204	578
Depreciation	7,774	105	7,879
Cost of sales	347,089	-	347,089
Total operating expenses	<u>784,820</u>	<u>309,940</u>	<u>1,094,760</u>
Operating income (loss)	<u>(180,735)</u>	<u>23,220</u>	<u>(157,515)</u>
Nonoperating revenues (expenses):			
Interest income	90	-	90
State sources:			
Vending machine grant		-	-
State school lunch program	6,847	-	6,847
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	8,824	-	8,824
National school lunch program	146,354	-	146,354
Food distribution program	25,760	-	25,760
After school snack program	-	-	-
Total nonoperating revenues (expenses)	<u>187,875</u>	<u>-</u>	<u>187,875</u>
Income (loss) before contributions & transfers	<u>7,140</u>	<u>23,220</u>	<u>30,360</u>
Transfers in (out)	-	-	-
Change in net assets	<u>7,140</u>	<u>23,220</u>	<u>30,360</u>
Total net assets—beginning	<u>1,282,040</u>	<u>83,759</u>	<u>1,365,799</u>
Total net assets—ending	<u>\$ 1,289,180</u>	<u>\$ 106,979</u>	<u>\$ 1,396,159</u>

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, 2012

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers an other funds	\$ 629,845	\$ 333,160	\$ 963,005
Payments to employees & benefits	(361,095)	(272,947)	(634,042)
Payments to suppliers	(426,510)	(35,357)	(461,867)
Net cash used for operating activities	<u>(157,760)</u>	<u>24,856</u>	<u>(132,904)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	7,373	-	7,373
Federal sources	157,402	-	157,402
Board interfund loans	(1,680)	-	(1,680)
Net cash provided by (used for) non-capital financing activities	<u>163,095</u>	<u>-</u>	<u>163,095</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	(4,350)	-	(4,350)
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(4,350)</u>	<u>-</u>	<u>(4,350)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	90	-	90
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	<u>90</u>	<u>-</u>	<u>90</u>
Net decrease in cash and cash equivalents	1,075	24,856	25,931
Balances—beginning of year	59,395	92,872	152,267
Balances—end of year	<u>\$ 60,470</u>	<u>\$ 117,728</u>	<u>\$ 178,198</u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating loss	\$ (180,735)	\$ 23,220	\$ (157,515)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	7,774	105	7,879
Federal commodities	25,760	-	25,760
(Increase) decrease in accounts receivable, net	-	-	-
(Increase) decrease in inventories	(5,974)	-	(5,974)
Increase (decrease) in accounts payable	(6,099)	(58)	(6,157)
Increase (decrease) in accrued salaries benefits	(2)	1,589	1,587
Increase (decrease) in compensated absences	1,516	-	1,516
Total adjustments	<u>22,975</u>	<u>1,636</u>	<u>24,611</u>
Net cash used in operating activities	<u>\$ (157,760)</u>	<u>\$ 24,856</u>	<u>\$ (132,904)</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Fiduciary Net Assets
June 30, 2012

	Unemployment Compensation Trust	Scholarship Fund	Student Activity	Summer Savings	Class Reunion	Agency Fund
ASSETS						
Cash and cash equivalents	\$ 150,034	\$ 42,155	\$ 200,363	\$ 999,213	\$ 9,323	\$ 158,560
Intergovernmental accounts receivable	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Total assets	<u>150,034</u>	<u>42,155</u>	<u>200,363</u>	<u>999,213</u>	<u>9,323</u>	<u>158,560</u>
LIABILITIES						
Accounts payable	-	-	-	-	-	-
Payroll deductions and withholdings	-	-	-	999,213	-	158,560
Payable to student groups	-	-	200,363	-	9,323	-
Accrued wages	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>200,363</u>	<u>999,213</u>	<u>9,323</u>	<u>158,560</u>
NET ASSETS						
Held in trust for unemployment claims and other purposes	150,034	-	-	-	-	-
Reserved for scholarships	-	42,155	-	-	-	-
Total net assets	<u>150,034</u>	<u>42,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 150,034</u>	<u>\$ 42,155</u>	<u>\$ 200,363</u>	<u>\$ 999,213</u>	<u>\$ 9,323</u>	<u>\$ 158,560</u>

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, 2012

	Scholarship Funds	Unemployment Compensation Fund	Total
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	2,677	-	2,677
Total Contributions	<u>2,677</u>	<u>-</u>	<u>2,677</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	116	371	487
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>116</u>	<u>371</u>	<u>487</u>
Total additions	<u>2,793</u>	<u>371</u>	<u>3,164</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	7,804	-	7,804
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>7,804</u>	<u>-</u>	<u>7,804</u>
Change in net assets	(5,011)	371	(4,640)
Net assets—beginning of the year	<u>47,166</u>	<u>149,663</u>	<u>196,829</u>
Net assets—end of the year	<u>\$ 42,155</u>	<u>\$ 150,034</u>	<u>\$ 192,189</u>

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2012

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 are 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, 2012 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 2011-2012 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, 2012, the amount earned by these employees but not disbursed was \$41,679.

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. The balance at June 30, 2012 is \$1,452,955.

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 Resources

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

- 1) Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

r. Fund Balance Resources (continued)

- 3) Committed - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
- 4) Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications.

s. Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the 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.

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.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

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, 2012, the carrying amount of the District's deposits was \$6,579,974 and the bank balance was \$7,476,511. Of the bank balance, \$X was insured with Federal Deposit Insurance.

The District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to be depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2012, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

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, 2012, the District had \$0 of investments on deposit.

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-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

During the fiscal year ended June 30, 2012, the District had actual interest earnings of \$X and had no transfers.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$	679,695
Interest earnings		1,684
Deposits		200,000
Withdrawals		(0)
Ending balance, June 30, 2012		<u>\$ 881,379</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects is \$4,405,828. 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, 2012, 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	\$ 227,843	\$ 228,044
Federal Aid	310,415	317,763
Other	30,774	30,774
Gross Receivables	<u>569,032</u>	<u>576,581</u>
Less:		
Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 569,032</u>	<u>\$ 576,581</u>

6. Inventory

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$ 7,020
Commodities	7,690
Supplies	4,088
	<u>\$18,798</u>

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, 2012:

	Beginning			Ending
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
GOVERNMENTAL ACTIVITIES:				
Capital assets that are not being depreciated:				
Site and site improvements	\$ 275,324	-	-	\$ 275,324
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>275,324</u>	<u>-</u>	<u>-</u>	<u>275,324</u>
Building and building/site improvements	40,248,507	101,144	20,761	40,328,890
Machinery and equipment	<u>4,605,963</u>	<u>629,474</u>	<u>61,737</u>	<u>5,173,700</u>
Totals at historical cost	<u>44,854,470</u>	<u>730,618</u>	<u>82,498</u>	<u>45,502,590</u>
Less accumulated depreciation for :				
Building and improvements	16,698,501	2,042,522	-	18,741,023
Equipment	<u>3,648,153</u>	<u>361,282</u>	<u>54,549</u>	<u>3,954,886</u>
Total accumulated depreciation	<u>20,346,654</u>	<u>2,403,804</u>	<u>54,549</u>	<u>22,695,909</u>
Total capital assets being depreciated net of accumulated depreciation	<u>24,507,816</u>	<u>(1,673,186)</u>	<u>27,949</u>	<u>22,806,681</u>
Government activities capital assets, net	<u>\$24,783,140</u>	<u>(1,673,186)</u>	<u>27,949</u>	<u>\$ 23,082,005</u>
BUSINESS-TYPE ACTIVITIES:				
Building improvements	\$1,173,439		-	\$ 1,173,439
Equipment	353,857	4,350	-	358,207
Less: accumulated depreciation	<u>311,409</u>	<u>7,879</u>	<u>-</u>	<u>319,288</u>
Business-type activities capital assets, net	<u>\$1,215,887</u>	<u>12,229</u>	<u>-</u>	<u>\$1,212,358</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

8. Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 2,066,990
Special education instruction	72,953
Other instruction	12,159
Student & Instruction Related Services	206,699
School administration	<u>72,952</u>
Total depreciation expense	<u>\$ 2,431,753</u>

9. Operating Leases

The District has no material commitments under operating leases at June 30, 2012.

10. Non-current Liabilities

During the fiscal year ended June 30, 2012 the following changes occurred in the non-current liabilities:

	Balance <u>6-30-11</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>6-30-12</u>	Due within <u>one year</u>
Governmental Activities:					
Bonds payable	\$11,053,000	9,190,000	10,973,000	9,270,000	1,410,000
Compensated absences payable	<u>1,621,194</u>	<u>166,720</u>	<u>334,959</u>	<u>1,452,955</u>	<u>182,548</u>
Total	<u>\$12,674,194</u>	<u>\$ 9,356,720</u>	<u>\$11,307,959</u>	<u>\$10,722,955</u>	<u>\$1,592,548</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:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	1,410,000	305,796	1,715,796
2014	1,005,000	282,600	1,287,600
2015	1,015,000	255,075	1,270,075
2016	1,025,000	224,775	1,249,775
2017	1,030,000	194,175	1,224,175
2018-2022	3,085,000	589,100	3,674,100
2023	<u>700,000</u>	<u>35,000</u>	<u>735,000</u>
	<u>\$9,270,000</u>	<u>\$1,886,521</u>	<u>\$11,156,521</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, 2012 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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>		<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/11	-	100	%	\$ 0
6/30/10	-	100		0
6/30/09	-	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)			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/12	\$ 1,735,580	100 %	\$ 0
6/30/11	1,208,007	100	0
6/30/10	1,185,838	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 \$1,735,580. 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 \$1,256,932 during the fiscal year ended June 30, 2012 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 Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits of those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2012, there were 93,323 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.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2012, the State paid \$144 million toward Chapter 126 benefits for 15,709 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:

Ameriprise Express Financial Advisors, Inc.	
AIG/Variable Annuity Life Insurance Co	MetLife Resources
AXA Equitable Financial Company	Lincoln 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>
2011-2012	\$ -		371	\$150,034
2010-2011	-	-	1,069	149,663
2009-2010	-	-	1,442	148,594

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, 2012:

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

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 Balances

General Fund - of the \$6,126,495 General Fund balance at June 30, 2012, \$761,569 of encumbrances is committed to other purposes, \$881,379 is restricted for capital reserve, \$855,700 is restricted for maintenance reserve, \$348,924 is restricted for emergency reserve, \$794,159 is restricted for excess surplus, \$278,264 is restricted for excess surplus for subsequent year expenditures \$1,921,736 has been classified as assigned fund balance designated for subsequent year expenditures, and \$284,764 is unassigned.

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, 2012 is \$794,153. The excess fund balance at June 30, 2011 was \$278,264. Pursuant to the provisions of Executive Order No. 14, \$- of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund account group due to the 2011-12 withholding of state aid.

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.

20. Uncertain Tax Positions

The Authority had no unrecognized tax benefits at June 30, 2012. The Board files tax returns in the U.S. federal jurisdiction and various states. The Authority has no open year prior to June 30, 2009.

21. Subsequent Events

Management has evaluated subsequent events through October 26, 2012, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 29,037,269	\$ -	\$ 29,037,269	\$ 29,037,269	\$ -
Interest on investments		39,956	39,956	19,913	(20,043)
Interest earned on current expense emergency reserve	800	(800)	-	906	906
Interest earned on maintenance reserve	1,200	(1,200)	-	1,533	1,533
Interest earned on capital reserve funds	3,300	(3,300)	-	1,684	1,684
Transportation fees	-	-	-	58,318	58,318
Tuition - from individuals	84,909	(49,430)	35,479	35,700	221
Tuition - from other LEA's within the state	-	-	-	58,318	58,318
Other tuition	-	49,430	49,430	193,894	144,464
Miscellaneous	169,656	(34,656)	135,000	171,177	36,177
Total - local sources	29,297,134	-	29,297,134	29,578,712	281,578
State sources:					
Categorical Special Education Aid	1,560,156	-	1,560,156	1,560,156	-
Security aid	-	-	-	163,661	163,661
Equalization aid	3,826,637	-	3,826,637	4,019,050	192,413
Extraordinary aid	72,820	-	72,820	154,006	81,186
Non-public transportation	-	-	-	3,176	3,176
Other state aid	-	-	-	8,160	8,160
TPAF pension (on-behalf - Non-budgeted)	-	-	-	1,735,580	1,735,580
TPAF social security (reimbursed - Non-budgeted)	-	-	-	1,256,932	1,256,932
Total state sources	5,459,613	-	5,459,613	8,900,721	3,441,108
Federal sources:					
Education jobs fund program	225,655	7,069	232,724	232,724	-
Other federal aids-SEMI	24,744	-	24,744	63,539	38,795
Total federal sources	250,399	7,069	257,468	296,263	38,795
Total revenues	35,007,146	7,069	35,014,215	38,775,696	3,761,481
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	\$ 709,791	\$ 36,242	\$ 746,033	\$ 736,117	\$ 9,916
Grades 1-5 - Salaries of teachers	3,838,507	(115,281)	3,723,226	3,644,051	79,175
Grades 6-8 - Salaries of teachers	2,923,954	(60,645)	2,863,309	2,846,344	16,965
Grades 9-12 - Salaries of teachers	4,026,275	(18,806)	4,007,469	3,976,046	31,423
Regular Programs - Home Instruction:					
Salaries of teachers	81,000	(3,000)	78,000	58,637	19,363
Purchased professional-educational services	45,000	29,126	74,126	59,719	14,407
Regular Programs - Undistributed Instruction					
Other salaries for instruction	-	-	-	-	-
Purchased professional-educational services	15,803	(246)	15,557	10,696	4,861
Purchased technical services	25,950	-	25,950	12,597	13,353
Other purchased services (400-500 series)	144,025	6,907	150,932	133,506	17,426
General supplies	599,348	249,528	848,876	653,522	195,354
Textbooks	262,352	31,406	293,758	262,183	31,575
Other objects	10,665	1,313	11,978	7,492	4,486
TOTAL REGULAR PROGRAMS - INSTRUCTION	12,682,670	156,544	12,839,214	12,400,910	438,304
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	58,963	885	59,848	59,120	728
Other salaries for instruction	11,878	-	11,878	11,868	10
Other purchased services	500	-	500	-	500
General supplies	200	-	200	-	200
Total Behavioral Disabilities	71,541	885	72,426	70,988	1,438
Multiple Disabilities:					
Salaries of Teachers	236,201	43,864	280,065	279,844	221
Other salaries for instruction	94,887	7,353	102,240	102,142	98
General supplies	1,250	14,406	15,656	15,656	-
Total Multiple Disabilities	332,338	65,623	397,961	397,642	319

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	1,793,426	(102,024)	1,691,402	1,639,666	51,736
Other Salaries for Instruction	181,240	(14,232)	167,008	152,790	14,218
General supplies	3,999	(162)	3,837	3,315	522
Textbooks	1,500	(500)	1,000	922	78
Total Resource Room/Resource Center	1,980,165	(116,918)	1,863,247	1,796,693	66,554
Autism:					
Salaries of Teachers	112,555	3,380	115,935	109,508	6,427
Other Salaries for Instruction	27,844	134	27,978	25,006	2,972
General Supplies	1,250	-	1,250	623	627
Textbooks	-	-	-	-	-
Total Autism	141,649	3,514	145,163	135,137	10,026
Preschool Disabilities - Full-Time:					
Salaries of Teachers	99,862	1,340	101,202	101,025	177
Other Salaries for Instruction	62,744	(11,278)	51,466	49,815	1,651
General Supplies	1,650	(116)	1,534	1,458	76
Total Preschool Disabilities - Full-Time	164,256	(10,054)	154,202	152,298	1,904
Home Instruction:					
Salaries of Teachers	46,500	797	47,297	9,339	37,958
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	500	-	500	-	500
Total Home Instruction	47,000	797	47,797	9,339	38,458
TOTAL SPECIAL EDUCATION- INSTRUCTION	2,736,949	(56,153)	2,680,796	2,562,097	118,699
Basic Skills/Remedial - Instruction					
Salaries of Teachers	127,063	-	127,063	88,051	39,012
Other Purchased Services (400-500 series)	11,275	-	11,275	-	11,275
General Supplies	1,250	(1,057)	193	193	-
Other Objects	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	139,588	(1,057)	138,531	88,244	50,287
Bilingual Education - Instruction					
Salaries of Teachers	50,140	9,360	59,500	59,500	-
Other Purchased Services (400-500 series)	100	-	100	-	100
General Supplies	600	-	600	-	600
Total Bilingual Education - Instruction	50,840	9,360	60,200	59,500	700
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	186,186	184	186,370	167,205	19,165
Purchased Services (300-500 series)	14,340	1,862	16,202	14,270	1,932
Supplies and Materials	19,438	5,786	25,224	16,392	8,832
Other Objects	4,625	-	4,625	4,013	612
Total School-Spon. Cocurricular Actvts. - Instruction	224,589	7,832	232,421	201,880	30,541
School-Spon. Athletics - Instruction					
Salaries	450,121	7,884	458,005	409,380	48,625
Purchased Services (300-500 series)	125,496	(7,185)	118,311	115,233	3,078
Supplies and Materials	61,354	58,779	120,133	96,018	24,115
Other Objects	1,000	(1,000)	-	-	-
Total School-Spon. Cocurricular Actvts. - Instruction	637,971	58,478	696,449	620,631	75,818
Total Instruction	16,472,607	175,004	16,647,611	15,933,262	714,349
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - Special	264,313	(124,770)	139,543	136,849	2,694
Tuition to Co. Voc. School Dist. - reg.	21,440	-	21,440	8,650	12,790
Tuition to Co. Voc. School Dist. - special	11,900	-	11,900	-	11,900
Tuition to Co.Spec. Serv. & Reg. Day schools	100,376	(8,520)	91,856	42,712	49,144
Tuition to Private Sch for Disbl w/i State	873,463	(27,504)	845,959	797,545	48,414
Tuition Priv Sch Disbl & Otr LEA o/s State	-	77,908	77,908	72,917	4,991
Tuition - State Facilities	35,750	-	35,750	30,750	5,000
Tuition - Other	41,256	-	41,256	17,880	23,376
Total Undistributed Expenditures - Instruction:	1,348,498	(82,886)	1,265,612	1,107,303	158,309
Undistributed Expend. - Attend. & Social Work					
Salaries	172,936	2,796	175,732	166,185	9,547
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	1,900	(500)	1,400	622	778
Total Undistributed Expend. - Attend. & Social Work	174,836	2,296	177,132	166,807	10,325

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Health Services					
Salaries	367,526	6,946	374,472	374,045	427
Purchased professional and technical services	27,950	494	28,444	25,780	2,664
Other purchased services (400-500 series)	1,605	(250)	1,355	242	1,113
Supplies and materials	5,650	919	6,569	4,520	2,049
Total Undistributed Expenditures - Health Services	402,731	8,109	410,840	404,587	6,253
Undist. Expend. - Other Support Services - Students - Related Service					
Salaries	266,217	(206)	266,011	265,716	295
Purchased Prof. Ed. Services	150,878	(43,990)	106,888	80,249	26,639
Supplies and Materials	2,200	179	2,379	2,182	197
Total Undist. Expend. - Other Support Services - Students - Related Service	419,295	(44,017)	375,278	348,147	27,131
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	502,433	15,411	517,844	502,173	15,671
Purchased Prof. Ed. Services	50,000	69,980	119,980	94,063	25,917
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	552,433	85,391	637,824	596,236	41,588
Undist. Expend. - Other Support Services - Students-Regular					
Salaries of Other Professional Staff	690,738	7,871	698,609	693,668	4,941
Salaries of Secretarial and Clerical Assistants	128,319	1,007	129,326	129,126	200
Other Salaries	5,000	-	5,000	3,030	1,970
Other Purch. Prof. & Tech. Svc.	16,000	(453)	15,547	5,695	9,852
Other Purchased Services (400-500 series)	11,200	-	11,200	8,527	2,673
Supplies and Materials	20,964	(2,687)	18,277	12,685	5,592
Other Objects	1,280	-	1,280	440	840
Total Undist. Expend. - Other Support Services - Students-Regular	873,501	5,738	879,239	853,171	26,068
Undist. Expend. - Other Support Services - Students-Special					
Salaries of Other Professional Staff	827,348	(1,454)	825,894	804,835	21,059
Salaries of Secretarial and Clerical Assistants	134,811	1,092	135,903	133,137	2,766
Purchased Professional - Educational Services	25,000	(6,444)	18,556	15,355	3,201
Other Purchased Prof. & Tech. Services	3,400	380	3,780	3,780	-
Misc. Purch Serv	6,200	1,880	8,080	6,990	1,090
Supplies and Materials	4,100	10,651	14,751	13,551	1,200
Other Objects	1,750	(665)	1,085	900	185
Total Undist. Expend. - Other Support Services - Students-Special	1,002,609	5,440	1,008,049	978,548	29,501
Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.					
Salaries Superv. Of Instr.	73,588	362	73,950	73,950	-
Salaries Other Prof. Staff	5,240	(4,955)	285	285	-
Salaries Secr. & Clerical Asst.	10,733	92	10,825	10,825	-
Other Salaries	16,500	(1,975)	14,525	9,698	4,827
Supplies and Materials	2,500	6,012	8,512	1,204	7,308
Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr	108,561	(464)	108,097	95,962	12,135
Undist. Expend. - Educational Media Services/School Library					
Salaries	205,875	(737)	205,138	178,571	26,567
Salaries of Technology Coordinators	41,369	213	41,582	41,582	-
Purchased Prof & Tech Svc.	4,800	(1,200)	3,600	-	3,600
Other Purchased Services (400-500)	500	-	500	67	433
Supplies and Materials	32,303	11,803	44,106	34,611	9,495
Total Undist. Expend. - Educational Media Services/School Library	284,847	10,079	294,926	254,831	40,095
Undist. Expend. - Instruction Staff Training Services					
Salaries of Supervisors of Instruction	73,588	362	73,950	73,950	-
Salaries of Other Professional Staff	14,530	(10,060)	4,470	4,470	-
Salaries of Secretarial & Clerical Assistants	32,200	275	32,475	32,475	-
Purchased Professional - Educational Services	11,200	(7,401)	3,799	3,799	-
Other Purchased Services (400-500 series)	17,625	(7,670)	9,955	8,218	1,737
Supplies and Materials	4,700	26,106	30,806	1,277	29,529
Total Undist. Expend. - Instruction Staff Training Services	153,843	1,612	155,455	124,189	31,266

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Support Service - General Administration					
Salaries	345,482	11,357	356,839	346,962	9,877
Legal Services	61,000	13,733	74,733	68,985	5,748
Audit Fees	21,000	6,644	27,644	27,644	-
Architectural/Engineering Services	24,100	51,935	76,035	61,807	14,228
Other Purchased Professional Services	4,250	(270)	3,980	1,765	2,215
Communications/Telephone	70,180	-	70,180	53,742	16,438
BOE Other Purchased Services	10,100	(7,100)	3,000	1,774	1,226
Misc. Purch. Serv.(400-500)	160,800	(10,430)	150,370	131,167	19,203
General Supplies	6,100	(2,029)	4,071	2,184	1,887
BOE In-house Training/Meeting Supplies	6,000	12,833	18,833	17,614	1,219
Judgements Against the School District	18,000	-	18,000	13,600	4,400
Miscellaneous Expenditures	29,900	-	29,900	26,683	3,217
Total Undist. Expend. - Support Service - General Administration	756,912	76,673	833,585	753,927	79,658
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant principals	1,077,814	85,463	1,163,277	1,084,657	78,620
Salaries of Secretarial and Clerical Assistants	441,564	15,246	456,810	431,788	25,022
Other Purchased Services (400-500 series)	14,725	(118)	14,607	13,416	1,191
Supplies and Materials	12,718	5,818	18,536	17,454	1,082
Other Objects	12,919	(700)	12,219	10,835	1,384
Total Undist. Expend. - Support Service - School Administration	1,559,740	105,709	1,665,449	1,558,150	107,299
Undistributed Expenditures- Central Services					
Salaries	478,349	26,218	504,567	469,567	35,000
Purchased Technical Services	4,700	-	4,700	2,475	2,225
Purchase Professional Services	45,780	(3,859)	41,921	27,375	14,546
Misc. Purchased Services	3,700	3,123	6,823	3,666	3,157
Supplies and Materials	6,000	4,511	10,511	9,455	1,056
Miscellaneous Expenditures	3,390	(56)	3,334	2,292	1,042
Total Central Services	541,919	29,937	571,856	514,830	57,026
Administration Information Technology					
Salaries	93,549	655	94,204	94,200	4
Total Admin info tech	93,549	655	94,204	94,200	4
Interest Earned on Maintenance Reserve					
Increase in maintenance reserve	100,000	(100,000)	-	-	-
Interest earned on maintenance reserve	1,200	(1,200)	-	-	-
Total Interest Earned on Maintenance Reserve	101,200	(101,200)	-	-	-
Required Maint for School Facilities					
Cleaning, Repair and Maintenance Services	871,750	80,199	951,949	707,375	244,574
General Supplies	76,475	51,531	128,006	100,679	27,327
Other Objects	5,000	-	5,000	2,677	2,323
Total Required Maintenance for School Facilities	953,225	131,730	1,084,955	810,731	274,224
Custodial Services					
Salaries	103,393	982	104,375	104,374	1
Purchased Professional and Technical Services	1,177,910	(121,569)	1,056,341	1,043,395	12,946
Cleaning, Repair and Maintenance Services	82,775	22,707	105,482	63,255	42,227
Rental of Land and Building Other than Lease	14,100	-	14,100	12,000	2,100
Other Purchased Property Services	38,650	11,785	50,435	36,947	13,488
Insurance	110,500	(9,206)	101,294	63,826	37,468
Miscellaneous Purchased Services	10,000	-	10,000	6,605	3,395
General Supplies	13,750	(500)	13,250	5,157	8,093
Energy (Natural Gas)	405,500	2,974	408,474	220,104	188,370
Energy (Electricity)	655,000	19,050	674,050	531,324	142,726
Total Custodial services	2,611,578	(73,777)	2,537,801	2,086,987	450,814
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	158,788	(23,765)	135,023	86,054	48,969
Cleaning, Repair and Maintenance Services	30,000	4,300	34,300	21,554	12,746
General Supplies	17,294	(1,398)	15,896	13,110	2,786
Total Care and Upkeep of Grounds	206,082	(20,863)	185,219	120,718	64,501
Security					
Salaries	46,839	-	46,839	37,359	9,480
Cleaning, Repair and Maintenance Services	10,500	18,836	29,336	18,331	11,005
General Supplies	1,250	24,065	25,315	25,115	200
Total Security	58,589	42,901	101,490	80,805	20,685
Total Oper. And Maintenance of Plant Services	3,829,474	79,991	3,909,465	3,099,241	810,224
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	266,883	(5,217)	261,666	238,073	23,593
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	116,293	26,210	142,503	141,720	783
Salaries for Pupil Transportation (Other than Between Home and School)	76,478	5,560	82,038	77,763	4,275
Salaries for Pupil Transportation (Between Home and School) - Non Public	21,356	382	21,738	21,227	511
Management Fee - ESC Trans. Program	11,100	(4,634)	6,466	4,043	2,423
Other Purchased Professional & Technical Services	10,700	-	10,700	7,119	3,581
Cleaning, Repair and Maint. Services	22,000	(12,917)	9,083	2,402	6,681
Contract Svc (btw Home & Sch.)-vendors	317,498	-	317,498	257,932	59,566
Contr Serv (Oth.than Bet Home & Sch.) - Vend	4,700	400	5,100	2,636	2,464
Contract Svc (btw home & sch.)-joint agree	7,696	5,600	13,296	9,620	3,676
Contract Serv. (Sp Ed Stds) - Vendors	95,960	(8,535)	87,425	71,979	15,446
Contract Serv. (Sp Ed Stds) - Joint Agrmnts	72,420	-	72,420	35,279	37,141
Contract Serv. (Reg Students) - ESCs & CSTAs	77,840	-	77,840	45,821	32,019
Contract Serv.(Spl. Ed. Students) - ESCs & CTASAs	109,950	(3,354)	106,596	30,326	76,270
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	22,984	(9,320)	13,664	9,458	4,206
Misc. Purchased Services - Transportation	18,450	2,046	20,496	17,262	3,234
General Supplies	3,000	3,837	6,837	6,066	771
Transportation Supplies	81,000	24,959	105,959	100,575	5,384
Other Objects	1,000	-	1,000	-	1,000
Total Student Transportation Services	1,337,308	25,017	1,362,325	1,079,301	283,024

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Interest Earned on Current Expense Emergency Reserve					
Increase in current expense emergency reserve	100,000	(100,000)	-	-	-
Interest earned on current expense emergency reserve	800	(800)	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	<u>100,800</u>	<u>(100,800)</u>			
Personal Services- Employee Benefits					
Social Security Contributions	335,000	22,000	357,000	352,454	4,546
Other Retirement Contributions-Regular	354,222	1,314	355,536	327,317	28,219
Unemployment Compensation	78,793	3,684	82,477	80,928	1,549
Workmen's Compensation	202,602	(12,000)	190,602	156,555	34,047
Health Benefits	5,171,514	(424,697)	4,746,817	4,450,571	296,246
Tuition Reimbursement	20,000	-	20,000	19,080	920
Other Employee Benefits	135,000	(10,528)	124,472	124,471	1
Total Personal Services-Employee Benefits	<u>6,297,131</u>	<u>(420,227)</u>	<u>5,876,904</u>	<u>5,511,376</u>	<u>365,528</u>
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,735,580	(1,735,580)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,256,932	(1,256,932)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,992,512</u>	<u>(2,992,512)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>6,297,131</u>	<u>(420,227)</u>	<u>5,876,904</u>	<u>8,503,888</u>	<u>(2,626,984)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>19,939,187</u>	<u>(312,947)</u>	<u>19,626,240</u>	<u>20,533,318</u>	<u>(907,078)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>36,411,794</u>	<u>(137,943)</u>	<u>36,273,851</u>	<u>36,466,580</u>	<u>(192,729)</u>
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	3,300	(3,300)	-	-	-
Equipment					
Regular Programs - Instruction:					
Grades 1-5	65,166	(675)	64,491	62,345	2,146
Grades 6-8	70,167	12,158	82,325	57,378	24,947
Grades 9-12	45,167	31,508	76,675	62,107	14,568
Special Education- Instruction:					
School - Sponsored and Other Instructional Program	45,000	144,527	189,527	189,527	-
General Administration					
Undist. Expend.-Support Serv.-Child Study Teams	5,000	(5,000)	-	-	-
Undist.Exp.-Req. Maint. Schl Facilities					
School admin.	-	6,427	6,427	6,426	1
Undist. Exp.-Req. Maint. Schl Facilities	249,000	165,099	414,099	253,338	160,761
Undist. Exp.-Care and Upkeep of Grounds	-	5,344	5,344	5,344	-
Undistributed exp.-Non-instructional services					
Non-instructional Equip.	18,000	14,576	32,576	10,745	21,831
School Buses -Regular	-	81,561	81,561	81,561	-
Total Equipment	<u>497,500</u>	<u>455,525</u>	<u>953,025</u>	<u>728,771</u>	<u>224,254</u>
Facilities Acquisition and Construction Services					
Legal Services	-	-	-	-	-
Architectural/Engineering Services	-	-	-	-	-
Construction Services	-	44,552	44,552	44,552	-
Other Objects	44,552	(44,552)	-	-	-
Total	<u>44,552</u>	<u>-</u>	<u>44,552</u>	<u>44,552</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>545,352</u>	<u>452,225</u>	<u>997,577</u>	<u>773,323</u>	<u>224,254</u>
TOTAL EXPENDITURES	<u>36,957,146</u>	<u>314,282</u>	<u>37,271,428</u>	<u>37,239,903</u>	<u>31,525</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,950,000)</u>	<u>(307,213)</u>	<u>(2,257,213)</u>	<u>1,535,793</u>	<u>3,793,006</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	5,148,068	-	5,148,068	5,148,068	-
Fund Balance, June 30	<u>\$ 3,198,068</u>	<u>\$ (307,213)</u>	<u>\$ 2,890,855</u>	<u>6,683,861</u>	<u>\$ 3,793,006</u>
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				855,700	
Emergency Reserve				348,924	
Excess surplus - current year				794,159	
Excess surplus-designated for subsequent year's expenditures				278,264	
Capital reserve				881,379	
Comitted Fund Balance:					
Other purposes				-	
Year-end encumbrances				761,569	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				<u>1,921,736</u>	
Unrestricted/undesignated				842,130	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				<u>(557,366)</u>	
Fund balance per governmental funds (GAAP)				<u><u>284,764</u></u>	

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Education Jobs Fund Program
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Educational Jobs Fund Program	\$ 225,655	7,069	232,724	232,724	-
Total Revenues-Federal	225,655	7,069	232,724	232,724	-
EXPENDITURES					
Instruction:					
School-Spon. Athletics - Instruction	6,442	33,589	40,031	40,031	-
Total instruction	6,442	33,589	40,031	40,031	-
Support services:					
Undistributed Expend. - Attend. & Social Work	-	46,091	46,091	46,091	-
Undist. Expend. - Other Support Services Students-Regular	392	41,138	41,530	41,530	-
Undist. Expend. - Support Service - School Administration	-	47,465	47,465	47,465	-
Custodial Services	-	57,607	57,607	57,607	-
Total support services	392	192,301	192,693	192,693	-
Total Expenditures-Federal	6,834	225,890	232,724	232,724	-

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ 57,156	-	\$ 57,156	\$ 10,822	\$ (46,334)
State sources	-	-	-	-	-
Federal sources	1,049,984	(47,822)	1,002,162	915,581	(86,581)
Total Revenues	<u>1,107,140</u>	<u>(47,822)</u>	<u>1,059,318</u>	<u>926,403</u>	<u>(132,915)</u>
EXPENDITURES					
Instruction:					
Personal services-salaries	202,603	15,023	217,626	214,222	3,404
Purchased professional and technical services	104,791	(19,399)	85,392	21,852	63,540
General supplies	102,203	(23,911)	78,292	61,216	17,076
Tuition	491,229	(23,209)	468,020	419,229	48,791
Other objects	1,000	(518)	482	482	-
Total instruction	<u>901,826</u>	<u>(52,014)</u>	<u>849,812</u>	<u>717,001</u>	<u>132,811</u>
Support services:					
Personal services - salaries	-	-	-	-	-
Purchased professional and technical services	170,462	-	170,462	170,462	-
Other purchased services	-	-	-	-	-
Employee benefits	31,852	2,692	34,544	34,544	-
Travel	1,000	(300)	700	596	104
Supplies- materials	2,000	1,800	3,800	3,800	-
Total support services	<u>205,314</u>	<u>4,192</u>	<u>209,506</u>	<u>209,402</u>	<u>104</u>
EXPENDITURES:					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,107,140</u>	<u>(47,822)</u>	<u>1,059,318</u>	<u>926,403</u>	<u>132,915</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>1,107,140</u>	<u>(47,822)</u>	<u>1,059,318</u>	<u>926,403</u>	<u>132,915</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				\$ -	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2012

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 38,775,696	[C-2]	\$ 926,403
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(45,938)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(557,366)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		491,878		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 38,710,208	[B-2]	\$ 880,465
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 37,239,903	[C-2]	\$ 926,403
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.		-		(45,938)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 37,239,903	[B-2]	\$ 880,465

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, 2012

	Title I 10/11	Title I 11/12	IDEIA-Part B-Preschool Reg Prog 11/12	IDEIA-Part B-Basic Reg Prog 10/11	IDEIA-Part B-Basic Reg Prog 11/12
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	54,065	159,108	26,819	20,155	589,966
Total revenues	<u>54,065</u>	<u>159,108</u>	<u>26,819</u>	<u>20,155</u>	<u>589,966</u>
Expenditures:					
Instruction:					
Salaries	23,183	136,564	-	-	-
Purchased professional services	21,852	-	-	-	-
General supplies	8,023	-	8,837	147	33,387
Tuition	-	-	-	15,644	403,585
Other Objects	-	-	482	-	-
Total instruction	<u>53,058</u>	<u>136,564</u>	<u>9,319</u>	<u>15,791</u>	<u>436,972</u>
Support services:					
Other support services - students - special:					
Salaries	-	-	-	-	-
Purchased prof. and tech. services	-	-	17,500	4,364	148,598
Other purchased services	-	-	-	-	-
Employee benefits	1,007	22,544	-	-	-
Travel	-	-	-	-	596
Supplies and materials	-	-	-	-	3,800
Total other support services - students - special	<u>1,007</u>	<u>22,544</u>	<u>17,500</u>	<u>4,364</u>	<u>152,994</u>
Total support services	<u>1,007</u>	<u>22,544</u>	<u>17,500</u>	<u>4,364</u>	<u>152,994</u>
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 54,065</u>	<u>\$ 159,108</u>	<u>\$ 26,819</u>	<u>\$ 20,155</u>	<u>\$ 589,966</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)

	Title II Part A 11/12	Other	Total 2012
Revenues:			
Local sources	\$ -	10,822	\$ 10,822
State sources	-	-	-
Federal sources	65,468	-	915,581
Total revenues	<u>65,468</u>	<u>10,822</u>	<u>926,403</u>
Expenditures:			
Instruction:			
Salaries	54,475	-	214,222
Purchased professional services	-	-	21,852
General supplies	-	10,822	61,216
Tuition	-	-	419,229
Other objects	-	-	482
Total instruction	<u>54,475</u>	<u>10,822</u>	<u>717,001</u>
Support services:			
Other support services - students - special:			
Salaries	-	-	-
Purchased prof. and tech. services	-	-	170,462
Other purchased services	-	-	-
Employee benefits	10,993	-	34,544
Travel	-	-	596
Supplies and materials	-	-	3,800
Total other support services - students - special	<u>10,993</u>	<u>-</u>	<u>209,402</u>
Total support services	<u>10,993</u>	<u>-</u>	<u>209,402</u>
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 65,468</u>	<u>\$ 10,822</u>	<u>\$ 926,403</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Assets
June 30, 2012

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 60,470	\$ 117,728	\$ 178,198
Accounts receivable:			
State	201	-	201
Federal	4,985	-	4,985
Other government	2,363	-	2,363
Interfund	-	-	-
Inventories	18,798	-	18,798
Total current assets	<u>86,817</u>	<u>117,728</u>	<u>204,545</u>
Fixed assets:			
Equipment	353,436	4,771	358,207
Buildings and improvements	1,173,439	-	1,173,439
Accumulated depreciation	(316,002)	(3,286)	(319,288)
Total fixed assets	<u>1,210,873</u>	<u>1,485</u>	<u>1,212,358</u>
Total assets	<u>\$ 1,297,690</u>	<u>\$ 119,213</u>	<u>\$ 1,416,903</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	457	-	457
Accrued salaries and benefits	92	12,234	12,326
Compensated absences	7,961	-	7,961
Interfund payable	-	-	-
Total liabilities	<u>8,510</u>	<u>12,234</u>	<u>20,744</u>
Net assets:			
Invested in capital assets	1,210,873	1,485	1,212,358
Restricted for other purposes	-	-	-
Unrestricted net assets	78,307	105,494	183,801
Total fund equity	<u>1,289,180</u>	<u>106,979</u>	<u>1,396,159</u>
Total liabilities and fund equity	<u>\$ 1,297,690</u>	<u>\$ 119,213</u>	<u>\$ 1,416,903</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, 2012

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales-reimbursable programs:			
School breakfast program	\$ 2,985	\$ -	\$ 2,985
School lunch program	295,826	-	295,826
Total-daily sales-reimbursable programs	298,811	-	298,811
Daily sales non-reimbursable programs	286,252	-	286,252
Special functions	5,708	-	5,708
Miscellaneous	13,314	333,160	346,474
Total operating revenues	<u>604,085</u>	<u>333,160</u>	<u>937,245</u>
Operating expenses:			
Salaries	245,564	251,428	496,992
Employee benefits	117,045	23,108	140,153
Other purchased services	16,630	13,486	30,116
Supplies and materials	9,195	7,799	16,994
Utilities	41,149	13,810	54,959
Dues/Workshops	374	204	578
Depreciation	7,774	105	7,879
Cost of sales	347,089	-	347,089
Total operating expenses	<u>784,820</u>	<u>309,940</u>	<u>1,094,760</u>
Operating income (loss)	<u>(180,735)</u>	<u>23,220</u>	<u>(157,515)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	6,847	-	6,847
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	8,824	-	8,824
National school lunch program	146,354	-	146,354
Food distribution program	25,760	-	25,760
Interest	90	-	90
Total nonoperating revenues	<u>187,875</u>	<u>-</u>	<u>187,875</u>
Change in net assets before transfers	7,140	23,220	30,360
Transfers in (out)	-	-	-
Change in net assets	7,140	23,220	30,360
Total unrestricted net assets beginning	<u>1,282,040</u>	<u>83,759</u>	<u>1,365,799</u>
Total unrestricted net assets ending	<u>\$ 1,289,180</u>	<u>\$ 106,979</u>	<u>\$ 1,396,159</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Food Services Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Year ended June 30, 2012

	Business-type Activities -		
	Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 629,845	\$ 333,160	\$ 963,005
Payments to employees & benefits	(361,095)	(272,947)	(634,042)
Payments to suppliers	(426,510)	(35,357)	(461,867)
Net cash provided by (used in) operating activities	<u>(157,760)</u>	<u>24,856</u>	<u>(132,904)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	7,373	-	7,373
Federal sources	157,402	-	157,402
Board interfund loans	(1,680)	-	(1,680)
Net cash provided by non-capital financing activities	<u>163,095</u>	<u>-</u>	<u>163,095</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	(4,350)	-	(4,350)
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(4,350)</u>	<u>-</u>	<u>(4,350)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	90	-	90
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	<u>90</u>	<u>-</u>	<u>90</u>
Net increase in cash and cash equivalents	1,075	24,856	25,931
Balances—beginning of year	59,395	92,872	152,267
Balances—end of year	<u>\$ 60,470</u>	<u>\$ 117,728</u>	<u>\$ 178,198</u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating income (loss)	\$ (180,735)	\$ 23,220	\$ (157,515)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	7,774	105	7,879
Federal commodities	25,760	-	25,760
(Increase) decrease in accounts receivable, net	-	-	-
(Increase) decrease in inventories	(5,974)	-	(5,974)
Increase (decrease) in accounts payable	(6,099)	(58)	(6,157)
Increase (decrease) in accrued salaries benefits	(2)	1,589	1,587
Increase (decrease) in compensated absences	1,516	-	1,516
Total adjustments	<u>22,975</u>	<u>1,636</u>	<u>24,611</u>
Net cash provided by (used in) operating activities	<u>\$ (157,760)</u>	<u>\$ 24,856</u>	<u>\$ (132,904)</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Assets
June 30, 2012

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Scholarship Fund</u>	<u>Summer Savings</u>	<u>Class Reunion</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ 200,363	\$ 158,560	\$ 42,155	\$ 999,213	\$ 9,323	\$ 150,034	\$ 1,559,648
Deposits	-	-	-	-	-	-	-
Total assets	<u>200,363</u>	<u>158,560</u>	<u>42,155</u>	<u>999,213</u>	<u>9,323</u>	<u>150,034</u>	<u>1,559,648</u>
LIABILITIES							
Payroll deductions and withholdings	-	158,560	-	-	-	-	158,560
Payable to student groups	200,363	-	-	-	9,323	-	209,686
Accrued wages	-	-	-	-	-	-	-
Total liabilities	<u>200,363</u>	<u>158,560</u>	<u>-</u>	<u>-</u>	<u>9,323</u>	<u>-</u>	<u>368,246</u>
Fund Balances							
Reserved for future payment	-	-	42,155	999,213	-	150,034	1,191,402
Total fund balances	<u>-</u>	<u>-</u>	<u>42,155</u>	<u>999,213</u>	<u>-</u>	<u>150,034</u>	<u>1,191,402</u>
Total liabilities and fund balances	<u>\$ 200,363</u>	<u>\$ 158,560</u>	<u>\$ 42,155</u>	<u>\$ 999,213</u>	<u>\$ 9,323</u>	<u>\$ 150,034</u>	<u>\$ 1,559,648</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	Scholarship Funds	Unemployment Compensation Fund	Total
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	2,677	-	2,677
Total Contributions	<u>2,677</u>	<u>-</u>	<u>2,677</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	116	371	487
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>116</u>	<u>371</u>	<u>487</u>
Total additions	<u>2,793</u>	<u>371</u>	<u>3,164</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	7,804	-	7,804
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>7,804</u>	<u>-</u>	<u>7,804</u>
Change in net assets	(5,011)	371	(4,640)
Net assets—beginning of the year	<u>47,166</u>	<u>149,663</u>	<u>196,829</u>
Net assets—end of the year	<u>\$ 42,155</u>	<u>\$ 150,034</u>	<u>\$ 192,189</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
Student Activities Funds	<u>\$ 211,383</u>	<u>\$ 490,485</u>	<u>\$ 501,505</u>	<u>\$ 200,363</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$ 143,234	\$ 24,275,841	\$ 24,260,515	\$ 158,560
Total assets	<u>\$ 143,234</u>	<u>24,275,841</u>	<u>24,260,515</u>	<u>158,560</u>
LIABILITIES:				
Payroll deductions and withholdings	143,234	10,195,797	10,180,471	158,560
Accrued salaries and wages	-	14,080,044	14,080,044	-
Interfund payable	-		-	-
Other current liabilities	-	-	-	-
Total liabilities	<u>\$ 143,234</u>	<u>\$ 24,275,841</u>	<u>\$ 24,260,515</u>	<u>\$ 158,560</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Serial Bonds
 June 30, 2012

Exhibit I-1

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Refinanced</u>	<u>Balance June 30, 2012</u>
School Bonds - Additions to Ocean Road and Nellie Bennett	5/28/1998	4,600,000	5/15/2012	400,000	4.650%					
			5/15/2013	415,000	4.650%	815,000		-	(815,000)	-
School Bonds	1/15/03	8,940,000	7/15/2011	475,000	3.750%					
			7/15/2012	500,000	4.000%					
			7/15/2013	505,000	4.000%					
			7/15/2014	505,000	4.000%					
			7/15/2015	500,000	4.130%					
			7/15/2016	495,000	4.200%	2,980,000		(475,000)	(2,005,000)	500,000
School Bonds - Additions to the middle and high school	3/15/2003	10,453,000	3/15/2012	480,000	3.500%					
			3/15/2013	500,000	3.500%					
			3/15/2014	520,000	3.750%					
			3/15/2015	540,000	3.750%					
			3/15/2016	565,000	4.000%					
			3/15/2017	585,000	4.000%					
			3/15/2018	610,000	4.000%					
			3/15/2019	635,000	4.000%					
			3/15/2020	665,000	4.000%					
			3/15/2021	690,000	4.130%					
			3/15/2022	720,000	4.130%					
			3/15/2023	748,000	4.130%	7,258,000		(480,000)	(6,778,000)	-
Refunding 1998 Bonds	10/4/2011	7,165,000	3/15/2013	880,000	3.000%					
			3/15/2014	495,000	3.000%					
			3/15/2015	510,000	3.000%					
			3/15/2016	530,000	3.000%					
			3/15/2017	545,000	4.000%					
			3/15/2018	565,000	4.000%					
			3/15/2019	590,000	4.000%					
			3/15/2020	620,000	4.000%					
			3/15/2021	640,000	4.000%					
			3/15/2022	670,000	5.000%					
			3/15/2023	700,000	5.000%		7,165,000	(420,000)		6,745,000
Refunding 2003 Bonds	5/16/2012	2,025,000	7/15/2012	30,000	2.000%					
			7/15/2013	510,000	2.000%					
			7/15/2014	505,000	3.000%					
			7/15/2015	495,000	3.000%					
			7/15/2016	485,000	3.000%	-	2,025,000			2,025,000
						<u>\$ 11,053,000</u>	<u>\$ 9,190,000</u>	<u>\$ (1,375,000)</u>	<u>\$ (9,598,000)</u>	<u>\$ 9,270,000</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,585,160	-	\$ 1,585,160	\$ 1,604,425	\$ 19,265
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	204,862	-	204,862	204,862	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	204,862	-	204,862	204,862	-
Total Revenues	1,790,022	-	1,790,022	1,809,287	19,265
EXPENDITURES:					
Regular Debt Service:					
Interest	435,022	(23,757)	411,265	382,066	(29,199)
Redemption of Principal	1,355,000	23,757	1,378,757	1,375,000	(3,757)
Total Regular Debt Service	1,790,022	-	1,790,022	1,757,066	(32,956)
Total Expenditures	1,790,022	-	1,790,022	1,757,066	(32,956)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	52,221	52,221
Other Financing Sources:					
Bond premium	-	-	-	756,570	756,570
Bond refunding costs	-	-	-	(154,958)	(154,958)
Payoff old bonds & interest	-	-	-	(9,598,000)	(9,598,000)
Prepaid interest	-	-	-	(193,612)	(193,612)
Issue new bonds	-	-	-	9,190,000	9,190,000
Operating Transfers In:					
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	52,221	52,221
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 52,221	\$ 52,221
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ 52,221	\$ 52,221

STATISTICAL SECTION

**Point Pleasant Borough School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	77-82
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	83-86
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	87-90
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	91-92
<p>Operating Information</p> <p>These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	93-97

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 Nine Fiscal Years*
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 12,514,561	\$ 13,402,758	\$ 13,881,928	\$ 13,367,679
Restricted	6,926,082	4,724,812	3,884,868	2,602,232	1,949,325	2,714,481	3,789,844	4,322,700	5,893,952
Unrestricted	(976,938)	(1,131,357)	(1,198,234)	(1,028,511)	(219,137)	(81,555)	(1,190,938)	(952,815)	(977,682)
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>	<u>\$ 15,147,487</u>	<u>\$ 16,001,664</u>	<u>\$ 17,251,813</u>	<u>\$ 18,283,949</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	1,217,761	1,213,886	1,215,887	1,212,358
Restricted	-	-	31,388	31,313	31,313	31,313	-	-	-
Unrestricted	485,643	166,756	146,170	114,934	117,920	56,722	142,709	149,912	183,801
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>	<u>\$ 1,305,796</u>	<u>\$ 1,356,595</u>	<u>\$ 1,365,799</u>	<u>\$ 1,396,159</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	13,732,322	14,616,644	15,097,815	14,580,037
Restricted	6,926,082	4,724,812	3,916,256	2,633,545	1,980,638	2,745,794	3,789,844	4,322,770	5,893,952
Unrestricted	(491,295)	(964,601)	(1,052,064)	(913,577)	(101,217)	(24,833)	(1,048,229)	(802,903)	(793,881)
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>	<u>\$ 16,453,283</u>	<u>\$ 17,358,259</u>	<u>\$ 18,617,682</u>	<u>\$ 19,680,108</u>

* GASB requires that ten years of statistical data be presented, however in FY11, only statistical data for 7 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 Nine Fiscal Years
 (accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental activities									
Instruction									
Regular	\$ 11,000,362	\$ 12,558,395	\$ 12,812,203	\$ 13,103,968	\$ 13,842,022	\$ 13,964,403	\$ 14,643,062	\$ 14,129,061	\$ 15,105,900
Special education	1,890,030	1,918,518	2,117,621	2,176,721	2,343,372	2,513,311	2,596,337	2,686,187	2,634,211
Other special education	974,969	970,802	1,014,809	978,313	957,324	989,942	1,066,562	978,129	982,274
Support Services:									
Instruction	764,306	620,284	610,763	548,033	632,197	935,011	827,080	1,011,338	1,491,483
Attendance and social work	161,092	171,756	160,829	168,529	181,851	192,738	201,891	169,016	166,807
Health services	278,399	298,951	320,930	330,176	342,555	364,328	391,529	387,386	404,587
Improvement of instr. services	51,829	60,033	56,964	61,229	54,124	45,420	48,460	102,802	99,744
Educational media services	321,790	345,007	337,477	353,330	360,250	385,431	375,710	273,996	284,831
Instruction staff training	144,808	160,655	169,091	190,527	174,266	161,649	170,315	125,119	124,189
School Administrative services	1,371,339	1,345,144	1,497,264	1,470,623	1,603,409	1,704,258	1,374,383	1,569,789	1,606,476
General administration	521,318	629,903	586,218	618,521	762,942	694,460	735,427	660,177	753,927
Central Services	-	389,831	413,170	423,022	466,820	481,931	483,544	500,848	514,830
Plant operations and maintenance	3,860,448	2,688,428	3,333,575	3,385,650	3,397,226	3,661,588	3,493,059	3,442,422	3,141,947
Administrative information technology	-	67,834	46,860	128,566	135,375	141,323	117,859	92,162	94,200
Pupil transportation	931,490	975,576	1,029,601	1,026,538	1,106,688	1,177,184	1,196,252	1,090,749	1,079,301
Other support services	2,614,601	2,262,894	2,243,754	2,353,928	2,578,478	2,446,081	2,613,264	2,695,387	2,811,171
Business and other support services	-	-	-	-	360	-	-	-	-
Non-budgeted expenditures	2,122,985	2,320,325	2,682,995	2,700,065	3,981,895	2,413,623	2,524,023	2,515,647	2,992,512
Special Schools	-	-	-	-	-	-	-	-	-
Interest on long-term debt	886,713	837,550	781,212	735,156	685,427	631,082	571,733	516,192	570,179
Unallocated employee benefits	4,412,802	5,035,482	5,190,170	5,325,337	5,230,309	4,417,831	5,204,436	5,613,916	5,511,376
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>	<u>37,321,594</u>	<u>38,634,926</u>	<u>38,540,423</u>	<u>40,339,948</u>
Business-type activities:									
Food service	22,233	863,846	865,368	871,279	857,939	823,841	750,605	770,838	784,820
Child Care	33,914	306,178	343,115	388,637	433,481	343,113	292,518	285,804	309,840
Total business-type activities expense	<u>56,147</u>	<u>1,170,024</u>	<u>1,208,483</u>	<u>1,260,116</u>	<u>1,291,420</u>	<u>1,166,954</u>	<u>1,043,124</u>	<u>1,056,632</u>	<u>1,094,760</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>	<u>\$ 38,488,548</u>	<u>\$ 39,678,050</u>	<u>\$ 39,597,055</u>	<u>\$ 41,434,708</u>
Program Revenues									
Governmental activities:									
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	2,413,623	2,524,023	2,524,023	2,992,512
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>	<u>2,413,623</u>	<u>2,524,023</u>	<u>2,524,023</u>	<u>2,992,512</u>
Business-type activities:									
Charges for services									
Food service	\$ 668,587	\$ 709,030	\$ 758,114	\$ 744,148	\$ 703,586	\$ 681,816	\$ 627,533	\$ 627,533	\$ 604,085
Child Care	334,978	328,831	357,439	389,592	427,414	314,075	315,058	315,058	333,160
Operating grants and contributions	94,196	113,437	102,209	127,156	131,315	133,985	151,333	151,333	187,875
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>1,262,315</u>	<u>1,129,876</u>	<u>1,093,924</u>	<u>1,093,924</u>	<u>1,125,120</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>\$ 5,244,210</u>	<u>\$ 3,543,499</u>	<u>\$ 3,617,947</u>	<u>\$ 3,617,947</u>	<u>\$ 4,117,632</u>

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue									
Governmental activities	\$ (32,309,281)	\$ (33,657,368)	\$ (35,405,506)	\$ (36,078,212)	\$ (38,836,890)	\$ (37,321,594)	\$ (38,634,926)	\$ (38,540,423)	\$ (40,339,945)
Business-type activities	(56,147)	(1,170,024)	(1,208,483)	(1,260,116)	(1,291,420)	(1,164,954)	(1,043,124)	(1,056,632)	(1,094,760)
Total district-wide net expense	<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>	<u>\$ (38,486,548)</u>	<u>\$ (39,678,050)</u>	<u>\$ (39,597,055)</u>	<u>\$ (41,434,705)</u>
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes levied for general purposes, net	\$ 21,177,276	\$ 21,940,645	\$ 22,727,187	\$ 23,810,271	\$ 25,101,110	\$ 25,919,800	\$ 26,615,115	\$ 26,615,115	\$ 29,037,269
Taxes levied for debt service	1,867,297	1,841,796	1,995,324	2,091,623	1,984,203	1,968,875	1,969,090	1,969,090	1,604,425
Unrestricted grants and contributions	9,434,348	7,872,518	7,569,719	7,455,499	7,649,420	7,642,264	7,941,808	7,941,808	7,213,489
Payments in lieu of taxes	-	-	-	-	-	-	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-
Investment earnings	407,672	334,630	400,390	378,920	300,119	243,401	83,667	83,667	-
Miscellaneous income	202,631	214,294	153,886	272,870	367,337	447,389	355,400	355,400	524,316
Transfers	-	-	-	-	-	-	-	-	-
Total governmental activities	<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>	<u>36,221,729</u>	<u>36,965,080</u>	<u>36,965,080</u>	<u>38,379,499</u>
Business-type activities:									
Investment earnings	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<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>	<u>\$ 36,221,729</u>	<u>\$ 36,965,080</u>	<u>\$ 36,965,080</u>	<u>\$ 38,379,499</u>
Change in Net Assets									
Governmental activities	\$ 779,943	\$ 866,840	\$ 123,995	\$ 631,036	\$ 547,194	\$ 1,313,758	\$ 854,177	\$ 948,680	\$ 1,032,066
Business-type activities	(56,147)	(18,726)	11,441	780	(29,105)	(35,078)	50,800	37,292	30,360
Total district	<u>\$ 723,796</u>	<u>\$ 848,114</u>	<u>\$ 135,436</u>	<u>\$ 631,816</u>	<u>\$ 518,089</u>	<u>\$ 1,278,680</u>	<u>\$ 904,977</u>	<u>\$ 985,972</u>	<u>\$ 1,062,426</u>

* GASB requires that ten years of statistical data be presented, however in FY11, only statistical data for 7 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 Nine Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Reserved	3,507,990	\$ 3,673,653	\$ 3,066,035	\$ 2,556,359	\$ 2,361,452	\$ 2,932,696	\$ 3,789,844	\$ 4,322,770	\$ 5,841,731
Unreserved	592,380	331,125	316,625	376,482	393,303	393,303	103,183	333,420	284,764
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>	<u>\$ 3,325,999</u>	<u>\$ 3,893,027</u>	<u>\$ 4,656,190</u>	<u>\$ 6,126,495</u>
All Other Governmental Funds									
Reserved	11,083,058	\$ 3,270,356	\$ 702,653	\$ 75,208	\$ -	\$ 4,130	\$ -	\$ -	\$ -
Unreserved, reported in:									
Special revenue fund	-	208,240	-	-	-	2,602	-	-	-
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>	<u>\$ 6,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* GASB requires that ten years of statistical data be presented, however in FY11, only statistical data for 7 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 Nine Fiscal Years
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues									
Tax levy	23,007,258	23,782,441	24,722,511	25,901,894	27,085,313	27,888,675	28,584,205	29,804,075	30,641,694
Tuition charges	38,491	57,112	52,351	94,067	74,161	111,863	120,548	107,720	287,912
Interest earnings	407,672	337,200	372,194	378,920	300,119	243,401	83,667	63,850	24,036
Miscellaneous	164,140	33,676	150,244	154,546	284,576	328,947	227,680	306,118	181,999
Transportation fees	37,315	123,506	7,683	31,819	8,600	6,579	22,550	42,197	58,318
State sources	8,554,420	9,191,871	9,238,654	9,143,056	10,791,234	9,230,404	8,434,755	8,106,190	9,040,095
Federal sources	879,928	1,000,972	1,014,060	1,012,508	840,081	825,483	2,031,076	1,311,414	1,165,906
Other financing sources	879,928	-	-	-	-	-	-	-	-
Total revenue	33,969,152	34,526,778	35,557,697	36,716,810	39,384,084	38,635,352	39,504,481	39,741,564	41,399,960
Expenditures									
Instruction									
Regular Instruction	11,006,750	11,584,993	11,954,708	12,198,434	12,599,045	12,787,664	13,288,836	12,892,381	13,062,667
Special education instruction	1,890,030	1,878,671	2,082,519	2,144,761	2,299,502	2,471,779	2,548,541	2,622,539	2,562,097
Other special instruction	974,969	966,216	1,010,770	972,986	950,012	983,020	1,058,596	970,855	970,255
Support Services:									
Instruction	764,306	523,155	525,199	457,480	507,899	817,337	691,657	887,670	1,287,160
Attendance and social work	161,092	171,756	160,829	168,529	181,851	192,738	201,891	169,016	166,807
Health services	278,399	298,951	320,930	330,176	342,555	364,328	391,529	387,386	404,587
Other support services	2,193,680	2,262,694	2,243,754	2,353,928	2,578,478	2,446,081	2,613,264	2,695,387	2,811,171
Improvement of instruction	51,829	60,033	56,964	61,229	54,124	45,420	48,460	102,802	99,744
Educational media services	321,790	345,007	337,477	353,330	360,250	385,431	375,710	273,996	254,831
Instruction staff training	144,808	160,655	169,091	190,527	174,266	161,649	170,315	125,119	124,189
General administrative services	521,318	629,903	586,218	618,521	762,942	694,460	735,427	660,177	753,927
School administrative services	1,371,339	1,421,135	1,417,715	1,491,714	1,571,972	1,542,687	1,601,880	1,534,027	1,558,150
School central services	-	389,831	413,170	423,022	466,820	481,931	483,544	500,948	514,830
School admin info technology	-	67,834	46,860	128,566	135,375	141,323	117,859	92,162	94,200
Allowed maintenance for school facilities	694,668	751,907	813,836	838,137	878,462	1,037,973	942,677	919,054	810,731
Other operation & maintenance of plant	2,092,686	1,948,088	2,519,739	2,547,513	2,506,401	2,618,904	2,617,526	2,475,679	2,288,510
Student transportation services	931,490	975,576	1,029,601	1,026,518	1,106,688	1,177,184	1,196,252	1,090,749	1,079,301
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	4,417,831	5,204,436	5,613,916	5,511,376
Non-budgeted expenditures	2,122,985	2,320,325	2,682,995	2,700,065	3,981,895	2,413,623	2,524,023	2,515,647	2,992,512
Special Schools	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-
Capital outlay	3,933,886	8,508,826	2,978,742	1,219,640	260,774	160,486	729,995	658,056	773,323
Debt service:									
Principal	1,470,000	1,505,000	1,555,000	1,610,000	1,635,000	1,670,000	1,730,000	1,305,000	1,375,000
Interest and other charges	856,356	807,193	750,855	704,799	655,070	600,725	541,376	485,835	382,066
Total expenditures	36,616,104	42,613,431	38,847,142	37,865,212	39,239,690	37,612,575	39,813,794	38,978,401	39,877,434
Excess (Deficiency) of revenues over (under) expenditures	(2,646,952)	(8,086,653)	(3,289,445)	(1,148,402)	144,394	1,022,777	(309,313)	763,163	1,522,526
Other financing sources (uses)									
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)	-	-	-	-	-
Total other financing sources (uses)	-	300,987	-	(17,562)	-	-	-	-	-
Net change in fund balances	(2,646,952)	(7,785,666)	(3,289,445)	(1,165,964)	144,394	1,022,777	(309,313)	763,163	1,522,526
Debt service as a percentage of noncapital expenditures	7.12%	6.78%	6.43%	6.32%	5.88%	6.06%	5.81%	4.67%	4.49%

Source: District records

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

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

Fiscal Year Ending June 30,	Sale of Capital Assets	Interest on Investments	Event Receipts	Rentals	Prior Year Refunds	Transportation Fees	Miscellaneous	Annual Totals
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
2009	-	243,401	52,088	41,345	95,463	6,579	75,365	514,241
2010	-	83,667	49,119	40,061	18,648	22,550	96,503	310,548
2011	-	63,850	53,891	33,296	79,643	42,197	104,199	377,076
2012	5,370	24,036	47,854	23,143	52,217	58,318	98,772	309,710

Source: District records

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

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2003	18,541,400	1,193,232,500			112,426,200		13,715,800	1,429,624,000	91,708,100	3,536,680	1,341,452,580	1,901,225,459 c	1.715
2004	18,398,900	1,198,914,200			113,150,400		14,344,700	1,436,236,900	91,428,700	3,012,889	1,347,821,089	2,224,379,452 c	1.764
2005	17,907,100	1,207,638,100			109,000,500		14,344,700	1,466,300,500	97,410,100	2,505,559	1,371,395,959	2,612,678,233 c	1.829
2006	23,561,400	1,217,659,100			105,501,800		14,294,700	1,459,903,600	97,886,600	2,102,200	1,364,119,200	3,058,251,124 c	1.901
2007	22,958,900	1,230,660,600			106,646,400		14,294,700	1,374,560,600	98,328,300	1,863,476	1,376,424,076	3,538,613,763 c	1.968
2008	22,958,900	1,229,902,500			106,646,400		14,294,700	1,373,802,500	99,801,100	4,242,574	1,389,197,202	3,762,722,649 c	1.866
2009	25,484,700	1,243,006,700			108,023,200		11,019,700	1,387,534,300	99,617,300	4,245,574	1,387,534,300	3,811,358,194 c	1.902
2010	39,584,500	2,956,937,600			250,854,710		27,301,500	3,274,678,310	167,502,200	4,341,758	3,279,020,068	3,700,619,628 c	0.909
2011	40,101,500	2,937,797,800			250,474,310		27,010,000	3,255,383,610	166,699,300	3,868,500	3,259,252,110	3,653,629,191 c	0.094
2012	39,556,600	2,929,105,600			249,877,410		26,624,300	3,245,163,910	168,540,500	3,790,128	3,248,954,038	3,310,307,759 c	0.096

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 ratables column 11 net valuation for county tax apportionment

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

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

Fiscal Year Ended June 30,	Point Pleasant Borough School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal ^c	Ocean County ^c	
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
2009	2.042		2.042	0.853	0.841	3.741
2010	0.909		0.909	0.366	0.369	1.644
2011	0.940		0.940	0.382	0.381	1.703
2012	0.960		0.960	0.406	0.391	1.757

Source: Municipal Tax Collector

Note:

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

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

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

c 2010 municipal and county tax rate from local tax assessor

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

	2012			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Clark's Landing	14,876,300		0.46%	4,689,500		0.35%
Point 88 Realty	8,000,000		0.25%	5,674,300		0.43%
Claremont Health Systems	-		0.00%	4,204,000		0.32%
Robert Enterprises	-		0.00%	2,500,000		0.19%
Verizon	-		0.00%	3,924,793		0.30%
Pt. Pleasant Towers, LLC	-		0.00%	3,613,100		0.27%
Johnson Bros Boat Works, LLC	6,126,300		0.19%	2,150,000		0.16%
Paglia	4,827,900		0.15%	1,984,700		0.15%
Robelander	4,468,800		0.14%	1,800,300		0.14%
Nassau Tower Realty LLC Walgreens	4,100,000		0.13%	-		0.00%
Taxpayer 1	4,089,000		0.12%	-		0.00%
CNL Income Crystal PT Marina LLC	3,981,000		0.12%	-		0.00%
Verizon	3,790,128		0.11%	-		0.00%
Canal Point Marine Inc.	3,499,000		0.10%	-		0.00%
Dad Realty, Inc.	3,444,200		0.10%	-		0.00%
Granite Development Group LLC	3,312,000		0.10%	-		0.00%
Butler Real Estate LLC	3,286,600		0.10%	-		0.00%
Waterway Apts. A Partnership	3,192,000		0.09%	-		0.00%
Total	\$ 70,993,228		2.16%	\$ 30,540,693		2.31%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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	50,872,401	49,393,149	97.09%	951,634
2009	52,352,741	50,799,422	97.03%	N/A
2010	53,913,656	50,796,681	94.24%	N/A
2011	55,635,545	53,822,115	96.74%	N/A
2012	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				Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipa- tion Notes (BANs)	Capital Leases			
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	2.42%	871.35
2008	15,758,000	-	-	-	-	15,758,000	2.10%	782.46
2009	14,088,000	-	-	-	-	14,088,000	N/A	N/A
2010	12,358,000	-	-	-	-	12,358,000	N/A	N/A
2011	11,053,000	-	-	-	-	11,053,000	N/A	N/A
2012	9,270,000	-	-	-	-	9,270,000	N/A	N/A

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	23,533,000	-	23,533,000	1.24%	1,188.12
2004	22,063,000	-	22,063,000	0.99%	1,113.45
2005	20,558,000	-	20,558,000	0.79%	1,035.09
2006	19,003,000	-	19,003,000	0.62%	955.79
2007	17,393,000	-	17,393,000	0.49%	872.39
2008	15,758,000	-	15,758,000	0.42%	782.46
2009	14,088,000	-	14,088,000	0.37%	692.76
2010	12,358,000	-	12,358,000	0.33%	670.68
2011	11,053,000	-	11,053,000	0.34%	598.07
2012	9,270,000	-	9,270,000	0.28%	-

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

a Use Estimated County equalized value from J-6

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Point Pleasant Borough's Share (100%)	\$ 21,530,000	100.00% d	\$ 21,530,000
Other debt		-	-
County of Ocean - Borough's Share (XXX%)	a \$ 426,609,143	3.40%	\$ 15,357,929
Ocean County Utility Authority	b 232,293,032	2.90%	6,736,498
Subtotal, overlapping debt			43,624,427
Point Pleasant School District Direct Debt			<u>9,270,000</u>
Total direct and overlapping debt			<u>\$ 52,894,427</u>

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

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

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized valuation basis	
	2012	\$ 3,310,307,759 c
	2011	3,710,023,523 c
	2010	3,806,971,269 c
	[A]	<u>\$ 10,827,302,551</u>
Average equalized valuation of taxable property	[A/3]	\$ 3,609,100,850
Debt limit (4 % of average equalization value)	[B]	144,364,034 a
Total Net Debt Applicable to Limit	[C]	<u>\$ 9,270,000</u>
Legal debt margin	[B-C]	<u>\$ 135,094,034</u>

	Fiscal Year										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 60,062,361	\$ 66,741,400	\$ 72,694,023	\$ 72,694,023	\$ 66,366,585	122,793,908	122,793,908	146,726,968	150,832,416	150,633,503	144,364,034
Total net debt applicable to limit	<u>13,615,000</u>	<u>23,533,000</u>	<u>22,063,000</u>	<u>20,558,000</u>	<u>19,003,000</u>	<u>17,393,000</u>	<u>15,758,000</u>	<u>14,088,000</u>	<u>12,358,000</u>	<u>11,053,000</u>	<u>9,270,000</u>
Legal debt margin	<u>\$ 46,447,361</u>	<u>\$ 43,208,400</u>	<u>\$ 50,631,023</u>	<u>\$ 52,136,023</u>	<u>\$ 47,363,585</u>	<u>\$ 105,400,908</u>	<u>\$ 107,035,908</u>	<u>\$ 132,638,968</u>	<u>\$ 138,474,416</u>	<u>\$ 139,580,503</u>	<u>\$ 135,094,034</u>
Total net debt applicable to the limit as a percentage of debt limit	22.67%	35.26%	30.35%	28.28%	28.63%	14.16%	12.83%	9.60%	8.19%	7.34%	6.42%

Source:

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

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
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	743,108,108	37,228	3.40%
2008	20,139	795,913,419	39,521	4.50%
2009	20,336	803,699,056	39,521	7.50%
2010	18,426	742,401,966	40,291	7.50%
2011	18,481	744,617,971	40,291	8.20%
2012	N/A	N/A	N/A	N/A

Source:

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

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

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

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

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

Employer	2012			2002		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Point Pleasant Board of Education	-		0%	-		0.00%
Point Pleasant Hospital	-		-	-		0.00%
Borough of Point Pleasant	-		0%	-		0.00%
Claremont Nursing Home	-		0%	-		0.00%
Stop and Shop(formerly Grand Union)	-		0%	-		0.00%
Weisleder	-		0%	-		0.00%
	-		0.00%	-		0.00%

Source: Municipal Tax Collector

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

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

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction										
Regular	193.9	189.0	193.0	193.0	193	188	188	190	182	204
Special education	33.0	34.0	32.0	33.0	34	35	41	41	41	41
Other special education										
Vocational										
Other instruction	30.0	16.0	15.0	18.0	19	21	37	41	38	23
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	57.6	47.0	54.0	49.0	52	54	52	54	56	56
General administration	4.0	4.0	4.0	4.0	4	4	4	4	4	4
School administrative services	15.0	12.0	12.0	12.0	12	12	12	12	11	11
Other administrative services	32.3	-	-	-	-	-	-	-	-	-
Central services	3.1	4.0	4.0	4.0	4	4	5	5	6	6
Administrative Information Technology		-	-	-	1	1	1	1	1	1
Plant operations and maintenance		3.0	3.0	4.0	3	3	8	8	5	5
Pupil transportation		15.0	15.0	16.0	16	14	11	10	11	11
Other support services	15.9	17.0	17.0	17.0	17	17	17	17	14	14
Special Schools										
Food Service	15.0	17.0	16.0	16.0	16	15	15	14	14	14
Child Care										
Total	<u>399.8</u>	<u>358.0</u>	<u>365.0</u>	<u>366.0</u>	<u>371.0</u>	<u>368.0</u>	<u>388.5</u>	<u>394.5</u>	<u>383.0</u>	<u>390.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
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	-1.98%	93.87%
2009	3,124	31,888,418	10,208	-0.11%	248	12	11	12	3116	2,956	-1.55%	94.87%
2010	3,037	32,249,703	10,384	1.73%	231	13	11	11	3048	2,888	-2.19%	94.77%
2011	3,008	32,847,824	10,817	4.17%	232	13	12	11	2998	2,839	-1.63%	94.70%
2012	2,952	33,474,068	11,280 ^d	4.28%	245	13 ^e	11 ^e	11 ^e	2951	2,805	-1.57%	95.05%

Sources: District records

Note: Enrollment based on annual October district count ASSA 10/14/11 count for FYE 2012.

- a Operating expenditures equal total expenditures less debt service, on behalf and capital outlay per schedule c -1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). From Gvancardo
- d from 2011-12 proposed budget schedule D1
- e from School report card issued in current fiscal year

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>District Building</u>									
<u>Elementary</u>									
Nellie Bennet									
Square Feet	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497
Capacity (students)	674	674	674	674	674	674	674	674	674
Enrollment	896	865	858	846	822	800	800	800	800
<u>Ocean Road</u>									
Square Feet	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406
Capacity (students)	556	556	556	556	556	556	556	556	556
Enrollment	604	563	591	582	565	546	568	568	568
<u>Middle School</u>									
Memorial Middle School									
Square Feet	78,758	78,758	78,758	100,002	100,002	100,002	100,002	100,002	100,002
Capacity (students)	644	644	644	742	742	742	742	742	742
Enrollment	760	777	776	750	765	748	716	716	716
<u>High School</u>									
Point Pleasant High School									
Square Feet	134,251	134,251	134,251	167,636	167,636	167,636	167,636	167,636	167,636
Capacity (students)	644	644	644	1,092	1,092	1,092	1,092	1,092	1,092
Enrollment	937	939	938	1,005	1,026	1,053	1,030	1,030	1,030
<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
Bus Garage									
Square Feet	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970

Number of Schools at June 30, 2012
 Elementary = 2
 Middle School = 1
 Senior High School = 1
 Other = 2

Source: District Facilities Office

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

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

* School Facilities Project # (s)	Point Pleasant High School	Memorial Middle School	Nellie F. Bennett Elementary	Ocean Road Elementary School	Administra- tive and Maintenance Building	Total
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
2009	406,115	243,411	177,295	162,915	48,237	1,037,973
2010	387,354	183,925	189,144	132,512	49,742	942,677
2011	292,612	236,600	164,496	169,884	55,465	919,057
2012	307,978	173,789	128,555	141,960	58,448	810,730
Total School Facilities	\$ 3,073,246	\$ 1,899,777	\$ 1,623,872	\$ 1,400,796	\$ 339,940	\$ 8,337,631

* 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, 2012

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

SINGLE AUDIT SECTION

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

12 LEXINGTON AVENUE TOMS RIVER, NJ 08753 PHONE (732) 240-7377 FAX (732) 505-8307 WEBSITE: jumpcpa.com

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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information 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, 2012, which collectively comprise the Board of Education of the Point Pleasant Borough School District's basic financial statements and have issued our report thereon dated October 26, 2012. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

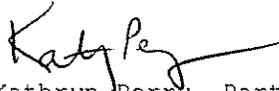
Compliance and Other Matters

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 laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 26, 2012

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

12 LEXINGTON AVENUE · TOMS RIVER, NJ 08753 PHONE (732) 240-7377 FAX (732) 505-8307 WEBSITE: jumpcpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON 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 Board of Education of the Point Pleasant Borough School District's compliance 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 could have a direct and material effect on each of the Board of Education of the Point Pleasant Borough School District's major programs for the year ended June 30, 2012. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 26, 2012

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2011	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2012	Accounts Receivable at June 30, 2012	Due to Grantor at June 30, 2012
General Fund											
U.S. Department of Education											
Education Jobs Fund Program	84.410	9/1/11-8/31/12	232,724	-	-	209,315	(232,724)	-	-	(23,409)	-
Medical Assistance Program	93.778	9/1/11-8/31/12	63,539	-	-	48,969	(63,539)	-	-	(14,570)	-
Total General Fund				-	-	258,284	(296,263)	-	-	(37,979)	-
U.S. Department of Education											
Passed-through State Department of Education:											
Title I, Basic Allocation - Carryover	84.010	9/1/10-8/31/11	246,000	(30,272)	-	44,973	(54,065)	-	-	(39,364)	-
Title I, Basic Allocation - Carryover	84.010	9/1/09-8/31/10	106,033	(30,929)	-	30,929	-	-	-	-	-
Title I, Basic Allocation	84.010	9/1/11-8/31/12	245,302	-	-	131,925	(159,108)	-	-	(27,183)	-
Title II - Part A-Carryover	84.340	9/1/10-8/31/11	75,874	(12,186)	-	12,186	-	-	-	-	-
Title II - Part A	84.340	9/1/11-8/31/12	65,468	-	-	49,681	(65,468)	-	-	(15,787)	-
Title II - Part D	84.168	9/1/10-8/31/11	1,092	(1,092)	-	1,092	-	-	-	-	-
Title III	84.186	9/1/10-8/31/11	10,713	(2,251)	-	2,251	-	-	-	-	-
Title IV, Safe and Drug-Free Schools - Carryover	84.186	9/1/09-8/31/10	5,631	(34)	-	34	-	-	-	-	-
I.D.E.A. Part B Basic-ARRA	84.391	7/1/09-8/31/11	652,679	(15,016)	-	15,016	-	-	-	-	-
I.D.E.A. Part B Preschool-ARRA	84.392	7/1/09-8/31/11	23,602	(746)	-	746	-	-	-	-	-
I.D.E.A. Part B Basic	84.027	9/1/11-8/31/12	630,598	-	-	413,903	(589,966)	-	-	(176,063)	-
I.D.E.A. Part B Basic - Carryover	84.027	9/1/10-8/31/11	618,088	(99,475)	-	110,901	(20,155)	-	-	(8,729)	-
I.D.E.A. Part B Basic - Carryover	84.027	9/1/09-8/31/10	616,480	(4,484)	-	4,484	-	-	-	-	-
I.D.E.A. Part B Preschool	84.173	9/1/11-8/31/12	26,819	-	-	21,509	(26,819)	-	-	(5,310)	-
I.D.E.A. Part B Preschool - Carryover	84.173	9/1/10-8/31/11	26,841	(11,984)	-	11,984	-	-	-	-	-
I.D.E.A. Part B Preschool - Carryover	84.173	9/1/09-8/31/10	25,958	(8,401)	-	8,401	-	-	-	-	-
I.D.E.A. Part B Preschool - Carryover	84.173	9/1/08-8/31/09	28,525	(2,916)	-	2,916	-	-	-	-	-
Total Special Revenue Fund				(219,786)	-	862,931	(915,581)	-	-	(272,436)	-
U.S. Department of Agriculture											
Passed-through State Department of Education:											
School Breakfast Program	10.553	7/1/10-6/30/11	5,584	(542)	-	542	-	-	-	-	-
School Breakfast Program	10.553	7/1/11-6/30/12	8,824	-	-	8,332	(8,824)	-	-	(492)	-
Food Distribution Program	10.553	7/1/11-6/30/12	25,760	-	-	25,760	(25,760)	-	-	-	-
National School Lunch Program	10.555	7/1/10-6/30/11	125,684	(6,667)	-	6,667	-	-	-	-	-
National School Lunch Program	10.555	7/1/11-6/30/12	146,354	-	-	141,861	(146,354)	-	-	(4,493)	-
Total Enterprise (Food Service) Fund				(7,209)	-	183,162	(180,938)	-	-	(4,985)	-
Total Expenditures of Federal Awards				(226,995)	-	1,304,377	(1,392,782)	-	-	(315,400)	-

See accompanying notes to schedules of expenditures.

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2012

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2012	MEMO			Cumulative Total Expenditures	
										(Accounts Receivable) at June 30, 2012	Due to Grantor at June 30, 2012	Budgetary Receivable		
New Jersey Department of Education														
General Fund:														
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	152,661	(152,661)	-	152,661	-	-	-	-	-	-	-	-
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	154,006	-	-	-	(154,006)	-	-	(154,006)	-	(154,006)	-	(154,006)
Special Education Categorical Aid	12-495-034-5120-089	7/1/11-6/30/12	1,560,156	-	-	1,408,737	(1,408,737)	-	-	-	-	(151,419)	-	(1,560,156)
Nonpublic Transportation Aid	11-495-034-5120-045	7/1/10-6/30/11	4,719	(4,719)	-	4,719	-	-	-	-	-	-	-	-
Nonpublic Transportation Aid	12-495-034-5120-045	7/1/11-6/30/12	3,176	-	-	-	(3,176)	-	-	(3,176)	-	(3,176)	-	(3,176)
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	3,470,563	-	-	491,878	(491,878)	-	-	-	-	-	-	-
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	4,019,050	-	-	3,628,987	(3,628,987)	-	-	-	-	(390,063)	-	(4,019,050)
Categorical Security Aid	12-495-034-5120-084	7/1/11-6/30/12	163,661	-	-	147,777	(147,777)	-	-	-	-	(15,884)	-	(163,661)
PBSIS		7/1/11-6/30/12	8,160	-	-	8,160	(8,160)	-	-	(8,160)	-	(8,160)	-	(8,160)
Reimbursed Post-Retirement Medical	11-495-034-5095-002	7/1/10-6/30/11	1,208,007	(10,076)	-	10,076	-	-	-	-	-	-	-	-
Reimbursed Post-Retirement Medical	12-495-034-5095-002	7/1/11-6/30/12	1,735,580	-	-	1,735,580	(1,735,580)	-	-	-	-	-	-	(1,735,580)
Reimbursed TPAF Social Security Tax														
Contribution	11-100-034-5095-002	7/1/10-6/30/11	1,307,640	(53,779)	-	53,779	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Tax														
Contribution	12-100-034-5095-002	7/1/11-6/30/12	1,256,932	-	-	1,194,433	(1,256,932)	-	-	(62,499)	-	(62,499)	-	(1,256,932)
Total General Fund				(221,235)	-	8,836,787	(8,835,233)	-	-	(227,841)	-	(785,207)	-	(8,900,721)
Enterprise Funds:														
State School Lunch Program	11-100-010-3360-067	7/1/10-6/30/11	6,722	(727)	-	727	-	-	-	-	-	-	-	-
State School Lunch Program	12-100-010-3360-067	7/1/11-6/30/12	6,847	-	-	6,646	(6,847)	-	-	(201)	-	(201)	-	(6,847)
State School Breakfast Program	12-100-010-3360-096	7/1/11-6/30/12	-	-	-	-	-	-	-	-	-	-	-	-
Total Enterprise Fund				(727)	-	7,373	(6,847)	-	-	(201)	-	-	-	-
Total Expenditures of State Awards				(221,962)	-	8,844,160	(8,842,080)	-	-	(228,042)	-	(785,207)	-	(8,900,721)

See accompanying notes to schedules of expenditures.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to the Schedules of Awards and Financial Assistance

June 30, 2012

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 \$(65,488) for the general fund and \$(45,938) 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	\$ 296,263	8,835,233	-	\$ 9,131,496
Special Revenue Fund	869,643	-	10,822	880,465
Debt Service Fund	-	204,862	-	204,862
-				
Food Service Fund	<u>180,938</u>	<u>6,847</u>	<u>-</u>	<u>187,785</u>
Total awards and financial assistance	<u>\$1,346,844</u>	<u>9,046,942</u>	<u>10,822</u>	<u>\$ 10,404,608</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, 2012. 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, 2012.

Point Pleasant Borough School District

Ocean County, New Jersey

For the Year Ended June 30, 2012

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, 2012

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>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2012.

Prior Year Audit Findings - N/A

Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2012.

There were no prior year findings for the period ended June 30, 2011.