

SCHOOL DISTRICT
OF
POINT PLEASANT BEACH
OF OCEAN COUNTY

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Point Pleasant Beach School District
Of Ocean County

Point Pleasant Beach, NJ

For the Fiscal Year Ended June 30, 2012

Prepared by

Point Pleasant Beach Board of Education
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

Point Pleasant Beach School District

299 Cook's Lane

Point Pleasant Beach, New Jersey 08742

JOHN A. RAVALLY, Ed.D.
SUPERINTENDENT OF SCHOOLS

TEL : 732-899-8840
FAX : 732-899-1730

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Point Pleasant Beach School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and account groups of the District are included in this report. The Point Pleasant Beach Board of Education and both its schools constitute the District's reporting entity. The Point Pleasant Beach School District provides a comprehensive full range of educational services appropriate to grade levels Pre-School Handicapped through 12. These include regular, vocational, as well as special education for handicapped youngsters. Additionally community groups such as Pop Warner Football, Scouts, and Baseball Leagues regularly use the facilities.

The programs are provided at two locations: Point Pleasant Beach High School on Bay and Trenton Avenues and the G. Harold Antrim Elementary School on Niblick Street. There are 45 employees at the high school, 73 at the elementary school and 31 in district positions. School enrollment during 2011-2012 was 416 high school, 494 elementary school, which is 16 students above the 2010-11 student enrollment. The School District receives students from three other communities in the grades indicated: Bay Head (9-12), Lavallette (9-12) and Mantoloking (PKH-12). Additionally, some parents in nearby communities pay tuition to send their children to the District schools. During 2011-2012 there were 71 private tuition students. The following details the changes in the student enrollment of the District over the last nine years.

Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2011-12	910	1.79%
2010-11	894	(0.33%)
2009-10	897	1.90%
2008-09	880	3.30%
2007-08	851	(1.65%)
2006-07	865	(1.62%)
2005-06	879	(1.82%)
2004-05	895	(2.23%)
2003-04	915	1.22%

2) ECONOMIC CONDITION AND OUTLOOK: Point Pleasant Beach is a shore community; tourism and fishing are the biggest industries. The larger state and national economic picture as well as weather, ocean conditions, etc influence these industries. In recent years the town has been having good summers. The Point Pleasant Beach area has reached a point at which there is very limited land to be built on. With there being limited land available for future housing developments there is a constraint on population growth. In a 1999 Long-Range Enrollment and Facility Use Study it was predicted that the population of Point Pleasant Beach area would remain at or near the current figures. The inability for any significant growth will result in a stable tax base in the years to come. Point Pleasant Beach recently reassessed the town which has dramatically increased the ratable base. The ratable were \$2,475,217,753 in 2011-2012.

3) MAJOR INITIATIVES: Students from Point Pleasant Beach generally continue to score at or above state averages and cutoffs on all measures (EWT, HSPT, SAT, CAT). This year 96% passed language arts, 94% passed math and 93% passed science on the Grade Eight Proficiency Assessments. (General Education Students) 97% of the 11th graders passed Language Arts and 96% passed Math on the High School Proficiency Test. High School SAT scores averaged 524 Critical Reading and 544 Mathematics and 539 Writing. 92% of the Class of 2012 went to college, 2% to vocational training, 1% to the military, 3% to work, and 2% other. Students from our school attend the Ocean County Vocational Technical High School for Vocational Training. The District is a member of the Monmouth-Ocean Educational Services Commission, the New Jersey State Inter Scholastic

Athletic Association, The Shore Conference of High Schools and the New Jersey School Boards Association. It is accredited by the Middle States Association of College and Schools and certified by the State of New Jersey.

The School District has focused on physical plant needs and academic technology in recent years. Multi year plans have been developed for both schools and there has been a sizable financial commitment as well.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open purchase encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2010.

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

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

8) DEBT ADMINISTRATION: At June 30, 2012, the District's outstanding debt issues included \$3,473 through the Public School Facilities Loan Assistance Program, \$2,310,000 through the 2001 High School renovation project and \$3,640,000 through the 2006 Antrim Elementary School renovation project. The proceeds of these issues were placed in the District's capital projects fund for use to provide funds for capital improvements to the District' buildings and grounds. The monies from the Public School Facilities Loan Assistance Program were used to offset the costs of such expenses as the work done on the G. Harold Antrim Elementary School Gym Floor, the removal of underground storage tanks, the replacement of exterior doors in the High School, as well as repairs and replacement of various HVAC systems throughout the district. The most recent debt, the high school and elementary school renovations, includes the complete renovation of the respective schools.

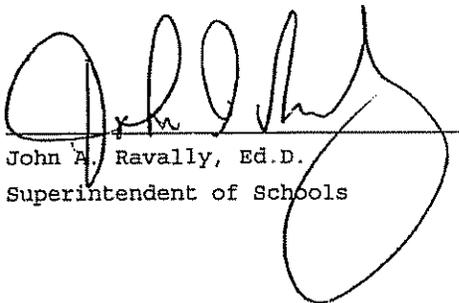
9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

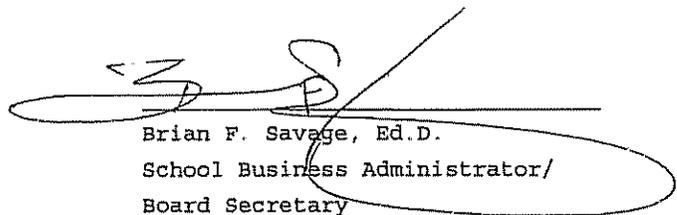
10) RISK MANAGEMENT: The Board carries various forms of insurance include but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11) OTHER INFORMATION: Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Jump, Scutellaro and Company, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report in the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

12) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Point Pleasant Beach Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our fiscal operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the Point Pleasant Beach Superintendent's Office and Business Office staff.

Respectfully submitted,

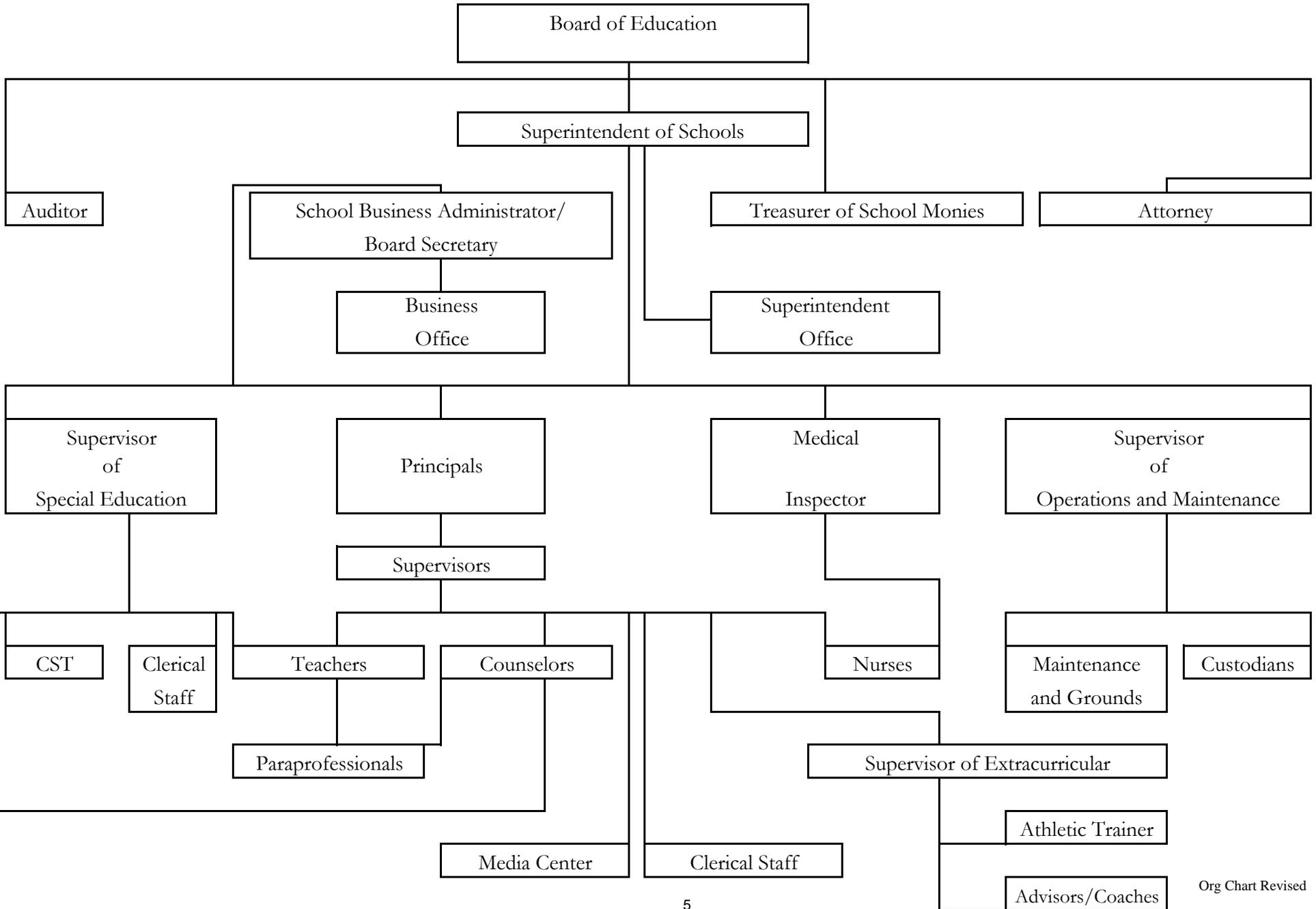

John A. Ravally, Ed.D.
Superintendent of Schools


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

Point Pleasant Beach Board of Education

Organizational Chart

(Unit Control)



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

Roster of Officials
June 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
James Ireland, President	2012
Eileen Laterza, Vice President	2013
Joyce Papaca	2013
Michael Spader	2012
Beth Keefe	2014

Other Officials

Dr. John A. Ravally, Superintendent of Schools
Dr. Brian F. Savage, School Business Administrator/Board Secretary
Barbara Scharmman, Treasurer
Frank Campbell, Esq., Solicitor

Point Pleasant Beach Board of Education
Consultants and Advisors

Architect

The Spiezle Architectural Group
120 Sanhican Drive
Trenton, New Jersey 08618

Audit Firm

Jump, Scutellaro and Company, LLP
12 Lexington Avenue
Toms River, New Jersey 08753

Attorney

Reussille, Mausner, Carotenuto, Barger, Kenny & Steel, LLC
365 Broad Street
P.O. Box 580
Red Bank, New Jersey 07701

Fiscal Agent

N/A

Official Depository

Ocean First Bank
Hooper Avenue
Toms River, NJ 08754

NJ Cash Management
2 Montgomery Street
Jersey City, NJ 07302

First Fidelity
2201 Bridge Avenue
Point Pleasant, NJ 08742

MBIA
113 King Street
Armonk, NY 10504

NJARM
224 Strawbridge Drive
Suite 104
Moorestown, NJ 08057

Bank of America
Arnold Avenue
Point Pleasant Beach, 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: jumpcpa.com

UNQUALIFIED OPINIONS 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 Beach School District
County of Ocean
Point Pleasant Beach, 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 Beach 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 the Point Pleasant Beach 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 standard 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 of the Board of Education of the Point Pleasant Beach 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 2, 2012 on our consideration of the District'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 other 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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

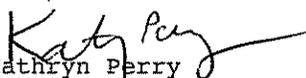
The Management's Discussion and Analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information, although not a part of the basic financial statements, is 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 conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Point Pleasant Beach 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 State, 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 are not a required part of the basic financial statements. The combining fund financial statements and schedules listed in the table of contents 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 do not express an opinion or provide any assurance 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 statements 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 2, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

POINT PLEASANT BEACH SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2012

The Management's Discussion and Analysis (MD&A) of the Point Pleasant Beach Board of Education 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 which is found starting on page 1 of the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-2012 fiscal year include the following:

In total, net assets increased \$677,153, which represents a 3.34% increase from 2011.

Total assets of governmental activities increased by \$105,244 as cash and cash equivalents increased by \$528,943; receivables decreased by \$134,339; and capital assets decreased by \$289,360.

Total liabilities decreased by \$571,909 as payables and other current liabilities decreased by \$8,806, and non-current liabilities (sick leave reimbursement and bonds payable) decreased by \$563,103. The pay down of long-term debt was \$949,669.

General revenues account for \$15,560,553 in revenue or 97.4% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$417,800 or 2.6% of the total revenues of \$15,978,353.

Total spending for all programs was \$15,301,202, including a charge of \$664,748 for depreciation. Expenses in the amount of \$671,196 were offset by specific charges for services and grants or contributions. General revenues (primarily local tax levy and state aid) of \$15,560,553 were adequate to provide for the balance of these programs, exclusive of the charge for depreciation.

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 Boards 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 their 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 the 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	\$ 1,324,074	\$ 795,131	66.52%
Receivables and other assets	446,639	580,978	-23.12%
Capital Assets	<u>25,980,708</u>	<u>26,270,068</u>	<u>-1.10%</u>
Total assets	<u>27,751,421</u>	<u>27,646,177</u>	<u>0.38%</u>
LIABILITIES			
Accounts payable	16,687	9,500	75.65%
Deferred revenue	0	0	0.00%
Other current liabilities	0	0	0.00%
Payable to federal government	11,191	27,184	-58.83%
Noncurrent liabilities:			
Due within one year	961,476	882,190	8.99%
Due beyond one year	<u>5,781,958</u>	<u>6,424,347</u>	<u>-10.00%</u>
Total liabilities	<u>6,771,312</u>	<u>7,316,037</u>	<u>-7.79%</u>
NET ASSETS			
Invested in capital assets, net of related debt	19,774,427	19,517,737	1.32%
Restricted for:			
Capital projects	0	0	0.00%
Debt service	5,597	5,597	
Other purposes	1,208,810	719,171	68.08%
Unassigned	<u>-8,725</u>	<u>60,451</u>	<u>-114.43%</u>
Total net assets	<u>\$ 20,980,109</u>	<u>\$ 20,302,956</u>	<u>3.34%</u>

Total assets decreased by \$105,946, primarily due to the depreciation change. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements of the School Board, decreased by \$69,176 due expenses in excess of revenues in the Business Activities and netted by the decrease in the sick leave reimbursement-which decreases net assets.

Total liabilities decreased by \$571,909. The decrease primarily resulted because of the bond payments. The 2001 Bonds were refunded with the 2011 bonds. This creates an overall net savings to the District over the next five years.

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 special extraordinary 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 2012-2011</u>
REVENUE			
Program revenue:			
Charges for services	\$ 334,958	\$ 331,601	1.01%
Federal, state and local aid-restricted	82,842	56,766	45.94%
General revenue:			
Local tax levy	11,561,910	11,453,492	0.95%
Federal and State aid-unrestricted	438,366	316,096	38.68%
Federal and State aid-restricted	1,463,122	1,288,012	13.60%
Other general revenue	<u>2,097,155</u>	<u>2,014,616</u>	<u>4.10%</u>
Total revenues	<u>15,978,353</u>	<u>15,460,583</u>	<u>3.35%</u>
FUNCTION/PROGRAM EXPENSES			
Instruction:			
Regular instruction	4,774,063	4,602,596	3.73%
Special instruction	1,089,601	1,067,875	2.03%
Other instruction	759,124	702,175	8.11%
Support services:			
Instruction	363,618	339,214	7.19%
Attendance	174,248	170,134	2.42%
Health services	340,220	309,749	9.84%
Other support services	648,252	882,517	-26.55%
Educational media services	206,286	197,853	4.26%
General administration	286,281	297,585	-3.80%
School administration	386,592	410,715	-5.87%
Operations and maintenance	2,055,367	2,169,863	-5.28%
Student transportation services	252,871	200,706	25.99%
Unallocated employee benefits	2,160,115	1,967,115	9.81%
Non-budgeted expenditures	1,080,324	900,956	19.91%
Business type activities	510,370	410,390	24.36%
Interest on long-term debt	<u>213,870</u>	<u>315,560</u>	<u>-32.23%</u>
Total expenses	<u>15,301,202</u>	<u>14,945,004</u>	<u>2.38%</u>
Increase (decrease) in net assets	<u>\$ 677,151</u>	<u>\$ 515,579</u>	<u>31.34%</u>

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

Regular instructional costs increased due to annual wage increases being offset with other cost cutting measures.

Other support services decreased by \$234,265 primarily due to the additional other support services for the ARRA grant no longer available.

THE SCHOOL BOARD'S FUNDS

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

As the School Board completed the fiscal year ended June 30, 2012, it reported a combined fund balance of \$20,980,811, which is an increase of \$677,855. 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 a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

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

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

The General Fund finished the fiscal year approximately \$236,193 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$438,740 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

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

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

The excesses will be carried forward into the beginning fund balance from the 2011-2012 fiscal year and will be used to reduce the local tax levy for the 2012-2012 fiscal year.

CAPITAL ASSETS

At June 30, 2012, the School Board had approximately \$26.1 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table IV below shows the 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>	Percentage of Change <u>2012-2011</u>
Land, buildings and building improvements	\$26,032,052	\$26,200,307	-0.64%
Furniture, vehicles and equipment	<u>51,344</u>	<u>69,761</u>	<u>-69.78%</u>
	<u>\$25,980,708</u>	<u>\$26,270,068</u>	<u>-0.19%</u>

During the current fiscal year, \$422,524 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2011-2012 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 20% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 68.9% of total revenue is from local tax levy.

The (\$8,725) in unrestricted net assets for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2011-2012 budget was adopted in March 2011 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst districts, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Township of Point Pleasant Beach for increased aid.

The School Board anticipates a slight increase in enrollment for the 2012-2013 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

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 Dr. Brian F. Savage, School Business Administrator/Board Secretary, at the Point Pleasant Beach Schools Board of Education, 299 Cooks Lane, Point Pleasant Beach, New Jersey 08742, or e-mail at savageb@ptbeach.com.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,162,104	\$ 161,970	\$ 1,324,074
Receivables - state	38,863	434	39,297
Receivables - other governments	44,504	9,817	54,321
Receivables-other	145,028	1,475	146,503
Interfund receivables	90,318	73,572	163,890
Inventory	-	5,200	5,200
Other assets	37,428	-	37,428
Capital assets, net (Note 6):	25,592,105	388,603	25,980,708
Total assets	<u>27,110,350</u>	<u>641,071</u>	<u>27,751,421</u>
LIABILITIES			
Accounts payable	-	16,687	16,687
Accrued payroll	-	-	-
Other current liabilities	-	-	-
Interfund payable	-	-	-
Payable to state government	11,191	-	11,191
Payable to federal government	-	-	-
Deferred revenue	-	-	-
Noncurrent liabilities (Note 7):			
Due within one year	867,511	93,965	961,476
Due beyond one year	5,585,687	196,271	5,781,958
Total liabilities	<u>6,464,389</u>	<u>306,923</u>	<u>6,771,312</u>
NET ASSETS			
Invested in capital assets, net of related debt	19,676,060	98,367	19,774,427
Restricted for:			
Capital projects	-	-	-
Debt service	5,597	-	5,597
Other purposes	1,208,810	-	1,208,810
Unassigned	(244,506)	235,781	(8,725)
Total net assets	<u>\$ 20,645,961</u>	<u>\$ 334,148</u>	<u>\$ 20,980,109</u>

See accompanying notes to the financial statements.

POINT PLEASANT BEACH 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	\$ 4,774,063	\$ -	\$ -	\$ -	\$ (4,774,063)	\$ -	\$ (4,774,063)
Special schools instruction	1,089,601	-	-	-	(1,089,601)	-	(1,089,601)
Other special instruction	759,124	-	-	-	(759,124)	-	(759,124)
Support services and undistributed costs:							
Instruction	363,618	-	-	-	(363,618)	-	(363,618)
Attendance	174,248	-	-	-	(174,248)	-	(174,248)
Health services	340,220	-	-	-	(340,220)	-	(340,220)
Other support services	648,252	-	-	-	(648,252)	-	(648,252)
Educational media services	206,286	-	-	-	(206,286)	-	(206,286)
General administrative services	286,281	-	-	-	(286,281)	-	(286,281)
School administrative services	386,592	-	-	-	(386,592)	-	(386,592)
Information technology	273,850	-	-	-	(273,850)	-	(273,850)
Allowed maintenance for school facilities	245,482	-	-	-	(245,482)	-	(245,482)
Other operation & maintenance of plant	1,536,035	-	-	-	(1,536,035)	-	(1,536,035)
Student transportation services	252,871	-	-	-	(252,871)	-	(252,871)
Business and other support services	-	-	-	-	-	-	-
Unallocated employee benefits	2,160,115	-	-	-	(2,160,115)	-	(2,160,115)
Non-budgeted expenditures	1,080,324	-	1,080,324	-	-	-	-
Interest on long-term debt	213,870	-	-	-	(213,870)	-	(213,870)
Total governmental activities	14,790,832	-	1,080,324	-	(13,710,508)	-	(13,710,508)
Business-type activities:							
Enterprise funds	510,370	334,958	82,842	-	-	(92,570)	(92,570)
Total business-type activities	510,370	334,958	82,842	-	-	(92,570)	(92,570)
Total primary government	\$ 15,301,202	\$ 334,958	\$ 1,163,166	\$ -	\$ (13,710,508)	\$ (92,570)	\$ (13,803,078)
General revenues:							
Taxes:							
Property taxes levied for general purpose					10,595,936	-	10,595,936
Taxes levied for debt service					965,974	-	965,974
Federal and state aid not restricted					439,214	-	439,214
Federal and state aid restricted					382,798	-	382,798
Tuition revenues					1,748,922	-	1,748,922
Miscellaneous income					346,472	-	346,472
Investment earnings					843	70	913
Total general revenues, special items, extraordinary items and transfers					14,480,159	70	14,480,229
Change in net assets					769,651	(92,500)	677,151
Net assets—beginning					19,876,310	426,648	20,302,958
Net assets—ending					\$ 20,645,961	\$ 334,148	\$ 20,980,109

See accompanying notes to the financial statements.

POINT PLEASANT BEACH 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	\$ 1,156,252	\$ 264	\$ -	\$ 5,588	\$ 1,162,104
Capital reserve	-	-	-	-	-
Due from other funds	197,467	-	-	9	197,476
Receivables from state	38,863	-	-	-	38,863
Receivables from Federal government	-	33,313	-	-	33,313
Other - [tuition]	145,028	-	-	-	145,028
Intergovernmental accounts	-	11,191	-	-	11,191
Interest receivable on investments	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	\$ 1,537,610	\$ 44,768	\$ -	\$ 5,597	\$ 1,587,975
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-	-
Due to other funds	73,581	33,577	-	-	107,158
Payable to federal government	-	-	-	-	-
Payable to state government	-	11,191	-	-	11,191
Other liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	73,581	44,768	-	-	118,349
Fund Balances:					
Restricted for:					
Excess surplus - current year	240,738	-	-	-	240,738
Excess surplus - prior year- designated for	-	-	-	5,597	5,597
Subsequent year's expenditures	101,805	-	-	-	101,805
Capital reserve account	-	-	-	-	-
Maintenance reserve account	556,600	-	-	-	556,600
Tuition reserve account	120,000	-	-	-	120,000
Debt services	-	-	-	-	-
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Designated by the BOE for subsequent					
year's expenditures	189,667	-	-	-	189,667
Unassigned:					
General fund	255,219	-	-	-	255,219
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Permanent fund	-	-	-	-	-
Total Fund balances	1,464,029	-	-	5,597	1,469,626
Total liabilities and fund balances	\$ 1,537,610	\$ 44,768	\$ -	\$ 5,597	

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 \$29,894,429 and the accumulated depreciation is \$4,302,324	25,592,105
Bond issuance costs being amortized over life of bonds, net of amortization	37,428
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(6,453,198)
Net assets of governmental activities	\$ 20,645,961

POINT PLEASANT BEACH 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	\$ 10,595,936	\$ -	\$ -	\$ 965,974	\$ 11,561,910
Tuition charges	1,748,922	-	-	-	1,748,922
Interest on investments	843	-	-	-	843
Interest Earned on Capital Reserve Funds	-	-	-	-	-
Transportation fees	-	-	-	-	-
Miscellaneous	346,472	-	-	-	346,472
Total - Local sources	12,692,173	-	-	965,974	13,658,147
State sources	1,518,690	95,583	-	-	1,614,273
Federal sources	848	287,215	-	-	288,063
Total revenues	14,211,711	382,798	-	965,974	15,560,483
EXPENDITURES					
Current:					
Regular instruction	\$ 4,468,348	\$ 305,715	\$ -	\$ -	\$ 4,774,063
Special education instruction	1,089,601	-	-	-	1,089,601
Other special instruction	759,124	-	-	-	759,124
Support services and undistributed costs:					
Instruction	363,618	-	-	-	363,618
Attendance	174,248	-	-	-	174,248
Health services	340,220	-	-	-	340,220
Other support services	571,169	77,083	-	-	648,252
Educational media services	206,286	-	-	-	206,286
Instruction staff training	-	-	-	-	-
General administrative services	286,281	-	-	-	286,281
School administrative services	386,592	-	-	-	386,592
Information technology	273,850	-	-	-	273,850
Allowed maintenance for school facilities	245,482	-	-	-	245,482
Other operation & maintenance of plant	1,037,227	-	-	-	1,037,227
Student transportation services	252,871	-	-	-	252,871
Business and other support services	-	-	-	-	-
Unallocated employee benefits	2,167,535	-	-	-	2,167,535
Non-budgeted expenditures	1,080,324	-	-	-	1,080,324
Debt service:					
Principal	-	-	-	761,737	761,737
Interest and other charges	-	-	-	204,237	204,237
Capital outlay	55,124	-	-	-	55,124
Total expenditures	13,757,900	382,798	-	965,974	15,106,672
Excess (Deficiency) of revenues over expenditures	453,811	-	-	-	453,811
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Bond Payoff and costs	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	453,811	-	-	-	453,811
Fund balance—July 1	1,010,218	-	-	5,597	1,015,815
Fund balance—June 30	\$ 1,464,029	\$ -	\$ -	\$ 5,597	\$ 1,469,626

See accompanying notes to the financial statements.

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

Total net change in fund balances - governmental funds (from B-2)	\$	453,811
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	\$ (472,222)	
Capital outlays	<u>28,538</u>	(443,684)
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.		761,737
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.		(9,633)
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.		<u>7,420</u>
Change in net assets of governmental activities	\$	<u>769,651</u>

See accompanying notes to the financial statements.

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

	Business-type Activities - Enterprise Fund		
	Food Service	EBS Technology	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 8,303	\$ 153,667	\$ 161,970
Accounts receivable:			
Local	-	1,475	1,475
State	434	-	434
Federal	9,817	-	9,817
Interfunds	-	73,572	73,572
Inventories	5,200	-	5,200
Total current assets	23,754	228,714	252,468
Fixed assets:			
Equipment	-	999,037	999,037
Accumulated depreciation	-	(610,434)	(610,434)
Total fixed assets	-	388,603	388,603
Total assets	\$ 23,754	\$ 617,317	\$ 641,071
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	16,687	-	16,687
Lease payable	-	290,236	290,236
Total liabilities	16,687	290,236	306,923
Net assets:			
Invested in capital assets, net of related debt	-	98,367	98,367
Restricted for other purposes	-	-	-
Unrestricted net assets	7,067	228,714	235,781
Total fund equity	7,067	327,081	334,148
Total liabilities and fund equity	\$ 23,754	\$ 617,317	\$ 641,071

See accompanying notes to the financial statements.

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund		
	Food Service	EBS Technology	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 187,079	\$ -	\$ 187,079
Daily sales - non-reimbursable programs	20,787	-	20,787
Miscellaneous	-	127,092	127,092
Total operating revenues	<u>207,866</u>	<u>127,092</u>	<u>334,958</u>
Operating expenses:			
Cost of sales	160,997	-	160,997
Salaries	137,303	-	137,303
Other purchased professional services	-	2,293	2,293
Miscellaneous	-	3,335	3,335
Interest expense	-	4,416	4,416
Management fees	9,500	-	9,500
Depreciation	-	192,526	192,526
Total operating expenses	<u>307,800</u>	<u>202,570</u>	<u>510,370</u>
Operating income (loss)	<u>(99,934)</u>	<u>(75,478)</u>	<u>(175,412)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	2,898	-	2,898
Federal sources:			
National school lunch program	61,244	-	61,244
Special milk program	-	-	-
Food distribution program	18,700	-	18,700
Interest and investment revenue	9	61	70
Total nonoperating revenues (expenses)	<u>82,851</u>	<u>61</u>	<u>82,912</u>
Income (loss) before contributions & transfers	<u>(17,083)</u>	<u>(75,417)</u>	<u>(92,500)</u>
Capital contributions	-	-	-
Transfers in (out)	-	-	-
Change in net assets	<u>(17,083)</u>	<u>(75,417)</u>	<u>(92,500)</u>
Total net assets—beginning	24,150	402,498	426,648
Total net assets—ending	<u>\$ 7,067</u>	<u>\$ 327,081</u>	<u>\$ 334,148</u>

See accompanying notes to the financial statements.

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds		
	Food Service	EBS Technology	Total Enterprise
Cash Flows from Operating Activities:			
Operating income (loss)	\$ (99,934)	\$ (75,478)	\$ (175,412)
Depreciation expense	-	192,526	192,526
Adjustments to reconcile operating loss to cash (used in) provided by operating activities:			
Change in assets and liabilities:			
Decrease (increase) in interfund receivable	-	(26,435)	(26,435)
Decrease (increase) in local receivable	-	(1,475)	(1,475)
Decrease (increase) in inventory	702	-	702
Decrease (increase) in accounts payable	7,189	-	7,189
Net cash provided by (used in) operating activities	<u>(92,043)</u>	<u>89,138</u>	<u>(2,905)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers out	-	-	-
Interest	9	61	70
Cash received from state and federal reimbursements	63,889	-	63,889
Net cash provided by (used in) noncapital financing activities	<u>63,898</u>	<u>61</u>	<u>63,959</u>
Cash flows from Capital Activities:			
Payments on lease payable	-	(187,932)	(187,932)
Purchase of equipment	-	-	-
Net cash used in capital activities	<u>-</u>	<u>(187,932)</u>	<u>(187,932)</u>
Net increase in cash and cash equivalents	(28,145)	(98,733)	(126,878)
Cash and cash equivalents, July 1	17,748	252,400	270,148
Cash and cash equivalents, June 30	<u>\$ (10,397)</u>	<u>\$ 153,667</u>	<u>\$ 143,270</u>
Non cash transactions			
Equipment purchased through lease	<u>\$ -</u>	<u>\$ 393,986</u>	<u>\$ 393,986</u>

See accompanying notes to the financial statements.

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

	<u>Unemployment Compensation Trust</u>	<u>Emergency Fund</u>	<u>Student Activity</u>	<u>Agency Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 45,173	\$ -	\$ 163,024	\$ 555,382	\$ 763,579
Intergovernmental accounts receivable	-	-	-	-	-
Interfund receivable	-	-	-	-	-
Total assets	<u>45,173</u>	<u>-</u>	<u>163,024</u>	<u>555,382</u>	<u>763,579</u>
LIABILITIES					
Accrued wages and salaries	-	-	-	381,120	381,120
Interfund payable	-	-	-	163,890	163,890
Payroll deductions and withholdings	-	-	-	10,372	10,372
Payable to student groups	-	-	163,024	-	163,024
Other current liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>163,024</u>	<u>555,382</u>	<u>718,406</u>
NET ASSETS					
Held in trust for unemployment claims and other purposes	45,173	-	-	-	45,173
Reserved for scholarships	-	-	-	-	-
Total net assets	<u>45,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,173</u>
Total liabilities and net assets	<u>\$ 45,173</u>	<u>\$ -</u>	<u>\$ 163,024</u>	<u>\$ 555,382</u>	<u>\$ 763,579</u>

See accompanying notes to the financial statements.

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

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ -
Other	-
Total Contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	6
Dividends	-
Less investment expense	-
Net investment earnings	6
Total additions	6
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	8,140
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	882
Total deductions	9,022
Change in net assets	(9,016)
Net assets—beginning of the year	54,189
Net assets—end of the year	\$ 45,173

See accompanying notes to the financial statements.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2012

1. Summary of Significant Accounting Policies

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

a. Reporting Entity

Point Pleasant Beach School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members elected to three year terms and one member appointed by the Lavalette Board of Education for a one year term. The purpose of the District is to educate students in grades Pre-K-12. The District has an approximate enrollment at June 30, 2012 of 851 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name) the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

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.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

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.

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.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

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.

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.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

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

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

The District reports the following proprietary fund:

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

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

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

Equipment	5-20 Years
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POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

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.e.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all requirements have been satisfied.

Governmental fund financial statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

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.

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.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

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.

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.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

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 enterprise funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

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.

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:

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

1. Capital Assets (continued)

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

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

m. Compensated Absences

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

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

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

n. Deferred Revenue

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

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

o. 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.

p. 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.

q. Fund Balance Resources

In February 2009, the GASB issued GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions ("GASB 54"). GASB 54 is effective for periods beginning after June 15, 2010 and established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

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

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

q. Fund Balance Resources (continued)

- 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.

r. 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.

s. 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 BEACH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

t. 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.

u. 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 \$381,120.

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 (including Fiduciary funds) was \$2,087,654 and the bank balance was \$2,423,485 of the bank balance, \$X was insured with Federal Deposit Insurance.

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

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

2. Cash, Cash Equivalents and Investments (continued)

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

3. Investments

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

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

As of June 30, 2012, the District had \$463,266 on deposit with the New Jersey Asset and Rebate Management Program.

Custodial Credit Risk: Pursuant to GASB 40, the NJARM, which is a pooled investment, is exempt from custodial credit risk disclosure. The District does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

3. Investments (continued)

Obligations of U.S. government or investments guaranteed by the U.S. government. The NJARM is not rated by a rating agency.

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

4. Capital Reserve Account

Capital reserve accounts may be established by New Jersey school district for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A 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 Districts Long Range Facilities Plan (LRFP) and updated in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot exceed the local support costs of uncompleted capital projects in its approved LRFP.

The district does not have a Capital Reserve account.

5. Receivables

Receivables at June 30, 2012, consisted of accounts (rent and tuition), interfund and intergovernmental. 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	38,863	39,297
Federal Aid	33,313	43,130
Interfunds	197,476	163,890
Other	156,219	157,694
Gross Receivables	425,871	404,011
Less:		
Allow. for Uncollectibles	-	-
Total Receivables, Net	425,871	404,011

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

6. Fixed Assets

Capital assets consisted of the following at June 30, 2012:

	Beginning			Ending
	Balance	Additions	Retirements	Balance
GOVERNMENTAL ACTIVITIES:				
Capital assets that are not being depreciated:				
Site and site improvements	\$ 10,518,100			\$10,518,100
Construction in progress	-		-	-
Total capital assets not being depreciated	<u>10,518,100</u>		-	<u>10,518,100</u>
Building and building Improvements	18,039,041	-		18,039,041
Machinery and equipment	<u>1,308,750</u>	28,538	-	<u>1,337,288</u>
Totals at historical cost	<u>19,347,791</u>	28,538	-	<u>19,376,329</u>
Less accumulated depreciation for:				
Building and improvements	(1,976,236)	(360,781)	-	(2,717,615)
Equipment	<u>(1,856,866)</u>	<u>(111,441)</u>	-	<u>(1,584,709)</u>
Total accumulated depreciation	<u>(3,830,102)</u>	<u>(472,222)</u>	-	<u>(4,302,324)</u>
Total capital assets being depr. net of accumulated depreciation	<u>15,517,689</u>	<u>(443,684)</u>	-	<u>15,074,005</u>
Government activities capital assets, net	<u>\$ 26,035,789</u>	<u>(443,684)</u>	-	<u>\$25,592,105</u>
BUSINESS-TYPE ACTIVITIES:				
Equipment	652,187	393,987	(47,137)	999,037
Less: accumulated deprec. Business-type activities capital assets, net	<u>(417,908)</u>	<u>(192,526)</u>	-	<u>(610,434)</u>
	<u>\$ 234,279</u>	<u>201,461</u>	<u>(47,137)</u>	<u>\$388,603</u>

Depreciation expense was charged to governmental functions as follows:

Operations and maintenance	\$ 472,222
Total depreciation expense	<u>\$ 472,222</u>

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

7. Non-current Liabilities

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

	<u>Balance</u> <u>6-30-11</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>6-30-12</u>	<u>Due Within</u> <u>One Year</u>
Bonds payable	\$6,715,210	-	761,737	5,953,473	\$781,736
Obligations under capital lease	84,182	393,986	187,932	290,236	93,965
Compensated absences Payable	<u>507,145</u>	<u>28,852</u>	<u>36,272</u>	<u>499,725</u>	<u>85,775</u>
	<u>\$7,306,537</u>	<u>422,838</u>	<u>985,941</u>	<u>6,743,434</u>	<u>\$ 961,476</u>

a. Bonds Payable

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

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

<u>Year ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	781,736	179,598	961,335
2014	806,737	158,347	965,083
2015	835,000	136,315	971,315
2016	855,000	112,687	967,687
2017	890,000	87,092	977,092
2018-2021	<u>1,785,000</u>	<u>168,535</u>	<u>1,953,535</u>
	<u>\$5,953,473</u>	<u>\$ 842,574</u>	<u>\$6,796,047</u>

b. Bonds Authorized But Not Issued

As of June 30, 2012 the School District had no authorized but not issued bonds.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

7. Non-current Liabilities (continued)

c. Obligations Under Capital Leases

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of varying years. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2012:

	Year-ending June 30,	
	2013	103,750
	2014	103,750
	2015	<u>103,750</u>
Total Minimum Lease Payments		311,250
Less: Amount representing Interest		<u>21,014</u>
Present Value of Lease payments		<u>290,236</u>

8. Grant Programs

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

9. 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.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

9. Pension Plans (continued)

Teachers' Pension and Annuity Fund (TPAF) - TPAF was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. TPAF is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related 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) - PERS was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. PERS is a cost-sharing multi-employer plan.

Membership is mandatory for substantially all 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.

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.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

9. Pension Plans (continued)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5 1/2% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$ -	100 %	\$ 0
6/30/11	-	100	0
6/30/10	-	100	0

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$613,333	0 %	\$ 0
6/30/11	426,454	0	0
6/30/10	403,312	0	0

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$613,333 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$466,991 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

10. 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, 2011, 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 2011, the State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members.

11. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences".

District employees are granted varying amounts of sick leave in accordance with the districts personnel policy. District employees who are employed for twelve months are entitled to fourteen paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

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

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

14. Interfund Receivables and Payables

The following inter-fund balances remained on the balance sheet at June 30, 2012:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 197,467	73,581
Special Revenue Fund	-	33,577
Capital Projects Fund	-	-
Debt Service Fund	9	-
Enterprise Fund	73,572	-
Trust and Agency Fund	<u>-</u>	<u>163,890</u>
	<u>\$271,048</u>	<u>\$ 271,048</u>

15. Inventory

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

Food & supplies	\$5,200
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16. Fund Balances

General Fund - Of the \$1,464,029 general fund balance at June 30, 2012, \$240,738 is restricted for excess surplus for subsequent year expenditures, \$556,600 is restricted for maintenance reserve, \$120,000 is restricted for the tuition reserve, \$189,667 is designated by the Board for subsequent years expense, \$240,738 is restricted for excess surplus and \$255,219 is unassigned.

17. 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 \$240,738. The excess fund balance at June 30, 2011 was \$101,805. 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.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

18.Uncertain Tax Positions

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

19.Subsequent Events

Management has evaluated subsequent events through October 2, 2012, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 10,595,936	-	10,595,936	10,595,936	-
Tuition-public	1,787,936	-	1,787,936	1,370,357	(417,579)
Tuition-private	-	-	-	378,565	378,565
Interest on investments	1,000	-	1,000	843	(157)
Interest earned on capital reserve funds	-	-	-	-	-
Transportation fees	-	-	-	-	-
Miscellaneous	31,839	(5,252)	37,091	346,472	309,381
Total - local sources	12,416,711	(5,252)	12,421,963	12,692,173	270,210
State sources:					
Transportation aid	-	-	-	-	-
Special education aid	300,192	-	300,192	371,466	71,274
Security Aid	-	-	-	58,117	58,117
Adjustment Aid	-	-	-	276	276
Extraordinary aid	-	-	-	38,863	38,863
TPAF pension (on-behalf - Non-budgeted)	-	-	-	613,333	613,333
TPAF social security (reimbursed - Non-budgeted)	-	-	-	466,991	466,991
Total state sources	300,192	-	300,192	1,549,046	1,248,854
Federal Source:					
Education Jobs Fund Program	-	848	848	848	-
Total Federal sources	-	848	848	848	-
Total revenues	12,716,903	(5,252)	12,723,003	14,242,067	1,519,064
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of teachers	\$ 183,506	\$ (7,300)	176,206	176,184	\$ 22
Grades 1-5 - Salaries of teachers	1,210,118	(45,368)	1,164,750	1,164,718	32
Grades 6-8 - Salaries of teachers	829,754	121,000	950,754	949,913	841
Grades 9-12 - Salaries of teachers	1,788,289	143,185	1,931,474	1,930,984	490
Regular Programs - Home Instruction:					
Salaries of teachers	10,000	(5,500)	4,500	4,473	27
Purchased professional-educational services	-	-	-	-	-
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	-	-	-	-	-
Purchased professional-educational services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Other purchased services (400-500 series)	63,095	(7,100)	55,995	55,932	63
General supplies	204,030	(33,630)	170,400	170,185	215
Textbooks	15,210	1,230	16,440	15,959	481
Other objects	-	-	-	-	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,304,002	166,517	4,470,519	4,468,348	2,171

SPECIAL EDUCATION - INSTRUCTION

POINT PLEASANT BEACH 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>
Resource Room/Resource Center:					
Salaries of teachers	841,171	(5,933)	835,238	831,807	3,431
Other salaries for instruction	153,320	(37,475)	115,845	111,412	4,433
General supplies	8,300	-	8,300	5,327	2,973
Other Objects	-	-	-	-	-
Total Resource Room/Resource Center	1,002,791	(43,408)	959,383	948,546	10,837
Preschool Disabilities - Full Time					
Salaries of teachers	102,452	(18,262)	84,190	72,808	11,382
Other salaries for instruction	-	68,262	68,262	68,047	215
General supplies	3,000	(150)	2,850	200	2,650
Total Preschool Disabilities - Full Time	105,452	49,850	155,302	141,055	14,247
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,108,243	6,442	1,114,685	1,089,601	25,084
Basic Skills/Remedial - Instruction					
Salaries of teachers	-	5,700	5,700	5,700	-
General supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	-	5,700	5,700	5,700	-
Bilingual Education - Instruction					
Salaries of teachers	-	57,665	57,665	57,665	-
Other purchased services (400-500 series)	-	-	-	-	-
Purchased professional-Educational services	56,390	(56,390)	-	-	-
General supplies	5,000	(1,200)	3,800	1,328	2,472
Textbooks	-	-	-	-	-
Other objects	-	-	-	-	-
Total Bilingual Education - Instruction	61,390	75	61,465	58,993	2,472
School-Spon. Cocurricular Activities - Instruction					
Salaries	482,768	(940)	481,828	481,618	210
Purchased services	32,271	-	32,271	32,124	147
Supplies and materials	114,715	11,500	126,215	124,093	2,122
Other objects	14,316	(400)	13,916	13,596	320
Transfer to cover deficit(agency funds)	46,000	-	46,000	43,000	3,000
Total School-Spon. Cocurricular Actvts. - Instruction	690,070	10,160	700,230	694,431	5,799
Total Instruction	6,163,705	188,894	6,352,599	6,317,073	35,526
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - special	-	-	-	-	-
Tuition to private schools for the disabled - w/state	359,152	5,100	364,252	363,618	634
Total Undistributed Expenditures - Instruction:	359,152	5,100	364,252	363,618	634
Undist. Expend. - Attendance and social work service					
Salaries	184,933	(6,062)	178,871	174,248	4,623
Total Undistributed Expenditures - Attendance	184,933	(6,062)	178,871	174,248	4,623
Undist. Expend. - Health Services					
Salaries	144,397	211	144,608	144,059	549
Purchased professional and technical services	-	-	-	-	-
Other purchased services (400-500 series)	117,700	75,450	193,150	193,078	72
Supplies and materials	2,750	500	3,250	3,083	167
Other objects	-	-	-	-	-
Total Undistributed Expenditures - Health Services	264,847	76,161	341,008	340,220	788

POINT PLEASANT BEACH 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. - Other Support Serv - Speech OT / PT					
Salaries	120,308	(54,000)	66,308	66,176	132
Other objects	1,500	-	1,500	193	1,307
Total Undist. Expend. - Other Support Serv - Speech OT/PT	121,808	(54,000)	67,808	66,369	1,439
Undist. Expend. - Other Support Serv Students-Guidance					
Salaries of other professional staff	170,856	(120,400)	50,456	50,241	215
Salaries of secretarial and clerical assistants	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased services (400-500 series)	4,500	2,547	7,047	5,997	1,050
Supplies and materials	-	-	-	-	-
Total Undist. Expend. - Other Support Serv - Students-Guidance	175,356	(117,853)	57,503	56,238	1,265
Undist. Expend. - Other Support Serv - Child Study					
Salaries of other professional staff	230,278	5,347	235,625	234,799	826
Salaries of secretarial and clerical assistants	46,370	15,869	62,239	61,917	322
Supplies and materials	8,750	-	8,750	2,176	6,574
Other objects	10,000	-	10,000	8,183	1,817
Total Undist. Expend. - Other Supp Services - Child Study	295,398	21,216	316,614	307,075	9,539
Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr					
Salaries of supervisor of instruction	124,160	15,993	140,153	126,842	13,311
Salaries of other professional staff	-	-	-	-	-
Salaries of secretarial and clerical assist.	-	-	-	-	-
Other salaries	5,000	-	5,000	1,767	3,233
Other purchased professional and technical services	-	-	-	-	-
Other purchased services (400-500)	21,350	2,465	23,815	12,878	10,937
Supplies and materials	-	-	-	-	-
Other objects	-	-	-	-	-
Total Undist. Expend. - Improv of Instruct Serv - Other Sup Se	150,510	18,458	168,968	141,487	27,481
Undist. Expend. - Educational Media Services/School Library					
Salaries	173,801	25,826	199,627	199,592	35
Purchased professional and technical services	-	-	-	-	-
Supplies and materials	14,100	(1,900)	12,200	6,694	5,506
Total Undist. Expend. - Educational Media Services/School Libra	187,901	23,926	211,827	206,286	5,541
Undist. Expend. - Support Service - General Administration					
Salaries	240,608	15,646	256,254	219,973	36,281
Legal services	2,500	6,000	8,500	6,728	1,772
Audit Fees	17,000	-	17,000	13,563	3,437
Other purchased professional services	2,500	-	2,500	-	2,500
Purchased technical services	-	-	-	-	-
Communications/Telephone	2,000	-	2,000	2,000	-
Other purchased services (400-500 series)	-	-	-	-	-
General supplies	7,100	-	7,100	4,137	2,963
Supplies and materials	-	-	-	-	-
BOE membership dues and fees	7,000	(142)	6,858	6,858	-
Miscellaneous expenditures	57,500	142	57,642	33,022	24,620
Total Undist. Expend. - Support Service - General Administratic	336,208	21,646	357,854	286,281	71,573
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	221,950	7,855	229,805	229,758	47
Salaries of secretarial and clerical assistants	118,254	12,300	130,554	130,531	23
Other purchased services (400-500 series)	-	-	-	-	-
Supplies and materials	25,370	-	25,370	19,180	6,190
Other objects	13,310	(4,100)	9,210	7,123	2,087
Total Undist. Expend. - Support Service - School Administration	378,884	16,055	394,939	386,592	8,347

POINT PLEASANT BEACH 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
Undistributed Expenditures - Central Services					
Salaries	256,094	825	256,919	256,742	177
Purchased professional services	2,500	(2,500)	-	-	-
Supplies and materials	7,100	2,900	10,000	9,932	68
Total Undist. Expend. - Central Services	265,694	1,225	266,919	266,674	245
Undist.- Admin. Info. Technology					
Salaries	6,976	200	7,176	7,176	-
Total Undist. Expend - Admin. Info. Technology	6,976	200	7,176	7,176	-
Undist. Expend. - Allowed Maintenance for School Facilities					
Salaries	135,725	-	135,725	135,725	-
Cleaning, repair and maintenance services	79,550	(32,181)	47,369	47,307	62
General supplies	69,010	(33,070)	35,940	35,940	-
Other objects	10,840	15,758	26,598	26,510	88
Total Undist. Expend. - Allowed Maintenance for School Facilities	295,125	(49,493)	245,632	245,482	150
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	416,860	21,199	438,059	433,582	4,477
Purchased professional and technical services	96,216	(29,000)	67,216	66,861	355
Cleaning, repair and maintenance services	-	65,515	65,515	62,450	3,065
Rental of land and building other than lease	-	-	-	-	-
Other purchased property services	2,000	-	2,000	1,680	320
Insurance	152,843	(54,586)	98,257	98,257	-
General supplies	-	66,885	66,885	66,062	823
Energy (energy and electricity)	453,000	(118,459)	334,541	308,335	26,206
Other objects	-	-	-	-	-
Total Undist. Expend. - Other Operation & Maintenance Of Plant	1,120,919	(48,446)	1,072,473	1,037,227	35,246
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation (between home and school) - Regular	-	-	-	-	-
Salaries for pupil transportation (between home and school)	81,847	15,000	96,847	96,766	81
Purchased professional and technical services	-	-	-	-	-
Cleaning, repair and maintenance services	5,000	4,700	9,700	9,684	16
Lease purchase payments - School buses	-	-	-	-	-
Contract services (between home & school) - Vendors	87,011	(52,400)	34,611	34,035	576
Contract services - (other than between home and school) -	100,570	(1,700)	98,870	98,021	849
Supplies and materials	5,000	15,000	20,000	14,190	5,810
Transportation - Gasoline	-	-	-	-	-
Miscellaneous expenditures	-	1,000	1,000	175	825
Total Undist. Expend. - Student Transportation Services	279,428	(18,400)	261,028	252,871	8,157
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	-	-	-	-	-
Social security contributions	204,198	1,000	205,198	205,109	89
Other retirement contributions - regular	173,295	3,000	176,295	176,214	81
Unemployment compensation	-	-	-	-	-
Workmen's compensation	110,835	(14,897)	95,938	95,938	-
Health benefits	1,730,111	(35,368)	1,694,743	1,669,520	25,223
Tuition reimbursement	67,000	(46,000)	21,000	20,754	246
Other employee benefits	-	-	-	-	-
TOTAL UNALLOCATED EMPLOYEE BENEFITS	2,285,439	(92,265)	2,193,174	2,167,535	25,639

POINT PLEASANT BEACH 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
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	613,333	(613,333)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	466,991	(466,991)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,080,324	(1,080,324)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,285,439	(92,265)	2,193,174	3,247,859	(1,054,685)
TOTAL UNDISTRIBUTED EXPENDITURES	6,708,578	(202,532)	6,506,046	7,385,703	(879,657)
TOTAL GENERAL CURRENT EXPENSE	12,872,283	(13,638)	12,858,645	13,702,776	(844,131)
CAPITAL OUTLAY					
Equipment					
Operation & Maint. Of plant serv.	3,000	7,238	10,238	10,238	-
Regular Programs - Instruction:					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Grades 9-12	-	12,500	12,500	12,500	-
Special Education - Instruction:					
Preschool handicapped - Part-time	-	-	-	-	-
Basic skills/Remedial - Instruction	-	-	-	-	-
Bilingual education - Instruction	-	-	-	-	-
School - Sponsored and other instructional program	-	-	-	-	-
Undistributed expenditures - Instruction	-	-	-	-	-
Undistributed expenditures - Support services - Special	-	-	-	-	-
Undistributed expenditures - Operation	-	-	-	-	-
Undistributed expenditures - General administration	-	-	-	-	-
Undistributed expenditures - School administration	-	-	-	-	-
Operation & maintenance of plant services	-	-	-	-	-
Student transportation	-	-	-	-	-
Business/Other support services	-	-	-	-	-
Total Equipment	3,000	19,738	22,738	22,738	-
Facilities Acquisition and Construction Services					
Current capital outlay transfer - Capital projects	-	-	-	-	-
Land and improvements	-	-	-	-	-
Lease purchase agreements - principal	-	-	-	-	-
Other objects	32,386	-	32,386	32,386	-
Total Facilities Acquisition and Construction Services	32,386	-	32,386	32,386	-
TOTAL CAPITAL OUTLAY	35,386	19,738	55,124	55,124	-
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of teachers	-	-	-	-	-
Total Summer School - Instruction	-	-	-	-	-
Summer School - Support Services					
Salaries	-	-	-	-	-
Total Summer School - Support Services	-	-	-	-	-
Total Summer School	-	-	-	-	-
TOTAL SPECIAL SCHOOLS	-	-	-	-	-
TOTAL EXPENDITURES	12,907,669	6,100	12,913,769	13,757,900	(844,131)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(190,766)	848	(190,766)	484,167	(674,933)
Other Financing Sources/Uses:					
Transfer to capital projects fund	-	-	-	-	-
Operating transfer in:	-	-	-	-	-
Accumulated interest	-	-	-	-	-
Total Other Financing Sources:	-	-	-	-	-

POINT PLEASANT BEACH 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
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures & Other Financing Sources (Uses)	(190,766)	848	(190,766)	484,167	(674,933)
Fund Balance, July 1	1,017,058		1,017,058	1,017,058	-
Fund Balance, June 30	\$ 826,292	848	826,292	1,501,225	\$ (674,933)
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				-	
Maintenance reserve				556,600	
Tuition reserve				120,000	
Excess surplus - Designated for subsequent year's expenditures				101,805	
Excess surplus - Current year				240,738	
Committed Fund Balance:					
Year-end encumbrances				-	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				189,667	
Unassigned Fund Balance				292,415	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recongized on GAAP basis				(37,196)	
Fund balance per governmental funds (GAAP)				255,219	

POINT PLEASANT BEACH SCHOOL DISTRICT
 Education Jobs Fund - Budget and Actual
 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>
REVENUES:					
Federal Sources:					
Education Jobs FundProgram	\$ -	(848)	848	848	-
TOTAL REVENUES	<u>-</u>	<u>(848)</u>	<u>848</u>	<u>848</u>	<u>-</u>
EXPENDITURES:					
Education Jobs Program Funds:					
Unallocated benefits					
Health Benefits	-	(848)	848	848	-
Total unallocated benefits	<u>-</u>	<u>(848)</u>	<u>848</u>	<u>848</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>(848)</u>	<u>848</u>	<u>848</u>	<u>-</u>

POINT PLEASANT BEACH 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	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	87,400	35,787	123,187	95,583	(27,604)
Federal sources	217,982	77,891	295,873	287,215	(8,658)
Total Revenues	305,382	113,678	419,060	382,798	(36,262)
EXPENDITURES					
Instruction:					
Salaries of teachers	74,994	(27,454)	47,540	47,540	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	68,188	201,272	269,460	246,045	23,415
General supplies	-	2,621	2,621	2,621	-
Technology	-	-	-	-	-
Supplies NP	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	8,793	716	9,509	9,509	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	151,975	177,155	329,130	305,715	23,415
Support services:					
Other support services					
students - special:					
Other professional staff salaries	142,988	(142,988)	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional development	-	38,982	38,982	31,238	7,744
Purchased professional services	-	25,745	25,745	25,536	209
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	-	8,160	8,160	8,160	-
Travel	-	-	-	-	-
Nursing services	10,419	1,730	12,149	12,149	-
Miscellaneous purchased services	-	4,865	4,865	-	4,865
Personal services	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	29	29	-	29
Total other support services - students - special	153,407	(63,477)	89,930	77,083	12,847
Facilities acquisition and const. serv.:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total expenditures	305,382	113,678	419,060	382,798	36,262
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	305,382	113,678	419,060	382,798	36,262
Excess (deficiency) of revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recongized on GAAP basis				-	
Fund balance per governmental funds (GAAP)				\$ -	

POINT PLEASANT BEACH SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 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]	\$ 14,242,067	[C-2]	\$ 382,798
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		6,840		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(37,196)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 14,211,711	[B-2]	\$ 382,798
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 13,757,900	[C-2]	\$ 382,798
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.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 13,757,900	[B-2]	\$ 382,798

OTHER SUPPLEMENTARY INFORMATION

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

	IDEA-Part B Basic 10/11	Title I Part A 11/12	IDEA Part B -Preschool 11/12	Title II Part A/D 11/12	IDEA-Part B Basic 11/12
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	<u>6,809</u>	<u>51,581</u>	<u>6,740</u>	<u>31,238</u>	<u>190,847</u>
Total revenues	<u><u>6,809</u></u>	<u><u>51,581</u></u>	<u><u>6,740</u></u>	<u><u>31,238</u></u>	<u><u>190,847</u></u>
Expenditures:					
Instruction:					
Salaries of teachers	-	40,800	6,740	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	6,809	-	-	-	165,311
General supplies	-	2,621	-	-	-
Technology	-	-	-	-	-
Supplies NP	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	<u><u>6,809</u></u>	<u><u>43,421</u></u>	<u><u>6,740</u></u>	<u><u>-</u></u>	<u><u>165,311</u></u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional Development	-	-	-	31,238	-
Purchased professional services	-	-	-	-	25,536
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	-	8,160	-	-	-
Travel	-	-	-	-	-
Nursing Svcs	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-
Personal Services	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	<u><u>-</u></u>	<u><u>8,160</u></u>	<u><u>-</u></u>	<u><u>31,238</u></u>	<u><u>25,536</u></u>
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Total expenditures	<u><u>\$ 6,809</u></u>	<u><u>\$ 51,581</u></u>	<u><u>\$ 6,740</u></u>	<u><u>\$ 31,238</u></u>	<u><u>\$ 190,847</u></u>

(Continued on next page)

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

(Continued from prior page)

	Title 192 11/12	Nonpublic Textbooks 10/11	Nonpublic Textbooks 11/12	Nonpublic Nursing 11/12	Total 2012
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	73,925	1,004	8,505	12,149	95,583
Federal sources	-	-	-	-	287,215
Total revenues	73,925	1,004	8,505	12,149	382,798
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	47,540
Other salaries/instruction	-	-	-	-	-
Purchased professional services	73,925	-	-	-	246,045
General supplies	-	-	-	-	2,621
Technology	-	-	-	-	-
Supplies NP	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	-	1,004	8,505	-	9,509
Miscellaneous expenses	-	-	-	-	-
Total instruction	73,925	1,004	8,505	-	305,715
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional Development	-	-	-	-	31,238
Purchased professional services	-	-	-	-	25,536
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	-	-	-	-	8,160
Travel	-	-	-	-	-
Nursing Svcs	-	-	-	12,149	12,149
Miscellaneous purchased services	-	-	-	-	-
Personal Services	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	-	-	-	12,149	77,083
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	-	-	-	-	-
Total expenditures	\$ 73,925	\$ 1,004	\$ 8,505	\$ 12,149	\$ 382,798

POINT PLEASANT BEACH SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Assets
as of June 30, 2012

	<u>Food Services</u>	<u>EBS Technology</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 8,303	\$ 153,667
Accounts receivable:		
Local	-	1,475
State	434	-
Federal	9,817	-
Interfunds	-	73,572
Inventories	5,200	-
Total current assets	<u>23,754</u>	<u>228,714</u>
Fixed assets:		
Equipment	-	999,037
Accumulated depreciation	-	(610,434)
Total fixed assets	<u>-</u>	<u>388,603</u>
Total assets	<u>\$ 23,754</u>	<u>\$ 617,317</u>
Liabilities and Fund Equity:		
Liabilities:		
Accounts payable	\$ 16,687	\$ -
Lease payable	-	290,236
Total liabilities	<u>16,687</u>	<u>290,236</u>
Net assets:		
Invested in capital assets, net of relate	-	98,367
Restricted for other purposes	-	-
Unrestricted net assets	7,067	228,714
Total fund equity	<u>7,067</u>	<u>327,081</u>
Total liabilities and fund equity	<u>\$ 23,754</u>	<u>\$ 617,317</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Revenues, Expenses and
Changes in Net Assets
for the Fiscal Years ended June 30, 2012

	<u>Food Services</u>	<u>EBS Technology</u>
Operating revenues:		
Local sources:		
Daily sales-reimbursable programs:		
School lunch program	\$ 187,079	\$ -
Total-daily sales-reimbursable programs	187,079	-
Daily sales non-reimbursable programs	20,787	-
Technology fee	-	24,000
EBS licensing revenue	-	103,092
Total operating revenues	<u>207,866</u>	<u>127,092</u>
Operating expenses:		
Salaries	137,303	-
Management fee	9,500	-
Cost of sales	160,997	-
Depreciation	-	192,526
Professional fees	-	2,293
Miscellaneous	-	3,335
Interest expense	-	4,416
Total operating expenses	<u>307,800</u>	<u>202,570</u>
Operating income (loss)	<u>(99,934)</u>	<u>(75,478)</u>
Nonoperating revenues:		
State sources:		
State school lunch program	2,898	-
Federal sources:		
National school lunch program	61,244	-
Food distribution program	18,700	-
Special milk program	-	-
Interest income	9	61
Total nonoperating revenues	<u>82,851</u>	<u>61</u>
Change in net assets	(17,083)	(75,417)
Transfer in	-	-
Total net assets beginning	<u>24,150</u>	<u>402,498</u>
Total net assets ending	<u>\$ 7,067</u>	<u>\$ 327,081</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Years ended June 30, 2012

	<u>Food Services</u>	<u>EBS Technology</u>
Cash Flows from Operating Activities:		
Operating income (loss)	\$ (99,934)	\$ (75,478)
Adjustments to reconcile operating loss to cash used by operating activities:		
Depreciation expense	-	192,526
Food distribution program	18,700	-
Change in assets and liabilities:		
Decrease in inventory	702	-
Increase in local receivable		(1,475)
Increase in interfund receivable	-	(26,435)
Increase in accounts payable	7,189	-
	<u>(73,343)</u>	<u>89,138</u>
Net cash provided by (used) in operating activities		
Cash Flows from Noncapital Financing Activities:		
Transfer out	-	
Interest income	9	61
Cash received from state and federal reimbursements	63,889	-
	<u>63,898</u>	<u>61</u>
Net cash provided by (used) in noncapital financing activities		
Cash flows from Capital Activities:		
Payments on lease payable	-	(187,932)
Purchase of equipment	-	-
	<u>-</u>	<u>(187,932)</u>
Net cash provided by capital activities		
Net increase in cash and cash equivalents	(9,445)	(98,733)
Cash and cash equivalents, July 1	17,748	252,400
Cash and cash equivalents, June 30	<u>\$ 8,303</u>	<u>\$ 153,667</u>

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

	Trust			Agency		
	Unemployment Compensation Trust	Emergency Fund	Total Trust	Student Activity	Agency Fund	Total Agency
ASSETS						
Cash and cash equivalents	\$ 45,173	\$ -	\$ 45,173	\$ 163,024	\$ 555,382	\$ 718,406
Intergovernmental accounts receivable	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Total assets	<u>45,173</u>	<u>-</u>	<u>45,173</u>	<u>163,024</u>	<u>555,382</u>	<u>718,406</u>
LIABILITIES						
Accrued salaries and wages	-	-	-	-	381,120	381,120
Payroll deductions and withholdings	-	-	-	-	10,372	10,372
Payable to student groups	-	-	-	163,024	-	163,024
Interfund payable	-	-	-	-	163,890	163,890
Due to County Office	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,024</u>	<u>555,382</u>	<u>718,406</u>
NET ASSETS						
Held in trust for unemployment claims and other purposes	45,173	-	45,173	-	-	-
Reserved for scholarships	-	-	-	-	-	-
Total net assets	<u>45,173</u>	<u>-</u>	<u>45,173</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 45,173</u>	<u>\$ -</u>	<u>\$ 45,173</u>	<u>\$ 163,024</u>	<u>\$ 555,382</u>	<u>\$ 718,406</u>

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

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ -
Other	-
Total Contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	6
Dividends	-
Less investment expense	-
Net investment earnings	6
Total additions	6
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	8,140
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	882
Total deductions	9,022
Change in net assets	(9,016)
Net assets—beginning of the year	54,189
Net assets—end of the year	\$ 45,173

POINT PLEASANT BEACH SCHOOL DISTRICT
 Student Activity Agency Fund
 Statement of Activity
 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>
Elementary School	\$ 27,449	79,965	79,092	\$ 28,322
High School	<u>141,391</u>	<u>283,321</u>	<u>290,010</u>	<u>134,702</u>
Total all schools	<u>\$ 168,840</u>	<u>363,286</u>	<u>369,102</u>	<u>\$ 163,024</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
Payroll Agency Fund
Statement of Changes in Assets and Liabilities
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	\$ 572,464	10,169,280	10,186,362	\$ 555,382
Total assets	<u>\$ 572,464</u>	<u>10,169,280</u>	<u>10,186,362</u>	<u>\$ 555,382</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 60,990	3,254,170	3,304,788	\$ 10,372
Accrued salaries and wages	368,781	6,893,913	6,881,574	381,120
Interfund payable	142,693	80,097	58,900	163,890
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 572,464</u>	<u>10,228,180</u>	<u>10,245,262</u>	<u>\$ 555,382</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
 Emergency Fund
 Statement of Activity
 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	\$ 259	-	259	\$ -
Total assets	<u>\$ 259</u>	<u>-</u>	<u>259</u>	<u>\$ -</u>
LIABILITIES:				
Due to County Office	\$ 259	-	259	\$ -
Total liabilities	<u>\$ 259</u>	<u>-</u>	<u>259</u>	<u>\$ -</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
 Long-Term Debt
 Statement of Serial Bonds
 for the Fiscal Years ended June 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest rate	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
Various Code Projects	7/15/1993	\$ 33,000	7/15/2011	1,736	1.50%	5,210	-	1,737	3,473
			7/15/2012	1,736	1.50%				
			7/15/2013	1,736	1.50%				
Renovation of Elementary School	2/1/2006	\$ 5,434,000	1/15/2012	330,000	3.625%	3,970,000	-	330,000	3,640,000
			1/14/2013	340,000	3.625%				
			1/14/2014	355,000	3.625%				
			1/14/2015	370,000	3.70%				
			1/14/2016	385,000	3.70%				
			1/13/2017	405,000	3.70%				
			1/13/2018	420,000	3.70%				
			1/13/2019	435,000	3.70%				
			1/13/2020	455,000	3.70%				
			1/12/2021	475,000	3.70%				
Renovation to High school	12/14/2001	\$ 5,505,000	7/15/2011	395,000	4.00%	395,000	-	395,000	-
2010 Refunding of 2001 Bond series	12/10/2010	\$ 2,345,000	7/15/2011	35,000	2.000%	2,345,000	-	35,000	2,310,000
			7/15/2012	440,000	2.000%				
			7/15/2013	450,000	2.00%				
			7/15/2014	465,000	2.00%				
			7/15/2015	470,000	2.25%				
			7/15/2016	485,000	2.50%				
						<u>\$ 6,715,210</u>	<u>\$ -</u>	<u>\$ 761,737</u>	<u>\$ 5,953,473</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
 Long-Term Debt
 Statement of Obligations Under Capital Leases
 June 30, 2012

<u>Date of Issue</u>	<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Principal Balance July 1, 2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Adjustment</u>	<u>Principal Balance Outstanding June 30, 2012</u>
6/20/08	Apple computer lease	5.20%	327,771	84,182	-	84,182	-	-
7/1/11	Apple computer lease	3.33%	393,986	-	393,986	103,750	-	290,236
				<u>\$ 84,182</u>	<u>\$ 393,986</u>	<u>\$ 187,932</u>	<u>\$ -</u>	<u>\$ 290,236</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 for the Fiscal Years ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 965,974	\$ -	\$ 965,974	\$ 965,974	-
Interest income	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	-	-	-	-	-
Total Revenues	965,974	-	965,974	965,974	-
EXPENDITURES:					
Regular Debt Service:					
Interest	204,237	-	204,237	204,237	-
Redemption of Principal	761,737	-	761,737	761,737	-
Total Regular Debt Service	965,974	-	965,974	965,974	-
Total expenditures	965,974	-	965,974	965,974	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	5,597	-	5,597	5,597	-
Fund Balance, June 30	\$ 5,597	\$ -	\$ 5,597	\$ 5,597	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ 5,597	5,597

STATISTICAL SECTION

**Point Pleasant Beach School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	81-85
Revenue Capacity	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	86-89
Debt Capacity	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	90-93
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	94-98
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	99-100

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

POINT PLEASANT BEACH SCHOOL DISTRICT
 Net Assets by Component
 Last Nine Fiscal Years
 UNAUDITED
 (accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities									
Invested in capital assets, net of related debt	\$ 13,976,182	\$ 14,596,952	\$ 15,715,333	\$ 17,690,225	\$ 18,579,272	\$ 18,934,134	\$ 19,188,686	\$ 19,367,640	\$ 19,676,060
Restricted	874,741	367,510	2,898,761	1,423,099	588,789	391,265	497,010	719,171	1,208,810
Unassigned	93,722	(50,793)	77,856	(205,743)	(288,656)	(346,331)	(345,565)	(216,098)	(244,506)
Total governmental activities net assets	<u>\$ 14,944,645</u>	<u>\$ 14,913,669</u>	<u>\$ 18,691,950</u>	<u>\$ 18,907,581</u>	<u>\$ 18,879,405</u>	<u>\$ 18,979,068</u>	<u>\$ 19,340,131</u>	<u>\$ 19,870,713</u>	<u>\$ 20,640,364</u>
Business-type activities									
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 7,344	\$ 139,386	\$ 196,279	\$ 191,799	\$ 150,097	\$ 98,367
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	17,977	19,916	15,957	526,254	416,914	291,878	255,447	276,549	235,781
Total business-type activities net assets	<u>\$ 17,977</u>	<u>\$ 19,916</u>	<u>\$ 15,957</u>	<u>\$ 533,598</u>	<u>\$ 556,300</u>	<u>\$ 488,157</u>	<u>\$ 447,246</u>	<u>\$ 426,646</u>	<u>\$ 334,148</u>
District-wide									
Invested in capital assets, net of related debt	\$ 13,976,182	\$ 14,596,952	\$ 15,715,333	\$ 17,697,569	\$ 18,718,658	\$ 19,130,413	\$ 19,380,485	\$ 19,517,737	\$ 19,774,427
Restricted	874,741	367,510	2,898,761	1,423,099	588,789	391,265	497,010	719,171	1,208,810
Unassigned	111,699	(30,877)	93,813	320,511	128,258	(54,453)	(90,118)	60,451	(8,725)
Total district net assets	<u>\$ 14,962,622</u>	<u>\$ 14,933,585</u>	<u>\$ 18,707,907</u>	<u>\$ 19,441,179</u>	<u>\$ 19,435,705</u>	<u>\$ 19,467,225</u>	<u>\$ 19,787,377</u>	<u>\$ 20,297,359</u>	<u>\$ 20,974,512</u>

Note: GASB 34 requires this schedule to list out ten years of data, however only the years listed above are available. As the information becomes available it will be shown until the full ten years is disclosed.

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

Exhibit J-2

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental activities									
Current:									
Regular instruction	\$ (3,766,093)	\$ (4,165,933)	\$ (3,995,987)	\$ (4,127,250)	\$ (4,268,562)	\$ (4,383,688)	\$ (4,536,753)	\$ (4,602,596)	\$ (4,774,063)
Special schools instruction	(760,914)	(823,133)	(893,805)	(962,458)	(1,021,073)	(1,002,427)	(988,846)	(1,067,875)	(1,089,601)
Other special instruction	(411,650)	(518,995)	(568,202)	(643,903)	(678,512)	(715,317)	(741,070)	(702,175)	(759,124)
Support services and undistributed costs:									
Instruction	(288,968)	(233,561)	(198,303)	(201,317)	(266,182)	(315,766)	(360,499)	(339,214)	(363,618)
Attendance	(61,750)	(67,908)	(71,326)	(74,406)	(78,545)	(124,999)	(141,526)	(170,134)	(174,248)
Health services	(239,113)	(250,101)	(217,355)	(234,581)	(192,490)	(224,486)	(284,491)	(309,749)	(340,220)
Other support services	(923,630)	(776,164)	(777,773)	(803,932)	(933,910)	(978,258)	(1,187,339)	(882,517)	(648,252)
Educational media services	(83,442)	(89,709)	(75,960)	(75,712)	(80,514)	(139,382)	(184,759)	(197,853)	(206,286)
Instruction staff training	-	-	-	-	-	-	-	-	-
General administrative services	(323,042)	(329,923)	(393,836)	(332,331)	(328,127)	(324,326)	(339,506)	(297,585)	(286,281)
Central services	(491,630)	(430,939)	(406,198)	(397,870)	(394,368)	(398,941)	(421,889)	(410,715)	(386,592)
School administrative services	(98,413)	(56,095)	(55,982)	(33,608)	(335,468)	(290,637)	(294,694)	(294,716)	(273,850)
Admin info technology	-	(83,002)	(50,336)	(56,241)	(82,427)	(94,094)	(144,108)	(86,822)	(245,482)
Allowed maintenance for school facilities	(1,144,459)	(1,167,097)	(1,198,870)	(1,491,395)	(1,625,415)	(1,741,295)	(1,696,834)	(1,789,325)	(1,536,035)
Other operation & maintenance of plant	(227,290)	(184,572)	(201,457)	(192,201)	(236,715)	(241,352)	(161,806)	(200,706)	(252,871)
Student transportation services	(258,309)	(261,317)	(268,698)	(281,149)	-	-	-	-	-
Business and other support services	(1,335,518)	(1,886,918)	(1,870,295)	(2,063,653)	(2,089,796)	(2,055,789)	(2,031,232)	(1,967,115)	(2,160,115)
Unallocated employee benefits	(870,435)	(884,776)	-	-	-	-	-	-	-
Non-budgeted expenditures	-	-	(981,630)	(1,139,658)	(1,407,192)	(838,697)	(880,468)	(900,956)	(1,080,324)
Special schools	-	-	-	-	-	-	-	-	-
Interest on long-term debt	(211,451)	(200,125)	(188,298)	(374,877)	(351,907)	(328,301)	(303,737)	(315,560)	(213,870)
Total governmental activities expenses	(11,496,107)	(12,110,268)	(12,414,311)	(13,486,842)	(14,371,203)	(14,197,755)	(14,699,857)	(14,534,613)	(14,790,832)
Business-type activities:									
Food service	\$ (293,025)	\$ (302,273)	\$ (295,623)	\$ (361,487)	\$ (365,605)	\$ (458,143)	\$ (433,153)	\$ (410,391)	\$ (510,370)
Total business-type activities expense	(293,025)	(302,273)	(295,623)	(361,487)	(365,605)	(458,143)	(433,153)	(410,391)	(510,370)
Total district expenses	\$ (11,789,132)	\$ (12,412,541)	\$ (12,709,934)	\$ (13,848,329)	\$ (14,736,808)	\$ (14,655,898)	\$ (15,132,710)	\$ (14,945,004)	\$ (15,301,202)
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-
Operating grants and contributions	870,435	884,776	981,630	1,139,658	1,407,192	838,697	880,468	900,956	1,080,324
Capital grants and contributions	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	870,435	884,776	981,630	1,139,658	1,407,192	838,697	880,468	900,956	1,080,324
Business-type activities:									
Charges for services:									
Food service	\$ 252,994	\$ 265,133	\$ 253,599	\$ 835,357	\$ 334,711	\$ 350,255	\$ 339,654	\$ 331,601	\$ 334,958
Internal Service Fund	-	-	-	-	-	-	-	-	-
Operating grants and contributions	34,936	38,814	37,782	43,362	38,348	39,547	52,022	56,766	82,842
Capital grants and contributions	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	287,930	303,947	291,381	878,719	373,059	389,802	391,676	388,367	417,800
Total district program revenues	\$ 1,158,365	\$ 1,188,723	\$ 1,273,011	\$ 2,018,377	\$ 1,780,251	\$ 1,228,499	\$ 1,272,144	\$ 1,289,323	\$ 1,498,124
Net (Expense)/Revenue									
Governmental activities	\$ (10,625,672)	\$ (11,225,492)	\$ (11,432,681)	\$ (12,346,884)	\$ (12,964,011)	\$ (13,359,058)	\$ (13,819,089)	\$ (13,633,657)	\$ (13,710,508)
Business-type activities	(5,095)	1,674	(4,242)	517,232	7,454	(68,341)	(41,477)	(22,024)	(92,570)
Total district-wide net expense	\$ (10,630,767)	\$ (11,223,818)	\$ (11,436,923)	\$ (11,829,652)	\$ (12,956,557)	\$ (13,427,399)	\$ (13,860,566)	\$ (13,655,681)	\$ (13,803,078)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes levied for general purposes, net	\$ 7,572,015	\$ 7,866,252	\$ 8,323,247	\$ 8,689,532	\$ 8,936,113	\$ 9,293,558	\$ 9,665,300	\$ 10,483,546	\$ 10,595,936
Taxes levied for debt service	372,016	491,862	490,035	970,614	963,644	965,047	965,472	969,946	965,974
Unrestricted grants and contributions	758,527	736,655	4,366,180	766,571	818,868	735,300	709,920	316,096	439,214
Restricted grants and contributions	391,252	417,016	400,530	353,201	434,460	406,784	583,342	387,056	382,798
Tuition revenue	1,430,096	1,615,800	1,477,632	1,426,296	1,669,918	2,010,352	2,037,167	1,967,368	1,748,922
Miscellaneous income	123,472	58,885	45,372	214,836	67,030	30,341	202,749	35,814	346,472
Investment earnings	3,782	8,046	107,966	141,465	45,802	17,339	6,202	10,010	843
Total governmental activities	10,651,160	11,194,516	15,210,962	12,562,515	12,935,835	13,458,721	14,170,152	14,169,836	14,480,159
Business-type activities:									
Investment earnings	\$ 1,502	\$ 265	\$ 283	\$ 409	\$ 15,248	\$ 198	\$ 566	\$ 1,424	\$ 70
Transfers	-	-	-	-	-	-	-	-	-
Total business-type activities	1,502	265	283	409	15,248	198	566	1,424	70
Total district-wide	\$ 10,652,662	\$ 11,194,781	\$ 15,211,245	\$ 12,562,924	\$ 12,951,083	\$ 13,458,919	\$ 14,170,718	\$ 14,171,260	\$ 14,480,229
Change in Net Assets									
Governmental activities	\$ 25,488	\$ (30,976)	\$ 3,778,281	\$ 215,631	\$ (28,176)	\$ 99,663	\$ 351,063	\$ 536,179	\$ 769,651
Business-type activities	(3,593)	1,939	(3,959)	517,641	22,702	(68,143)	(40,911)	(20,600)	(92,500)
Total district	\$ 21,895	\$ (29,037)	\$ 3,774,322	\$ 733,272	\$ (5,474)	\$ 31,520	\$ 310,152	\$ 515,579	\$ 677,151

Note: GASB 34 requires this schedule to list out ten years of data, however only the years listed above are available. As the information becomes available it will be shown until the full ten years is disclosed.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Reserved	\$ 363,771	\$ 355,016	\$ 178,068	\$ 535,552	\$ 406,377	\$ 127,905	\$ 106,755	\$ 719,171	\$ 1,208,810
Unreserved	264,943	132,830	190,174	221,862	221,574	183,729	205,290	291,047	255,219
Total general fund	<u>\$ 628,714</u>	<u>\$ 487,846</u>	<u>\$ 368,242</u>	<u>\$ 757,414</u>	<u>\$ 627,951</u>	<u>\$ 311,634</u>	<u>\$ 312,045</u>	<u>\$ 1,010,218</u>	<u>\$ 1,464,029</u>
All Other Governmental Funds									
Reserved	\$ 514,327	\$ 29,442	\$ 8,084,205	\$ 2,687,597	\$ 182,412	\$ 3,069	\$ -	\$ -	\$ -
Unreserved, reported in:									
Special revenue fund	-	-	(76)	(50)	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	5,597	5,597
Permanent fund	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 514,327</u>	<u>\$ 29,442</u>	<u>\$ 8,084,129</u>	<u>\$ 2,687,547</u>	<u>\$ 182,412</u>	<u>\$ 3,069</u>	<u>\$ -</u>	<u>\$ 5,597</u>	<u>\$ 5,597</u>

Note: GASB 34 requires this schedule to list out ten years of data, however only the years listed above are available. As the information becomes available it will be shown until the full ten years is disclosed.

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues									
Tax levy	\$ 7,944,031	\$ 8,358,114	\$ 8,813,282	\$ 9,660,146	\$ 9,899,757	\$ 10,258,605	\$ 10,630,772	\$ 11,453,492	\$ 11,561,910
Tuition charges	1,430,096	1,615,800	1,477,632	1,426,296	1,669,918	2,010,352	2,037,167	1,967,368	1,748,922
Interest earnings	3,782	8,046	107,966	141,465	45,802	17,339	6,202	10,010	843
Miscellaneous	123,472	58,885	45,372	214,836	67,030	30,341	202,749	35,814	346,472
State sources	1,768,955	1,799,576	5,497,695	2,018,654	2,347,666	1,704,145	1,726,630	1,268,955	1,614,273
Federal sources	251,259	238,871	250,645	240,776	312,854	276,636	457,100	335,153	288,063
Total revenue	11,521,595	12,079,292	16,192,592	13,702,173	14,343,027	14,297,418	15,060,620	15,070,792	15,560,483
Expenditures									
Current:									
Regular instruction	3,766,093	4,165,933	3,995,987	4,127,250	4,268,562	4,383,688	4,536,753	4,602,596	4,774,063
Special education instruction	760,914	823,133	893,805	962,458	1,021,073	1,002,427	988,846	1,067,875	1,089,601
Other special instruction	411,650	518,995	568,202	643,903	678,512	715,317	741,070	702,175	759,124
Support services and undistributed costs:									
Instruction	288,968	233,561	198,303	201,317	266,182	315,766	360,499	339,214	363,618
Attendance	61,750	67,908	71,326	74,406	78,545	124,999	141,526	170,134	174,248
Health services	239,113	250,101	217,355	234,581	192,490	224,486	284,491	309,749	340,220
Other support services	923,630	776,164	777,773	803,932	933,910	978,258	1,187,339	882,517	648,252
Educational media services	83,442	89,709	75,960	75,712	80,514	139,382	184,759	197,853	206,286
Instruction staff training	-	-	-	-	-	-	-	-	-
General administrative services	323,042	329,923	393,836	332,331	328,127	324,326	339,506	297,585	286,281
School administrative services	-	430,939	406,198	397,870	394,368	398,941	421,889	410,715	386,592
Information technology	491,630	56,095	55,982	33,608	335,468	290,637	294,694	293,716	273,850
Allowed maintenance for school	98,413	83,002	50,336	56,241	82,427	94,094	144,108	86,822	245,482
Other operation & maintenance	946,152	980,095	1,043,349	1,065,044	1,167,021	1,279,282	1,283,694	1,212,713	1,037,227
Student transportation services	227,290	184,572	201,457	192,201	236,715	241,352	161,806	200,706	252,871
Business and other support services	258,309	261,317	268,698	281,149	-	-	-	-	-
Unallocated employee benefits	1,343,916	1,560,925	1,780,480	1,926,434	2,007,171	2,035,950	2,010,437	2,010,834	2,167,535
Non-budgeted expenditures	870,435	884,776	981,630	1,139,658	1,407,192	838,697	880,468	900,956	1,080,324
Special schools	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	276,737	291,737	301,737	595,737	611,737	636,737	661,735	691,737	761,737
Interest and other charges	211,451	200,125	188,298	374,877	351,907	328,301	303,737	235,602	204,237
Capital outlay	673,755	516,035	972,165	5,439,506	2,535,704	180,138	5,957	106,768	55,124
Total expenditures	12,256,690	12,705,045	13,442,877	18,958,215	16,977,625	14,532,778	14,933,314	14,720,267	15,106,672
Excess (Deficiency) of revenues over (under) expenditures	(735,095)	(625,753)	2,749,715	(5,256,042)	(2,634,598)	(235,360)	127,306	350,525	453,811
Other Financing sources (uses)									
Proceeds from borrowing	-	-	5,434,000	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	2,345,000	-
Payments to escrow agent	-	-	-	-	-	-	-	(2,382,019)	-
Transfers in	130,485	3,792	100,316	141,465	23,863	5,839	928	-	-
Transfers out	(130,485)	(3,792)	(100,316)	(141,465)	(23,863)	(5,839)	(928)	-	-
Total other financing sources (uses)	-	-	5,434,000	-	-	-	-	(37,019)	-
Net change in fund balances	(735,095)	(625,753)	8,183,715	(5,256,042)	(2,634,598)	(235,360)	127,306	313,506	453,811
Debt service as a percentage of noncapital expenditures									
	2.39%	2.39%	2.42%	4.41%	4.24%	4.44%	4.43%	4.73%	5.06%

Source: District records

Note: GASB 34 requires this schedule to list out ten years of data, however only the years listed above are available. As the information becomes available it will be shown until the full ten years is disclosed.

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

Fiscal Year Ending June 30,	Tuition	Transportation	Interest on Investments	Prior Year Refunds	Rentals	Miscellaneous	Annual Totals
2003	1,723,261	-	-	-	-	18,687	1,741,948
2004	1,430,096	-	-	-	-	123,472	1,553,568
2005	1,615,800	-	4,254	-	-	30,800	1,650,854
2006	1,477,632	-	7,650	-	-	43,199	1,528,481
2007	1,426,296	-	-	-	-	212,922	1,639,218
2008	1,669,918	-	21,939	-	-	67,030	1,758,887
2009	2,010,352	-	11,500	-	-	30,341	2,052,193
2010	2,037,167	-	5,274	-	-	202,749	2,245,190
2011	1,370,357	-	525	-	-	85,000	1,455,882
2012	1,748,922	-	843	-	-	346,472	2,096,237

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	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	21,880,100	476,939,700	-	-	147,198,300	-	8,031,200	654,049,300	61,227,700	431,809	593,253,409	1,107,794,759	1.213
2004	21,527,100	484,067,000	-	-	147,524,800	-	7,984,000	661,102,900	60,988,800	354,225	600,468,325	1,291,693,385	1.264
2005	21,871,200	486,563,604	-	-	148,637,600	-	7,984,000	665,056,404	61,657,800	291,796	603,690,400	1,401,175,263	1.325
2006	21,784,000	495,839,900	-	-	146,584,100	-	6,738,300	670,946,300	61,989,000	214,657	609,171,957	1,201,500,434	1.439
2007	82,184,400	495,839,900	-	-	510,319,100	-	20,941,600	1,109,285,000	125,142,980	611,853	984,753,873	5,524,473	0.387
2008	95,929,700	1,939,485,200	-	-	503,915,800	-	15,557,500	2,554,888,200	127,013,600	643,577	2,428,518,177	2,417,985,047	0.402
2009	88,482,500	1,948,969,850	-	-	491,688,300	-	15,202,900	2,544,343,550	131,215,700	684,138	2,413,811,988	2,450,702,000	0.418
2010	95,255,000	1,942,089,980	-	-	481,993,000	14,195,300	496,188,300	2,533,533,280	130,642,900	667,244	2,533,533,280	2,363,907,845	0.448
2011	85,837,400	1,936,968,700	-	-	437,603,100	-	14,195,250	2,474,404,450	130,642,900	1,629,103	2,474,404,450	2,532,643,224	-
2012	78,410,100	1,933,842,500	-	-	439,209,200	-	14,195,200	2,465,657,000	130,642,900	525,153	2,465,657,000	2,303,771,826	-

Source: Municipal Tax Assessor

* A revaluation was enacted for 2007

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

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

^b Tax rates are per \$100

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

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

Assessment Year	Pt. Pleasant Beach School District	Pt. Pleasant Beach Township	Ocean County	Total
2003	1.213	0.569	0.820	2.602
2004	1.264	0.620	0.837	2.721
2005	1.325	0.619	0.859	2.803
2006	1.439	0.642	0.941	3.022
2007	0.387	0.177	0.264	0.828
2008	0.402	0.221	0.282	0.905
2009	0.418	0.226	0.292	0.936
2010	0.448	0.242	0.315	1.005
2011	0.464	0.262	0.318	1.044
2012	0.475	0.292	0.331	1.098

Source: Tax Collector

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

	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Jenkinson's Pavillion	\$ 44,519,000	1	0.00%	\$ -		0.00%
Jenkinson's South, Inc.	30,408,800	2	0.00%	-		0.00%
1106 Ocean Avenue, Inc. LLC	19,682,400	3	0.00%	-		0.00%
Tower Beacon Gardens LLC	16,021,600	4	0.00%	-		0.00%
Chef's International, Inc.	9,752,450	5	0.00%	-		0.00%
Risden's Beach Corp.	9,731,500	6	0.00%	-		0.00%
Storino, Storino & Storino, L.P.	9,000,000	7	0.00%	-		0.00%
Lemmers, William	7,900,000	8	0.00%	-		0.00%
Cameryn & Dalton, LLC	7,699,200	9	0.00%	-		0.00%
Clayton Family, LLC	6,132,500	10	0.00%	-		0.00%
Total	\$ 160,847,450		0.00%	\$ -		0.00%

Source: Municipal Tax Assessor

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

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of tax Levy Collected</u>
2003	17,231,876	16,949,219	98.36%
2004	18,100,263	17,836,617	98.54%
2005	18,780,361	18,446,634	98.22%
2006	20,412,394	20,030,590	98.13%
2007	21,205,122	20,691,113	97.58%
2008	23,221,858	22,633,123	97.46%
2009	23,890,944	23,167,721	96.97%
2010	25,519,529	24,779,817	97.10%
2011			0.00%
2012	-	-	0.00%

Source: Ocean County Board of Taxation

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

Fiscal Year Ended June 30,	Governmental Activities		Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Capital Leases			
2003	5,259,104	-	-	5,259,104	0.006043235	31,782
2004	4,982,367	-	-	4,982,367	0.006378896	31,782
2005	4,690,630	-	-	4,690,630	0.006775636	31,782
2006	9,822,893	-	-	9,822,893	0.003235503	31,782
2007	9,227,156	-	-	9,227,156	0.003739939	34,509
2008	8,615,419	-	327,771	8,943,190	0.40295465%	36,037
2009	7,978,682	-	240,348	8,219,030	0.48084750%	39,521
2010	7,316,947	-	164,240	7,481,187	0.52827178%	39,521
2011	6,715,210	-	84,182	6,799,392	0.58124315%	39,521
2012	5,953,473	-	290,236	6,243,709	0.00000000%	-

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

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Population</u>	<u>Net Assessed Valuation Taxable</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2003	5,314	705,553,007	5,259,104	0.75%	990
2004	5,403	661,457,125	4,982,367	0.75%	922
2005	5,403	661,457,125	9,822,893	1.49%	1,818
2006	5,398	661,457,125	6,715,210	1.02%	1,244
2007	5,375	2,149,149,181	9,227,156	0.43%	1,717
2008	5,314	2,149,149,181	8,615,419	0.40%	1,621
2009	5,445	2,149,149,181	7,978,682	0.37%	1,465
2010	5,445	2,149,149,181	7,316,947	0.34%	1,344
2011	5,445	2,532,643,224	6,715,210	0.27%	1,233
2012	5,445	2,303,771,826	6,715,210	0.29%	1,233

Source: Assessed valuations were provided by the Abstract of Ratables,
 County Board of Taxation.
 School district population data was provided by the
 U.S. Bureau of the Census, Population Division.

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
General Debt	\$ -	0.000%	\$ -
Water, Sewer and Utility	-	0.000%	\$ -
Subtotal, overlapping debt			-
District Direct Debt			<u>5,953,473</u>
Total direct and overlapping debt			<u><u>\$ 5,953,473</u></u>

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

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

	Equalized valuation basis	
	2012	2,303,771,826
	2011	2,532,643,224
	2010	<u>2,363,907,845</u>
	[A]	<u>\$ 7,200,322,895</u>
	[A/3]	\$ 2,400,107,632
Debt limit (4 % of average	[B]	96,004,305 ^a
otal Net Debt Applicable to Limit	[C]	<u>5,953,473</u>
Legal debt margin	[B-C]	<u>\$ 90,050,832</u>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ -	\$ 666,351,435	\$ 666,351,435	\$ 26,631,484	\$ 46,467,378	\$ 46,467,378		0	33,346,580	5,953,473
Total net debt applicable to limit	<u>5,259,104</u>	<u>4,982,367</u>	<u>9,822,893</u>	<u>6,715,210</u>	<u>7,978,682</u>	<u>7,674,058</u>		<u>7,316,947</u>	<u>6,715,210</u>	<u>5,953,473</u>
Legal debt margin	<u>\$(5,259,104)</u>	<u>\$ 661,369,068</u>	<u>\$ 656,528,542</u>	<u>\$ 19,916,274</u>	<u>\$ 38,793,320</u>	<u>\$ 38,793,320</u>		<u>\$ (7,316,947)</u>	<u>26,631,370</u>	<u>\$ -</u>
Total net debt applicable to the limit as a percentage of debt limit		0.75%	1.47%	25.22%	17.17%	16.51%		#DIV/0!	20.14%	100.00%

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

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

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

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2003	5,414	172,067,748	31,782	3.80%
2004	5,408	171,877,056	31,782	3.30%
2005	5,397	181,112,526	33,558	3.30%
2006	5,398	150,350,494	27,852	3.70%
2007	5,411	194,996,207	36,037	3.40%
2008	5,429	214,559,509	39,521	4.30%
2009	5,445	215,191,845	39,521	7.10%
2010	5,314	207,267,256	39,004	9.60%
2011	-	-	-	0.00%
2012	-	-	-	0.00%

Source:

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

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

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

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

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

Employer	2012			2003		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
N/A		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
		-	-			-
		-	-			-
		-	-			-
	-		0.00%	-		0.00%

Source:

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

<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	67.7	67.7	67.5	69.5	69.5	69.5	69.5	70	66	67
Special education teachers	12.0	12.0	12.0	14.0	14.0	14.0	14.0	14	16	18.5
Other special education										
Vocational										
Other instruction	20.6	20.6	21.1	20.1	20.1	20.1	22.0	19	16	17.5
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	8.7	8.7	7.8	7.7	6.0	6.0	7.0	9	7	7
General administration	-	-	1.0	1.0	1.0	1.0	1.0	1	1	1
School administrative services	4.6	4.6	3.8	3.8	4.0	4.0	4.0	4	4	3
Other administrative services	10.0	10.0	8.5	8.5	6.5	6.5	6.5	6.5	6.5	4
Central services										
Administrative Information Technology	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1	1	1
Plant operations and maintenance	14.0	14.0	14.0	14.0	13.0	13.0	12.0	12	10	10.5
Pupil transportation	-	-	1.0	1.0	2.0	2.0	2.0	3	3	2
Other support services	8.4	8.4	10.4	7.9	8.0	8.0	8.0	8	8	8
Special Schools										
Food Service										
Child Care										
Total	<u>148.0</u>	<u>148.0</u>	<u>149.0</u>	<u>148.5</u>	<u>145.1</u>	<u>145.1</u>	<u>147.0</u>	<u>147.5</u>	<u>138.5</u>	<u>139.5</u>

Source: District Personnel Records

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

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	Senior High School				
2003	923.0	10,241,803	11,096	2.28%	86.00	10.5:1	10.8:1	923.0	865.0	1.32%	93.72%
2004	915.0	10,640,598	11,629	4.80%	84.00	10.8:1	11.1:1	915.0	856.0	-0.87%	93.55%
2005	895.0	11,208,351	12,523	7.69%	86.00	9.5:1	11.9:1	895.0	835.0	-2.19%	93.30%
2006	879.0	12,168,975	13,844	10.55%	85.00	10.3:1	10.2:1	828.0	828.0	-7.49%	100.00%
2007	865.0	11,218,768	12,970	-6.32%	85.00	10.2:1	10.2:2	805.0	811.0	-2.78%	100.75%
2008	851.0	12,964,011	15,234	17.46%	83.50	10.2:2	10.2:3	838.2	791.3	4.12%	94.40%
2009	908.0	12,981,613	14,297	-6.15%	83.50	14:06	14:06	872.2	826.7	4.06%	94.78%
2010	921.0	13,371,431	14,518	1.55%	84.00	14:07	14:07	885.9	837.9	1.57%	94.58%
2011	910.0	13,405,872	14,732	1.47%	84.00	14:07	14:07	894.7	843.7	2.58%	94.30%
2012	910.0	13,757,900	15,119	4.14%	85.50	14:07	14:07	877.3	833.4	0.58%	95.00%

Sources: District records

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Building</u>										
<u>Elementary</u>										
G. Harold Antrim Elementary School										
Square Feet	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	0
Capacity (students)	615	615	615	615	615	615	615	615	615	0
Enrollment	524	516	482	495	498	498	478	500	500	0
<u>High School</u>										
Point Pleasant Beach High School										
Square Feet	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	0
Capacity (students)	580	580	580	580	580	580	580	580	580	0
Enrollment	389	399	416	379	376	376	397	421	421	0

Number of Schools at June 30, 2010
 Elementary = 1
 Middle School = 0
 Senior High School = 1

Source: District Facilities Office

POINT PLEASANT BEACH SCHOOL DISTRICT
 Schedule of Required Maintenance
 For the Fiscal Year Ended June 30, 2012
 Undistributed Expenditures - required
 Maintenance For School Facilities
 11-000-261-XXX
 UNAUDITED

		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
School Facilities:	Project # (s)										
G. Harold Antrim Elementary School	N/A	94,999	75,148	75,433	81,600	71,344	29,806	26,678	\$ 43,990	\$ 52,160	\$ 22,215
Point Pleasant Beach High School	N/A	14,758	11,674	11,718	12,676	11,083	4,630	23,658	39,012	46,253	19,699
Total School Facilities		<u>109,757</u>	<u>86,822</u>	<u>87,151</u>	<u>94,276</u>	<u>82,427</u>	<u>34,436</u>	<u>50,336</u>	<u>83,002</u>	<u>98,413</u>	<u>41,914</u>
Other Facilities											
Grand Total		<u>\$ 109,757</u>	<u>\$ 86,822</u>	<u>\$ 87,151</u>	<u>\$ 94,276</u>	<u>\$ 82,427</u>	<u>\$ 34,436</u>	<u>\$ 50,336</u>	<u>\$ 83,002</u>	<u>\$ 98,413</u>	<u>\$ 41,914</u>

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

POINT PLEASANT BEACH SCHOOL DISTRICT
Insurance Schedule
June 30, 2012
Unaudited

Exhibit J-20

	Coverage	Deductible
Multi Peril Package Policy		
Property - NJ School Board Insurance		
Blanket Building and Contents	\$ 41,231,800	5,000
Blanket Extra Expense	50,000,000	-
Blanket Valuable Papers and Records	10,000,000	-
Demolition & Increased Costs of Construction	10,000,000	-
Fire Department Service Charge/Arson Reward	10,000	-
Flood Zones A & V	10,000,000	500,000
Flood Zone B	50,000,000	10,000
Earthquake	50,000,000	-
Terrorism	1,000,000	-
General Liability - New Jersey School Boards		
Comprehensive General Liability	1,000,000	-
Bodily Injury, Property Damage, Sexual Abuse	1,000,000	-
Each Occurrence	-	-
Sexual Abuse	1,000,000	-
Medical Expense	10,000	100
Employee Benefits Programs	1,000,000	1,000
Crime - NJ School Boards		
Employee Dishonesty	250,000	1,000
Forgery or Alteration	250,000	1,000
Money and Securities	25,000	500
Money Orders/Counterfeit	25,000	500
Computer Fraud	250,000	1,000
Automobile - Utica		
Comprehensive Automobile Liability	1,000,000	-
Uninsured/Underinsured Motorist	1,000,000	-
Personal Injury Protection	250,000	-
Garagekeepers Liability	1,000,000	-
Comprehensive & Collision Deductibles		1,000
Inland Marine		
Blanket Hardware/Software	700,000	1,000
Flood	1,000,000	500,000
Errors and Omissions - N.J. School Boards		
Association Insurance Group	16,000,000	5,000
Boiler and Machinery - N.J. School Boards		-
Association Insurance Group	100,000,000	5,000
Umbrella Liability - N.J. School Boards		-
Association Insurance Group	15,000,000	-
CAP		
Limit of Liability	50,000,000	-
Workers Compensation - NJ School Boards		
Section A	Statutory	
Section B	2,000,000	Each Accident
	2,000,000	Each Employee
	2,000,000	Aggregate Limit
Student Accident Insurance		
Maximum Benefit Blanket Athletic Coverage		
Including Football	5,000,000	
Public Official Bonds - Selective Insurance Co.		
Barbara Lane Scharmann, Treasurer	200,000	
Brian Savage, Business Administrator/ Board Secretary	200,000	
Flood Insurance		
299 Cooks Lane	Buildings	5,000
	Contents	5,000
Cooks Lane & Niblick Ave	Buildings	5,000
	Contents	5,000

Source: District Records

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*

The Honorable President and
Members of the Board of Education
Point Pleasant Beach School District
County of Ocean
Point Pleasant Beach, New Jersey 08533

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Point Pleasant Beach 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 Beach School District's basic financial statements and have issued our report thereon dated October 2, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Education of the Point Pleasant Beach 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 the Point Pleasant Beach School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Point Pleasant Beach 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 Point Pleasant Beach School District's basic 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 basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the management of the Point Pleasant Beach Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other federal and state awarding agencies and is not intended to be, and should not be, used by anyone other than these specific parties.

Respectfully submitted,

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



Kathryn Perry
Licensed Public School Accountant
No. CS 20CS00226400

October 2, 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

The Honorable President and
Members of the Board of Education
Point Pleasant Beach School District
County of Ocean
Point Pleasant Beach, New Jersey 08533

Compliance

We have audited the Board of Education of the Point Pleasant Beach 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 the New Jersey Compliance Manual State Grants Compliance Supplement* that could have a direct and material effect on each of the Point Pleasant Beach School District's major federal and state programs for the fiscal year ended June 30, 2012. Point Pleasant Beach 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 Point Pleasant Beach School District's management. Our responsibility is to express an opinion on the Point Pleasant Beach 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB 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*. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Point Pleasant Beach 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 Point Pleasant Beach School District's compliance with those requirements.

In our opinion, the Board of Education of the Point Pleasant Beach 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 fiscal year ended June 30, 2012.

Internal Control Over Compliance

The management of the Board of Education of the Point Pleasant Beach School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Point Pleasant Beach School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or 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 and New Jersey OMB's Circular 04-04, 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 Point Pleasant Beach School District's internal control over compliance.

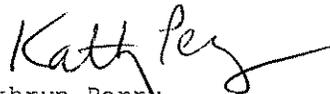
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 AND COMPANY, L.L.P.



Kathryn Perry
Licensed Public School Accountant
No. CS 20CS00226400

October 2, 2012

POINT PLEASANT BEACH 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	Carryover Amount	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
U.S. Department of Agriculture Passed-through State Department of Education:											
Enterprise Fund:											
Food Distribution Program	10.550	7/1/11-6/30/12	18,700	-	-	18,700	(18,700)	-	-	-	-
National School Lunch Program	10.555	7/1/11-6/30/12	61,244	-	-	51,427	(61,244)	-	-	(9,817)	-
National School Lunch Program	10.555	7/1/10-6/30/11	53,886	(9,451)	-	9,451	-	-	-	-	-
Total Enterprise Fund				(9,451)	-	79,578	(79,944)	-	-	(9,817)	-
U.S. Department of Education Education Jobs Fund Program											
Education Jobs Fund Program	84.410	9/1/10-8/31/11	848	-	-	848	(848)	-	-	-	-
Total General Fund				-	-	848	(848)	-	-	-	-
U.S. Department of Education Passed-through State Department of Education:											
Special Revenue Fund:											
I.D.E.A. Part B Basic Regular	84.027	9/1/11-8/31/12	191,055	-	-	180,897	(190,847)	-	-	(9,950)	-
ARRA I.D.E.A. Part B Basic Regular	84.391	9/1/09-8/31/10	188,846	(23,181)	-	23,181	-	-	-	-	-
I.D.E.A. Part B Preschool	84.027	9/1/11-8/31/12	6,740	-	-	6,740	(6,740)	-	-	-	-
Title I	84.010	9/1/11-8/31/12	51,581	-	-	51,581	(51,581)	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	9/1/10-8/31/11	191,194	(16,419)	-	23,228	(6,809)	-	-	-	-
Title II	84.168	9/1/11-8/31/12	31,239	-	-	7,875	(31,238)	-	-	(23,363)	-
Total Special Revenue Fund				(39,600)	-	293,502	(287,215)	-	-	(33,313)	-
Total Expenditures of Federal Financial Awards				(49,051)	-	373,928	(368,007)	-	-	(43,130)	-

See accompanying notes to schedules of expenditures.

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

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011	Carryover Amount	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	MEMO		
												Budgetary Receivable	Total Expenditures	
State Department of Agriculture:														
Enterprise Fund:														
National School Lunch Program (State Share)	12-100-034-5120-122	7/1/11-6/30/12	\$ 2,898	-	-	2,464	(2,898)	-	-	(434)	-	(434)	2,898	
National School Lunch Program (State Share)	11-100-034-5120-122	7/1/10-6/30/11	2,880	(547)	-	547	-	-	-	-	-	-	-	
Total Enterprise Fund				(547)	-	3,011	(2,898)	-	-	(434)	-	(434)	2,898	
State Department of Education:														
General Fund:														
Special Education Aid	12-495-034-5120-011	7/1/11-6/30/12	371,466	-	-	339,323	(339,323)	-	-	-	-	32,143	371,466	
Special Education Aid	11-495-034-5120-011	7/1/10-6/30/11	170,525	-	-	6,840	(6,840)	-	-	-	-	-	-	
Extraordinary Aid	12-495-034-5120-011	7/1/11-6/30/12	38,863	-	-	-	(38,863)	-	-	(38,863)	-	38,863	38,863	
Extraordinary Aid	11-495-034-5120-011	7/1/10-6/30/11	47,789	(47,789)	-	47,789	-	-	-	-	-	-	-	
Security Aid	12-495-034-5120-014	7/1/11-6/30/12	58,117	-	-	53,088	(53,088)	-	-	-	-	5,029	58,117	
Adjustment Aid	12-495-034-5120-014	7/1/11-6/30/12	276	-	-	252	(252)	-	-	-	-	24	276	
Reimbursed TPAF Post Medical Contributions	12-495-034-5095-002	7/1/11-6/30/12	613,333	-	-	613,333	(613,333)	-	-	-	-	-	-	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	466,991	-	-	466,991	(466,991)	-	-	-	-	-	-	
Total General Fund				(47,789)	-	1,527,616	(1,518,690)	-	-	(38,863)	-	76,059	468,722	
Special Revenue Fund:														
Chapter 192/193	11-100-034-5120-067	7/1/10-6/30/11	81,457	(1,236)	-	1,236	-	-	-	-	-	-	-	
Chapter 192/193	12-100-034-5120-067	7/1/11-6/30/12	85,116	-	-	85,116	(73,925)	-	-	-	11,191	-	73,925	
Textbooks	11-100-034-5120-064	7/1/10-6/30/11	10,345	-	1,004	-	(1,004)	-	-	-	-	-	1,004	
Textbooks	12-100-034-5120-064	7/1/11-6/30/12	8,505	-	-	8,505	(8,505)	-	-	-	-	-	8,505	
Nursing	12-100-034-5120-066	7/1/11-6/30/12	12,149	-	-	12,149	(12,149)	-	-	-	-	-	12,149	
Total Special Revenue Fund				(1,236)	1,004	107,006	(95,583)	-	-	-	11,191	-	95,583	
Total State Financial Assistance				(49,572)	1,004	1,637,633	(1,617,171)	-	-	(39,297)	11,191	75,625	567,203	

See accompanying notes to schedules of expenditures.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Awards and Financial Assistance

June 30, 2012

1. General

The accompanying schedules of expenditures of awards present the activity of all federal awards and state financial assistance programs of the Board of Education, Point Pleasant Beach School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Board's basic financial statements. The basic financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. 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. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$30,356. See C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$ 848	1,516,690	-	1,517,538
Special Revenue Fund	287,215	95,583	-	382,798
Food Service Fund	<u>79,944</u>	<u>2,898</u>	<u>-</u>	<u>82,842</u>
Total awards and financial assistance	<u>\$368,007</u>	<u>1,615,171</u>	<u>-</u>	<u>1,983,178</u>

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Awards and
Financial Assistance (Continued)

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. 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 BEACH SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL 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) Reportable condition(s) 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: N/A

- 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>
_____	_____
_____	_____

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

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

POINT PLEASANT BEACH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL 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) Reportable condition(s) 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>12-495-034-5120-011</u>	<u>Special Education Aid</u>
<u>12-495-034-5095-002</u>	<u>TPAF & Post-Retirement Medical</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 Beach School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section II - Financial Statement Findings

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

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

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

Point Pleasant Beach School District
Summary Schedule of Prior-Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2012

STATUS OF PRIOR YEAR FINDINGS

No matters were reported.