

SCHOOL DISTRICT
OF
POINT PLEASANT BOROUGH
OF OCEAN COUNTY

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Point Pleasant Borough School District
Of Ocean County

Point Pleasant Borough, NJ

For the Fiscal Year Ended June 30, 2013

Prepared by

Point Pleasant Borough Board of Education
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

POINT PLEASANT SCHOOLS

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

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

October 18, 2013

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Point Pleasant Schools Board of Education (Board) for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Board's organization chart, and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Board is required to undergo an annual single audit in conformity with the provision of the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Government and Non-Profit Organizations", and the State Treasury Circular Letter 98-07, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped children. The District had an October 15, 2012 resident enrollment of 2,919 students, which is 33 students lower than the previous year's enrollment. The following details the changes in the average daily enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2012-13	2,919	(.01) %
2011-12	2,952	(1.83)%
2010-11	3,007	(.96) %
2009-10	3,036	(2.8) %
2008-09	3,124	(1.00) %
2007-08	3,161	(2.00) %
2006-07	3,215	(.003) %
2005-06	3,225	1.54 %
2004-05	3,176	1.02 %
2003-04	3,144	(1.32) %

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

PROFESSIONAL DEVELOPMENT ACTIVITIES – 2012-2013:

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

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

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

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

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

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

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

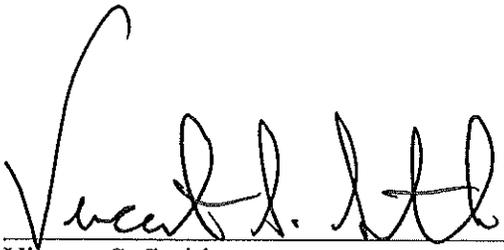
An encumbrance accounting system is used to record outstanding purchase commitments on a line-by-line basis. Open encumbrances at year-end are either cancelled or are included as reservations of fund balance in the subsequent year.

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

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

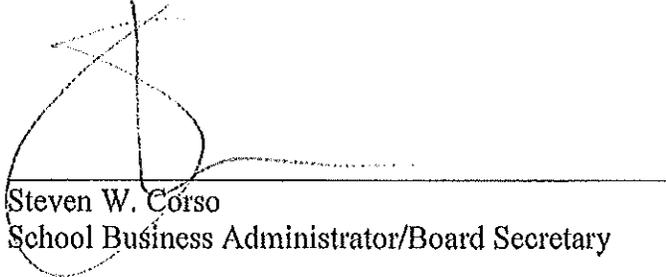
7. DEBT ADMINISTRATION: As of June 30, 2013, the Board's outstanding debt issues included \$7,860,000 of general obligation bonds.
8. CASH MANAGEMENT: The investment policy of the Board is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The Board has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUPDA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
10. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Scutellaro and Company, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget Circular A-133, “Audits of States, Local Government, Non-Profit Organizations” and the “State Treasury Circular Letter 98-07 OMB”, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid”. The auditor’s report on the general purpose financial statement and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.
11. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Point Pleasant Schools Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.



Vincent S. Smith
Superintendent of Schools

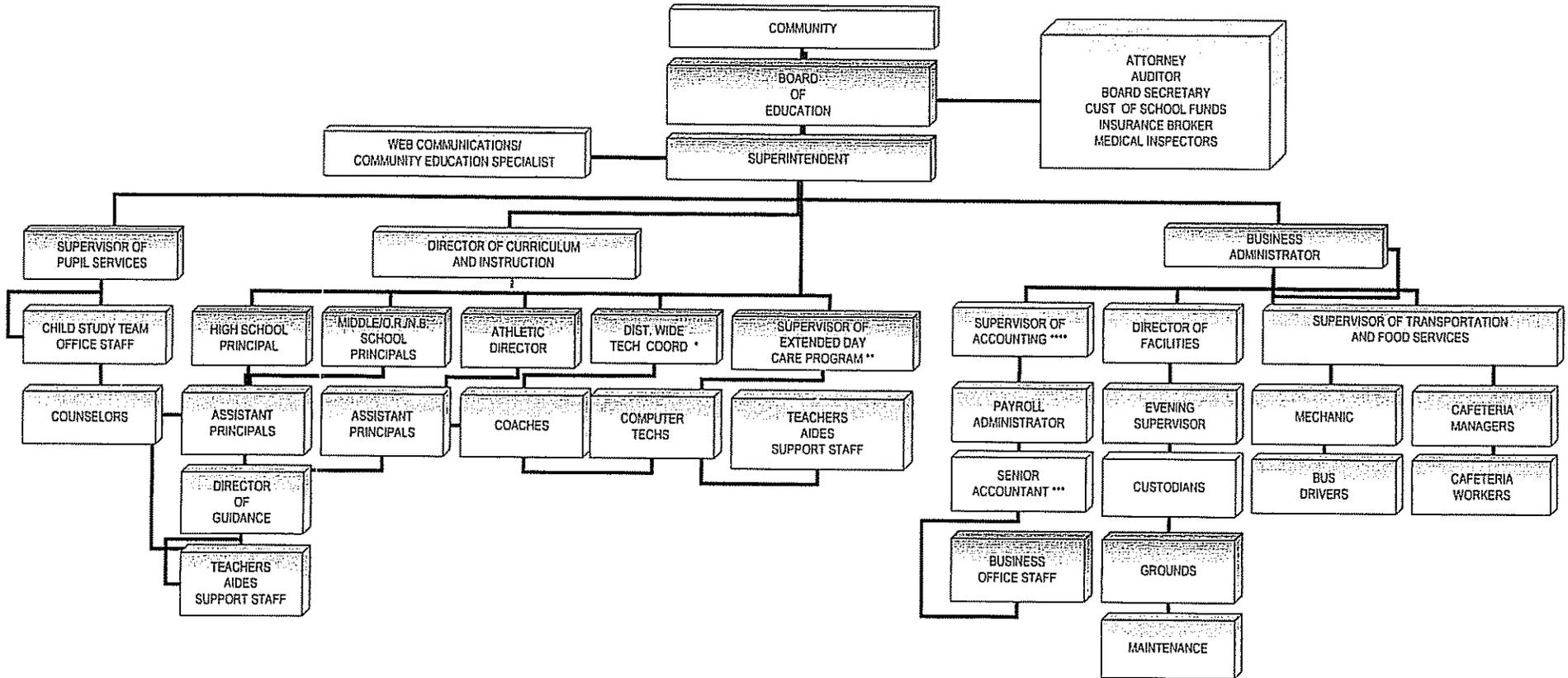
Respectfully submitted,



Steven W. Corso
School Business Administrator/Board Secretary

VS:SWC:lt

POINT PLEASANT SCHOOL DISTRICT TABLE OF ORGANIZATION



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

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

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

Roster of Officials
June 30, 2013

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Susan Byington, President	2013
Ricardo Ruiz, Vice President	2015
Susan Ward	2014
Nancy Pazienza	2015
Sean Hagan	2013
Peter T. Hetzel	2015
Regina Foley	2014

Other Officials

Vincent S. Smith, Superintendent of Schools

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

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

Denise L. McCarthy, CPA, Supervisor of Accounting

Patricia Christopher, CPA, Treasurer

Point Pleasant Borough Board of Education
Consultants and Advisors

Architect

Spiezle Architectural Group
120 Sanhican Drive
Trenton, NJ 08618

Audit Firm

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

Attorney

Daniel Popovitch, Esq.
1609 Beaver Dam Road
Point Pleasant, New Jersey 08742

Official Depository

Ocean First
2400 Bridge Avenue
Point Pleasant, NJ 08742

FINANCIAL SECTION

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

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Board of Education of the Point Pleasant Borough School District in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Point Pleasant Borough School District in the County of Ocean, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 and 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Point Pleasant Borough School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is presented for purposes of additional analysis and are also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 18, 2013 on our consideration of the Board of Education of the Point Pleasant Borough School District in the County of Ocean, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Board of Education of the Point Pleasant Borough School District in the County of Ocean, State of New Jersey internal control over financial reporting and compliance.

Respectfully submitted,

JUMP, SCUTELLARO & COMPANY, L.L.P.
Toms River, NJ



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

October 18, 2013

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Point Pleasant Schools

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

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Point Pleasant, NJ 08742
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Fax: (732) 295-2320

POINT PLEASANT SCHOOL DISTRICT

Management Discussion and Analysis For the Year Ended June 30, 2013

The Management's Discussion and Analysis (MD&A) of the Board of Education of the Point Pleasant School District provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2013. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal and the School Board's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2012-2013 fiscal year include the following:

- In total, net position increased \$2,099,724, which represents a 11% increase from 2012.
- Total assets increased by \$630,710 as cash and cash equivalents increased by \$1,040,375. Receivables increased by \$53,900. Other assets decreased by \$309,795 due to new accounting regulations. Capital assets decreased by \$152,798 due to an increase in accumulated depreciation.
- Overall total liabilities decreased by \$2,069,671. Non-current liabilities decreased by \$1,639,234, primarily due to the pay-down of the 2002 bond referendum while the district has not taken on any more debt.
- General revenues account for \$39,359,888 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,855,093 or 11% of the total revenues of \$44,214,981.
- Total spending for all programs was \$42,115,257, including a charge of \$1,492,666 for depreciation. Expenses in the amount of \$1,094,115 were offset by specific charges for services and grants or contributions. General revenues (primarily local tax levy and state aid) of \$39,359,888 were adequate to provide for the balance of these programs.

USING THE ANNUAL REPORT

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

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

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

Management Discussion and Analysis
For the Year Ended June 30, 2013

THE SCHOOL DISTRICT AS A WHOLE

Table I provides a summary of the School Board's net position as of June 30, 2013 and 2012.

Table I
Statement of Net Position
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>Percentage of Change 2012-2013</u>
Assets			
Cash and cash equivalents	\$ 7,620,349	\$6,579,974	16%
Receivables	630,481	576,581	9%
Inventories	17,826	18,798	(-5)%
Other Assets	---	309,795	(-100)%
Capital Assets	<u>24,141,565</u>	<u>24,294,363</u>	(-1%)
Total Assets	<u>\$32,410,221</u>	<u>\$31,779,511</u>	2%
Deferred Outflows of Resources			
Deferred charge on refunding	<u>126,966</u>	-	100%
Total deferred outflows of resources	<u>126,966</u>	-	100%
Liabilities			
Accounts payable	\$ 616,010	\$ 412,942	49%
Accrued payroll	34,865	41,679	(-16)%
Other current liabilities	104,299	754,121	(-86)%
Payable to State Government	37,379	24,388	53%
Deferred Revenue	153,458	143,318	7%
Noncurrent Liabilities			
Due within one year	1,167,077	1,592,548	(-27%)
Due beyond one year	<u>7,916,644</u>	<u>9,130,407</u>	(-13%)
Total Liabilities	<u>\$10,029,732</u>	<u>\$12,099,403</u>	(-17%)

Management Discussion and Analysis
 For the Year Ended June 30, 2013

Deferred Inflows of Resources

Deferred premium on refunding	<u>727,623</u>	<u>-</u>	100%
Total deferred inflows of resources	<u>727,623</u>	<u>-</u>	100%

Net Position

Invested in capital assets	15,680,908	14,580,037	7%
Restricted for:			
Debt service	87,473	52,221	40%
Capital Projects	1,033,904	881,379	17%
Other purposes	5,523,321	4,960,352	11%
Unrestricted	<u>(545,774)</u>	<u>(793,881)</u>	(-31%)
Total net position	<u>\$21,779,832</u>	<u>\$19,680,108</u>	11%

Total assets increased by \$630,710. The increase is primarily due an increase in cash.

Total liabilities decreased by \$2,069,671. The decrease is primarily the result of the pay-down of the bond referendum issued for the Middle School and High School additions and renovations.

Table II shows the changes in net position for fiscal year 2013 as compared to fiscal year 2012. This table categorizes total revenue generated by the School Board between program and general revenue, and total expenditures between instruction, support services and other items.

Management Discussion and Analysis
For the Year Ended June 30, 2013

Table II
Changes in Net Position
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>Percentage of Change 2012-2013</u>
Revenue			
Program Revenue			
Charges for services	902,127	937,245	(-4)%
Federal, state and local aid-restricted	3,952,966	3,180,387	24%
General revenue:			
Property Tax Aid	31,237,085	30,641,694	2%
Federal and State aid-unrestricted	7,518,751	7,213,489	4%
Other general revenue	<u>604,052</u>	<u>524,316</u>	15%
Total revenues	<u>\$44,214,981</u>	<u>\$42,497,131</u>	4%
Function/Program Expenses			
Instruction:			
Regular Programs	14,529,984	15,105,900	(-4)%
Special Education	2,795,280	2,634,211	6%
Other Special Instruction	1,043,182	982,274	6%
Support Services:			
Tuition	1,141,009	1,491,483	(-23)%
Attendance & Social Work	167,135	166,807	0%
Health Services	423,198	404,587	5%
Other Support Services	2,940,450	2,811,171	5%
Improvement of Instruction	111,442	99,744	12%
Educational Media	271,900	254,831	7%
Instructional Staff Training	192,240	124,189	55%
General Administration	748,283	753,927	(-1)%
School Administration	1,477,634	1,606,476	(-8)%
Operations & Maintenance	529,115	514,830	3%
Central Services	66,341	94,200	(-30)%
School Admin. Info. Technology	3,451,589	3,141,947	10%
Transportation	1,160,576	1,079,301	8%
Employee Benefits	5,773,040	5,511,376	5%
Business Type Activities	1,094,115	1,094,760	0%
Interest Expense	462,128	570,179	(-19)%
Non-Budgeted Expenditures	<u>3,736,616</u>	<u>2,992,512</u>	25%
 Total Expenses	 <u>42,115,257</u>	 <u>41,434,705</u>	 1%
 Change in Net Position	 <u>\$ 2,099,724</u>	 <u>\$ 1,062,426</u>	 97%

Increase (decrease) in net position

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

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

Operations and maintenance activities involve keeping the school grounds, buildings and associated equipment in an effective working condition. Depreciation expense of \$1,492,666 is allocated among the various programs.

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

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

Over 46% of instructional activities and over 59% of the support services and special items are supported through the local tax levy, federal and state aid (not restricted) and other general revenue.

THE SCHOOL BOARD'S FUNDS

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

As the School Board completed the fiscal year ended June 30, 2013, it reported a combined net position of \$21,779,832, which is an increase of \$2,099,724. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3 presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

GENERAL FUND BUDGETING HIGHLIGHTS

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

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

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

The General Fund actual current expense totaled \$41,021,142 versus our final budget of \$37,271,428. Actual General Fund revenues (exclusive of non-budgeted expenditures) were about \$768,969 higher than budgeted. The increase in actual revenue received over the budgeted amount is due to the receipt of more Extraordinary Aid and SEMI reimbursement than anticipated, as well as more tuition students received and unexpected additional State Aid from the prior year.

CAPITAL ASSETS

As of June 30, 2013, the School Board had approximately \$24,141,565 invested in a broad range of capital assets, including land, buildings, vehicles, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table IV below shows the net book value of capital assets at the end of the 2013 and 2012 fiscal years.

Management Discussion and Analysis
 For the Year Ended June 30, 2013

Table IV
 Capital Assets (net of accumulated depreciation)
 June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>Percentage of Change 2013-2012</u>
Capital Assets, net	\$24,141,565	\$24,294,363	(-1)%

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

For the 2012-2013 school budget, the School Board was able to sustain its budget through the local tax levy (although capped at 2%), state education aid and local revenue sources. Approximately 26% of the School Board’s revenue is from federal, state and local aid (restricted and not restricted), while 70% of total revenue is from local tax levy. The balance, or 4%, of the revenue is comprised of tuition, admission fees, miscellaneous income and fund balance.

The 2012-2013 budget was adopted based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey, funding from the State for the current year was about that of the previous year. Any future increases based on the enrollment formula originally formulated to allocate state education aid among districts will be minimal. Given the current economic condition of the State, we anticipate State Aid to be reduced or remain about the same. The School Board continues to explore other avenues of generating revenue without sacrificing programs due to the relative freeze on State Aid. One area is the sale of billboard advertising to local businesses at our athletic fields. The District generated approximately \$16,000 in billboard advertising in the 2012-2013 fiscal year. Another area of additional revenue is the sale of district surplus property on a government website. Finally, the District lowered its tuition rates a couple of years ago to be consistent with surrounding Districts and as a result, has seen an increase in tuition income. The District earned approximately \$13,000 from the sale of property no longer needed by the District in the 2012-2013 fiscal year. In August of 2011, the Board elected to approve the refunding of all of the 1998 bonds and a portion of the March 15, 2003 bonds. The purpose of the refunding is to incur an interest cost savings of \$540,555 to the District.

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

Management Discussion and Analysis
For the Year Ended June 30, 2013

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

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

The School Board anticipates enrollment for the 2013-2014 fiscal year to remain relatively the same, but the School Board cannot accurately forecast future enrollment.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,416,186	\$ 170,259	\$ 6,586,445
Capital reserve cash	1,033,904	-	1,033,904
Receivables - other	23,272	-	23,272
Receivables - state	228,885	724	229,609
Receivables - federal	345,720	31,880	377,600
Inventory	-	17,826	17,826
Interfund receivable	-	-	-
Capital assets, net (Note 8):	22,936,762	1,204,803	24,141,565
Total assets	<u>30,984,729</u>	<u>1,425,492</u>	<u>32,410,221</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	126,966	-	126,966
Total deferred outflows of resources	<u>126,966</u>	<u>-</u>	<u>126,966</u>
LIABILITIES			
Accounts payable	\$ 615,931	\$ 79	\$ 616,010
Accrued payroll	29,973	4,892	34,865
Other liabilities	104,299	-	104,299
Interfund payable	-	-	-
Payable to state government	37,379	-	37,379
Unearned revenue	153,458	-	153,458
Noncurrent liabilities (Note 10):			
Due within one year	1,167,077	-	1,167,077
Due beyond one year	7,916,644	-	7,916,644
Total liabilities	<u>10,024,761</u>	<u>4,971</u>	<u>10,029,732</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred premium on refunding	727,623	-	727,623
Total deferred inflows of resources	<u>727,623</u>	<u>-</u>	<u>727,623</u>
NET POSITION			
Invested in capital assets, net of related debt	14,476,105	1,204,803	15,680,908
Restricted for:			
Debt service	87,473	-	87,473
Capital projects	1,033,904	-	1,033,904
Other purposes	5,523,321	-	5,523,321
Unrestricted	(761,492)	215,718	(545,774)
Total net position	<u>\$ 20,359,311</u>	<u>\$ 1,420,521</u>	<u>\$ 21,779,832</u>

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 14,529,984	\$ -	\$ -	\$ -	\$ (14,529,984)	\$ -	\$ (14,529,984)
Special education instruction	2,795,280	-	-	-	(2,795,280)	-	(2,795,280)
Other special instruction	1,043,182	-	-	-	(1,043,182)	-	(1,043,182)
Support services and undistributed costs:							
Instruction	1,141,009	-	-	-	(1,141,009)	-	(1,141,009)
Attendance and social work	167,135	-	-	-	(167,135)	-	(167,135)
Health services	423,198	-	-	-	(423,198)	-	(423,198)
Other support services	2,940,450	-	-	-	(2,940,450)	-	(2,940,450)
Improvement of instruction	111,442	-	-	-	(111,442)	-	(111,442)
Educational media services	271,900	-	-	-	(271,900)	-	(271,900)
Instruction staff training	192,240	-	-	-	(192,240)	-	(192,240)
General administrative services	748,283	-	-	-	(748,283)	-	(748,283)
School administrative services	1,477,634	-	-	-	(1,477,634)	-	(1,477,634)
School central services	529,115	-	-	-	(529,115)	-	(529,115)
School admin info technology	66,341	-	-	-	(66,341)	-	(66,341)
Allowed maintenance for school facilities	1,103,589	-	-	-	(1,103,589)	-	(1,103,589)
Other operation & maintenance of plant	2,083,129	-	-	-	(2,083,129)	-	(2,083,129)
Care & upkeep of grounds	156,372	-	-	-	(156,372)	-	(156,372)
Security	108,499	-	-	-	(108,499)	-	(108,499)
Student transportation services	1,160,576	-	-	-	(1,160,576)	-	(1,160,576)
Unallocated employee benefits	5,773,040	-	-	-	(5,773,040)	-	(5,773,040)
Non-budgeted expenditures	3,736,616	-	3,736,616	-	-	-	-
Interest expense	462,128	-	-	-	(462,128)	-	(462,128)
Total governmental activities	<u>41,021,142</u>	<u>-</u>	<u>3,736,616</u>	<u>-</u>	<u>(37,284,526)</u>	<u>-</u>	<u>(37,284,526)</u>
Business-type activities:							
Food Service	782,055	569,263	216,350	-	-	3,558	3,558
Child Care	312,060	332,864	-	-	-	20,804	20,804
Total business-type activities	<u>1,094,115</u>	<u>902,127</u>	<u>216,350</u>	<u>-</u>	<u>-</u>	<u>24,362</u>	<u>24,362</u>
Total primary government	<u>\$ 42,115,257</u>	<u>\$ 902,127</u>	<u>\$ 3,952,966</u>	<u>\$ -</u>	<u>\$ (37,284,526)</u>	<u>\$ 24,362</u>	<u>\$ (37,260,164)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					29,683,659	-	29,683,659
Taxes levied for debt service					1,553,426	-	1,553,426
Federal and state aid not restricted					7,518,751	-	7,518,751
Miscellaneous income					601,928	-	601,928
Gain on sale of fixed assets					2,124	-	2,124
Total general revenues, special items, extraordinary items and transfers					<u>39,359,888</u>	<u>-</u>	<u>39,359,888</u>
Change in net position					2,075,362	24,362	2,099,724
Net position -beginning					18,283,949	1,396,159	19,680,108
Net position -ending					<u>\$ 20,359,311</u>	<u>1,420,521</u>	<u>\$ 21,779,832</u>

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,459,136	\$ (130,423)	\$ -	\$ 87,473	\$ 6,416,186
Capital reserve account	1,033,904	-	-	-	1,033,904
Receivables, net	-	-	-	-	-
Receivables from other funds	-	-	-	-	-
Receivables from state	228,885	-	-	-	228,885
Receivables from federal	581	345,139	-	-	345,720
Receivables from other governments	-	-	-	-	-
Other receivables	21,486	1,786	-	-	23,272
Inventory	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 7,743,992</u>	<u>\$ 216,502</u>	<u>\$ -</u>	<u>\$ 87,473</u>	<u>\$ 8,047,967</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 590,986	\$ 24,945	\$ -	\$ -	\$ 615,931
Accrued salaries and benefits	29,253	720	-	-	29,973
Interfund payable	-	-	-	-	-
Other current liabilities	266,376	-	-	-	266,376
Payable to state government	-	37,379	-	-	37,379
Deferred revenue	-	153,458	-	-	153,458
Total liabilities	<u>886,615</u>	<u>216,502</u>	<u>-</u>	<u>-</u>	<u>1,103,117</u>
Fund Balances:					
Reserved for:					
Unexpended additional spending proposal					
Capital reserve account	1,033,904	-	-	-	1,033,904
Maintenance reserve account	911,419	-	-	-	911,419
Emergency reserve account	349,922	-	-	-	349,922
Excess surplus - current year	226,282	-	-	-	226,282
Excess surplus -- designated for					
Subsequent year's expenditures	794,159	-	-	-	794,159
Debt service fund	-	-	-	87,473	87,473
Capital projects fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Committed to:					
Other purposes	1,235,698	-	-	-	1,235,698
Assigned to:					
Debt service fund	-	-	-	-	-
Designated by the BOE for subsequent year's expenditure	2,005,841	-	-	-	2,005,841
Capital projects fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Unassigned to:					
General fund	300,152	-	-	-	300,152
Special revenue fund	-	-	-	-	-
Total fund balances	<u>6,857,377</u>	<u>-</u>	<u>-</u>	<u>87,473</u>	<u>6,944,850</u>
Total liabilities and fund balances	<u>\$ 7,743,992</u>	<u>\$ 216,502</u>	<u>\$ -</u>	<u>\$ 87,473</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$46,877,122 and the accumulated depreciation is \$23,940,360.	22,936,762
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$158,008.	126,966
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$756,570.	(727,623)
Long-term liabilities, including bonds payable but not including current portion of compensated absences of \$162,077 are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 10).	(8,921,644)
Net position of governmental activities	<u>\$ 20,359,311</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 29,683,659	\$ -	\$ -	\$ 1,553,426	\$ 31,237,085
Tuition charges	245,274	-	-	-	245,274
Interest on investments	29,738	-	-	-	29,738
Interest earned on capital reserve funds	2,525	-	-	-	2,525
Transportation fees	54,342	-	-	-	54,342
Miscellaneous	256,077	23,706	-	-	279,783
Total - Local sources	30,271,615	23,706	-	1,553,426	31,848,747
State sources	9,841,455	-	-	197,623	10,039,078
Federal sources	74,345	1,141,944	-	-	1,216,289
Total revenues	40,187,415	1,165,650	-	1,751,049	43,104,114
EXPENDITURES					
Current:					
Regular instruction	\$ 12,340,266	\$ 920,952	\$ -	\$ -	\$ 13,261,218
Special education instruction	2,750,500	-	-	-	2,750,500
Other special instruction	1,035,719	-	-	-	1,035,719
Support services and undistributed costs:					
Instruction	832,218	181,914	-	-	1,014,132
Attendance and social work	167,135	-	-	-	167,135
Health services	422,729	469	-	-	423,198
Other support services	2,897,317	43,133	-	-	2,940,450
Improvement of instruction	99,808	11,634	-	-	111,442
Educational media services	271,900	-	-	-	271,900
Instruction staff training	192,240	-	-	192,240	192,240
General administrative services	748,283	-	-	-	748,283
School administrative services	1,633,656	-	-	-	1,633,656
School central services	529,115	-	-	-	529,115
School admin info technology	66,341	-	-	-	66,341
Required maintenance for school facilities	1,103,589	-	-	-	1,103,589
Other operation & maintenance of plant	2,021,983	-	-	-	2,021,983
Care & upkeep of grounds	156,372	-	-	-	156,372
Security	108,499	-	-	-	108,499
Student transportation services	1,160,576	-	-	-	1,160,576
Unallocated employee benefits	5,773,040	-	-	-	5,773,040
Non-budgeted expenditures	3,736,616	-	-	-	3,736,616
Debt service:					
Principal	-	-	-	1,410,000	1,410,000
Interest and other charges	-	-	-	305,797	305,797
Capital outlay	1,408,631	7,548	-	-	1,416,179
Total expenditures	39,456,533	1,165,650	-	1,715,797	42,337,980
Excess (Deficiency) of revenues over expenditures	730,882	-	-	35,252	766,134
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Sale of Bonds	-	-	-	-	-
Refunding of bonds	-	-	-	-	-
Costs for bond issuance	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	730,882	-	-	35,252	766,134
Fund balance—July 1	6,126,495	-	-	52,221	6,178,716
Fund balance—June 30	\$ 6,857,377	\$ -	\$ -	\$ 87,473	\$ 6,944,850

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities -		
	Enterprise Funds		
	Food Service	Child Care	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 38,932	\$ 131,327	\$ 170,259
Investments	-	-	-
Receivables from state	724	-	724
Receivables from federal	25,582	-	25,582
Receivables from other government	6,298	-	6,298
Other receivables	-	-	-
Inventories	17,826	-	17,826
Total current assets	89,362	131,327	220,689
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	-
Furniture, machinery & equipment	1,510,567	4,771	1,515,338
Less accumulated depreciation	(307,144)	(3,391)	(310,535)
Total noncurrent assets	1,203,423	1,380	1,204,803
Total assets	\$ 1,292,785	\$ 132,707	\$ 1,425,492
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 47	\$ 32	\$ 79
Interfund payable	-	-	-
Accrued salaries and benefits	-	4,892	4,892
Total current liabilities	47	4,924	4,971
Noncurrent Liabilities:			
Compensated absences	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	47	4,924	4,971
NET POSITION			
Invested in capital assets net of related debt	1,203,423	1,380	1,204,803
Restricted for:			
Other	-	-	-
Unrestricted	89,315	126,403	215,718
Total net position	1,292,738	127,783	1,420,521
Total liabilities and net position	\$ 1,292,785	\$ 132,707	\$ 1,425,492

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities -		
	Enterprise Fund		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ 2,014	\$ -	\$ 2,014
School lunch	252,161	-	252,161
Total daily sales reimbursable programs	254,175	-	254,175
Daily sales non-reimbursable programs	262,006	-	262,006
Special functions	3,351	-	3,351
Miscellaneous	49,731	332,864	382,595
Total operating revenues	569,263	332,864	902,127
Operating expenses:			
Salaries	260,089	254,376	514,465
Employee benefits	113,549	22,335	135,884
Other purchased services	18,128	18,945	37,073
Supplies and materials	23,350	1,386	24,736
Utilities	31,044	14,350	45,394
Other objects	331	563	894
Depreciation	10,622	105	10,727
Cost of sales	324,942	-	324,942
Total operating expenses	782,055	312,060	1,094,115
Operating income (loss)	(212,792)	20,804	(191,988)
Nonoperating revenues (expenses):			
Interest income	83	-	83
State sources:			
Vending machine grant		-	-
State school lunch program	6,810	-	6,810
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	10,476	-	10,476
National school lunch program	165,279	-	165,279
Food distribution program	20,788	-	20,788
FEMA disaster funding	12,914	-	12,914
Total nonoperating revenues (expenses)	216,350	-	216,350
Income (loss) before contributions & transfers	3,558	20,804	24,362
Transfers in (out)	-	-	-
Change in net position	3,558	20,804	24,362
Total net position -beginning	1,289,180	106,979	1,396,159
Total net position -ending	\$ 1,292,738	\$ 127,783	\$ 1,420,521

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Food Services Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Year ended June 30, 2013

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers an other funds	\$ 590,051	\$ 332,864	\$ 922,915
Payments to employees & benefits	(381,691)	(284,053)	(665,744)
Payments to suppliers	(397,233)	(35,212)	(432,445)
Net cash used for operating activities	<u>(188,873)</u>	<u>13,599</u>	<u>(175,274)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	6,287	-	6,287
Federal sources	168,072	-	168,072
Board interfund loans	(3,935)	-	(3,935)
Net cash provided by (used for) non-capital financing activities	<u>170,424</u>	<u>-</u>	<u>170,424</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	-	-	-
Gain/Loss on sale of fixed assets (proceeds)	(3,172)	-	(3,172)
Net cash provided by (used for) capital and related financing activities	<u>(3,172)</u>	<u>-</u>	<u>(3,172)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	83	-	83
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	<u>83</u>	<u>-</u>	<u>83</u>
Net decrease in cash and cash equivalents	(21,538)	13,599	(7,939)
Balances—beginning of year	60,470	117,728	178,198
Balances—end of year	<u>\$ 38,932</u>	<u>\$ 131,327</u>	<u>\$ 170,259</u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating loss	\$ (212,792)	\$ 20,804	\$ (191,988)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	10,622	105	10,727
Federal commodities	20,788	-	20,788
(Increase) decrease in accounts receivable, net	-	-	-
(Increase) decrease in inventories	972	-	972
Increase (decrease) in accounts payable	(410)	32	(378)
Increase (decrease) in accrued salaries benefits	(92)	(7,342)	(7,434)
Increase (decrease) in compensated absences	(7,961)	-	(7,961)
Total adjustments	<u>23,919</u>	<u>(7,205)</u>	<u>16,714</u>
Net cash used in operating activities	<u>\$ (188,873)</u>	<u>\$ 13,599</u>	<u>\$ (175,274)</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2013

	Unemployment Compensation Trust	Scholarship Fund	Student Activity	Summer Savings	FSA	Class Reunion	Agency Fund
ASSETS							
Cash and cash equivalents	\$ 150,463	\$ 38,833	\$ 222,698	\$ 1,037,620	\$ 11,605	\$ 9,350	\$ 168,638
Intergovernmental accounts receivable	-	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-	-
Total assets	<u>150,463</u>	<u>38,833</u>	<u>222,698</u>	<u>1,037,620</u>	<u>11,605</u>	<u>9,350</u>	<u>168,638</u>
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Payroll deductions and withholdings	-	-	-	1,037,620	11,605	-	168,638
Payable to student groups	-	-	222,698	-	-	9,350	-
Accrued wages	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>222,698</u>	<u>1,037,620</u>	<u>11,605</u>	<u>9,350</u>	<u>168,638</u>
NET POSITION							
Held in trust for unemployment claims and other purposes	150,463	-	-	-	-	-	-
Reserved for scholarships	-	38,833	-	-	-	-	-
Total net position	<u>150,463</u>	<u>38,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 150,463</u>	<u>\$ 38,833</u>	<u>\$ 222,698</u>	<u>\$ 1,037,620</u>	<u>\$ 11,605</u>	<u>\$ 9,350</u>	<u>\$ 168,638</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Scholarship Funds</u>	<u>Unemployment Compensation Fund</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	3,255	-	3,255
Total Contributions	<u>3,255</u>	<u>-</u>	<u>3,255</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	123	429	552
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>123</u>	<u>429</u>	<u>552</u>
Total additions	<u>3,378</u>	<u>429</u>	<u>3,807</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	6,700	-	6,700
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>6,700</u>	<u>-</u>	<u>6,700</u>
Change in net position	(3,322)	429	(2,893)
Net position -beginning of the year	<u>42,155</u>	<u>150,034</u>	<u>192,189</u>
Net position -end of the year	<u>\$ 38,833</u>	<u>\$ 150,463</u>	<u>\$ 189,296</u>

See accompanying notes to financial statements.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2013

1. Summary of Significant Accounting Policies

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

a. Reporting Entity

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

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

b. Basis of Presentation

The School District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

The School District adopted the newly implemented Governmental Accounting Standard requiring the reporting of deferred outflows, deferred inflows, and net position. The term Net Assets will no longer be used and will be replaced with Net Position. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position. Items previously classified as assets and liabilities but not meeting that definition have then been reviewed for categorization as deferred outflows or deferred inflows. Items not classified as an asset, deferred outflows, liability or deferred inflows have been charged to the Statement of Activities in the current year.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2013

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

The School District did have items that needed to be reviewed for proper classification on the Statement of Net Position. The District has Bond Premiums and Bond Costs which were being amortized and had previously been included on the Statement of Net Position. Following these new guidelines the Bond Costs have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The Bond Costs relating to originally issued bonds are not assets, deferred outflows, liabilities or deferred inflows and have been charged to the Statement of Activities for \$121,430 and included in interest expense.

District-wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These statements 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 position presents the financial condition of the governmental and business-type activity of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

The District reports the following governmental funds:

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

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

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

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

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

The District reports the following proprietary fund:

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

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

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

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

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

c. Basis of Accounting

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies (continued)

c. Basis of Accounting (continued)

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

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

d. Property Taxes

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

e. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. Budgets are prepared using the modified accrual basis of accounting except for the special reserve fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2013 were insignificant.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

e. Budgets/Budgetary Control (continued)

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

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

f. Encumbrances

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

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

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

g. Cash, Cash Equivalents and Investments

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

g. Cash, Cash Equivalents and Investments (continued)

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

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

h. Tuition Receivable

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

i. Tuition Payable

Tuition charges for the fiscal years 2012-2013 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

j. Inventories and Prepaid Expenses

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

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

k. Short-Term Interfund Receivables/Payables

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

1. Capital Assets

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

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

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

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

m. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amount earned by these employees but not disbursed was \$34,865.

n. Compensated Absences

District employees are granted vacation and sick leave under the District's employment contracts. Vacation day allotments per year cannot be accumulated into the next fiscal year. Sick leave benefits provide for ordinary sick pay and are reimbursable in accordance with the individual's employment contract. The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental fund. The balance at June 30, 2013 is \$1,223,721.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

o. Unearned/Deferred Revenue

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

p. Accrued Liabilities and Long-Term Obligations

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

q. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position 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 position are available.

r. Fund Balance Resources

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

r. Fund Balance Resources (continued)

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

s. Revenues - Exchange and Non-exchange Transactions

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

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

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

t. Operating Revenues and Expenses

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

u. Management Estimates

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

2. Cash, Cash Equivalents and Investments

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2013, the carrying amount of the District's deposits was \$7,160,223 and the bank balance was \$7,969,088. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

The District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to be depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2013, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

3. Investments

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

As of June 30, 2013, the District had \$0 of investments on deposit.

4. Capital Reserve Account

A capital reserve account was established by the District's Board of Education by inclusion of \$150,000 in the original 1999 and \$50,000 in the original 2000 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity will be included in the general fund annual budget.

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

During the fiscal year ended June 30, 2013, the District had actual interest earnings of \$2,525 and had no transfers.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	\$	881,379
Interest earnings		2,525
Deposits		150,000
Withdrawals		(0)
Ending balance, June 30, 2013		<u>\$ 1,033,904</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects is \$50,841,607. There were no withdrawals from the capital reserve for DOE approved facilities projects.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

5. Receivables:

Receivables at June 30, 2013, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Fund Financial Statements	District-Wide financial Statements
State Aid	\$ 228,885	\$ 229,609
Federal Aid	345,720	377,600
Other	23,272	23,272
Gross Receivables	<u>597,877</u>	<u>630,481</u>
Less:		
Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 597,877</u>	<u>\$ 630,481</u>

6. Inventory

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food	\$ 7,057
Commodities	6,350
Supplies	4,419
	<u>\$17,826</u>

7. Grant Programs

Contingent liabilities

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

8. Capital Assets

Capital assets consisted of the following at June 30, 2013:

	Beginning			Ending
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
GOVERNMENTAL ACTIVITIES:				
Capital assets that are not being depreciated:				
Site and site improvements	\$ 275,324	-	-	\$ 275,324
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>275,324</u>	<u>-</u>	<u>-</u>	<u>275,324</u>
Building and building/site improvements	40,328,889	410,796	40,762	40,698,923
Machinery and equipment	<u>5,173,700</u>	<u>944,238</u>	<u>215,063</u>	<u>5,902,875</u>
Totals at historical cost	<u>45,502,589</u>	<u>1,355,034</u>	<u>255,825</u>	<u>46,601,798</u>
Less accumulated depreciation for :				
Building and improvements	18,741,023	1,071,064	248,215	19,563,872
Equipment	<u>3,954,886</u>	<u>421,602</u>	-	<u>4,376,488</u>
Total accumulated depreciation	<u>22,695,909</u>	<u>1,492,666</u>	<u>248,215</u>	<u>23,940,360</u>
Total capital assets being depreciated net of accumulated depreciation	<u>23,082,004</u>	<u>(137,632)</u>	<u>7,610</u>	<u>22,936,762</u>
Government activities capital assets, net	<u>\$23,082,004</u>	<u>(137,632)</u>	<u>7,610</u>	<u>\$ 22,936,762</u>
BUSINESS-TYPE ACTIVITIES:				
Building improvements	\$1,173,439		-	1,173,439
Equipment	358,207		16,308	341,899
Less: accumulated depreciation	<u>319,288</u>	<u>10,727</u>	<u>19,480</u>	<u>310,535</u>
Business-type activities capital assets, net	<u>\$1,212,358</u>	<u>10,727</u>	<u>3,172</u>	<u>\$1,204,803</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

8. Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 1,268,766
Special education instruction	44,780
Other instruction	7,463
Student & Instruction Related Services	126,877
School administration	44,780
Total depreciation expense	<u>\$ 1,492,666</u>

9. Operating Leases

The District has no material commitments under operating leases at June 30, 2013.

10. Non-current Liabilities

During the fiscal year ended June 30, 2013 the following changes occurred in the non-current liabilities:

	Balance <u>6-30-12</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>6-30-13</u>	Due within <u>one year</u>
Governmental Activities:					
Bonds payable	\$9,270,000	-	1,410,000	7,860,000	1,005,000
Compensated absences payable	<u>1,452,955</u>	<u>174,202</u>	<u>403,436</u>	<u>1,223,721</u>	<u>162,077</u>
Total	<u>\$10,722,955</u>	<u>\$ 174,202</u>	<u>\$1,813,436</u>	<u>\$9,083,721</u>	<u>\$1,167,077</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 June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$1,005,000	\$282,600	\$1,287,600
2015	1,015,000	255,075	1,270,075
2016	1,025,000	224,775	1,249,775
2017	1,030,000	194,175	1,224,175
2018	565,000	165,100	730,100
2019-2023	<u>3,220,000</u>	<u>459,000</u>	<u>3,679,000</u>
	<u>\$7,860,000</u>	<u>\$1,580,725</u>	<u>\$9,440,725</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

10. Non-current Liabilities (continued)

b. Bonds Authorized But Not Issued

As of June 30, 2013, the School District had no authorized but not issued bonds.

11. Pension Plans

Description of Systems:

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

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

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

Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

11. Pension Plans (continued)

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

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

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

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/13	\$355,056	100	%
6/30/12	327,317	100	\$
6/30/11	305,380	100	0

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

11. Pension Plans (continued)

Three-Year Trend Information for TPAF (Paid on-behalf of the District)			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/13	\$ 2,449,408	100 %	\$ 0
6/30/12	1,735,580	100	0
6/30/11	1,208,007	100	0

There was a current year contribution to the TPAF post-retirement medical benefits made by the state of New Jersey on behalf of the Board in the amount of \$2,449,408. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,287,208 during the fiscal year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining individual fund and account group statements and schedules as revenues and expenditures in accordance with Governmental Accounting Standards.

12. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits of those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2013, there were 97,661 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 2013, the State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

13. Deferred Compensation

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

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

14. Risk Management

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Ending Balance</u>
2012-2013	\$ -	-	429	\$150,463
2011-2012	-	-	371	150,034
2010-2011	-	-	1,069	149,663

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

15. Interfund Receivables and Payables

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

The following interfund balances remained on the balance sheet at June 30, 2013:

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

16. Compensated Absences

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

District employees are granted varying amounts of sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions. The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental activities fund (see footnote 10).

17. Fund Balances

General Fund - of the \$6,857,377 General Fund balance at June 30, 2013, \$1,235,698 of encumbrances is committed to other purposes, \$1,033,904 is restricted for capital reserve, \$911,419 is restricted for maintenance reserve, \$349,922 is restricted for emergency reserve, \$226,282 is restricted for excess surplus, \$794,159 is restricted for excess surplus for subsequent year expenditures \$2,005,841 has been classified as assigned fund balance designated for subsequent year expenditures, and \$300,152 is unassigned.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to Financial Statements

18. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$226,282. The excess fund balance at June 30, 2012 was \$794,159. 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 2012-13 withholding of state aid.

19. Contingent Liabilities

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

20. Uncertain Tax Positions

The District had no unrecognized tax benefits at June 30, 2013. The Board files tax returns in the U.S. federal jurisdiction and various states. The District has no open year prior to June 30, 2010.

21. Subsequent Events

Management has evaluated subsequent events through October 18, 2013, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 29,683,659	\$ -	\$ 29,683,659	\$ 29,683,659	\$ -
Interest on investments	16,253	-	16,253	26,266	10,013
Interest earned on current expense emergency reserve	875	-	875	998	123
Interest earned on maintenance reserve	1,380	-	1,380	2,474	1,094
Interest earned on capital reserve funds	1,750	-	1,750	2,525	775
Transportation fees	10,000	-	10,000	54,342	44,342
Tuition - from individuals	134,997	-	134,997	89,592	(45,405)
Tuition - from other LEA's within the state	10,000	-	10,000	155,682	145,682
Other tuition	-	-	-	-	-
Miscellaneous	114,000	-	114,000	256,077	142,077
Total - local sources	29,972,914	-	29,972,914	30,271,615	298,701
State sources:					
Categorical Special Education Aid	1,642,997	-	1,642,997	1,642,997	-
Security aid	176,228	-	176,228	176,228	-
Equalization aid	3,847,120	-	3,847,120	3,847,120	-
Extraordinary aid	115,000	-	115,000	159,382	44,382
Non-public transportation	-	-	-	11,377	11,377
Other state aid	289,739	-	289,739	289,739	-
TPAF pension (on-behalf - Non-budgeted)	-	-	-	2,449,408	2,449,408
TPAF social security (reimbursed - Non-budgeted)	-	-	-	1,287,208	1,287,208
Total state sources	6,071,084	-	6,071,084	9,863,459	3,792,375
Federal sources:					
Education jobs fund program	581	-	581	581	-
Other federal aids-SEMI	45,000	-	45,000	73,764	28,764
Total Federal sources	45,581	-	45,581	74,345	28,764
Total revenues	36,089,579	-	36,089,579	40,209,419	4,119,840
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	\$ 750,089	\$ 3,076	\$ 753,165	\$ 752,514	\$ 651
Grades 1-5 - Salaries of teachers	3,807,791	(118,749)	3,689,042	3,630,762	58,280
Grades 6-8 - Salaries of teachers	3,008,096	(88,546)	2,919,550	2,917,211	2,339
Grades 9-12 - Salaries of teachers	4,101,765	(126,800)	3,974,965	3,961,107	13,858
Regular Programs - Home Instruction:	-	-	-	-	-
Salaries of teachers	76,000	(3,575)	72,425	45,716	26,709
Purchased professional-educational services	55,412	8,285	63,697	54,493	9,204
Regular Programs - Undistributed Instruction	-	-	-	-	-
Other salaries for instruction	-	-	-	-	-
Purchased professional-educational services	15,976	-	15,976	10,566	5,410
Purchased technical services	25,950	-	25,950	14,533	11,417
Other purchased services (400-500 series)	142,615	44,008	186,623	91,740	94,883
General supplies	866,542	21,633	888,175	766,064	122,111
Textbooks	205,410	(38,469)	166,941	85,863	81,078
Other objects	13,440	-	13,440	9,697	3,743
TOTAL REGULAR PROGRAMS - INSTRUCTION	13,069,086	(299,137)	12,769,949	12,340,266	429,683
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	59,200	1,500	60,700	60,218	482
Other salaries for instruction	12,321	-	12,321	12,320	1
Other purchased services	500	-	500	395	105
General supplies	200	-	200	-	200
Total Behavioral Disabilities	72,221	1,500	73,721	72,933	788
Multiple Disabilities:					
Salaries of Teachers	243,075	48,090	291,165	288,733	2,432
Other salaries for instruction	102,228	(53,402)	48,826	43,388	5,438
General supplies	1,250	2,530	3,780	3,779	1
Total Multiple Disabilities	346,553	(2,782)	343,771	335,900	7,871

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	1,713,818	130,957	1,844,775	1,844,775	-
Other Salaries for Instruction	174,321	25,153	199,474	190,587	8,887
General supplies	4,020	5,192	9,212	8,884	328
Textbooks	1,500	(500)	1,000	573	427
Total Resource Room/Resource Center	1,893,659	160,802	2,054,461	2,044,819	9,642
Autism:					
Salaries of Teachers	115,525	2,930	118,455	118,418	37
Other Salaries for Instruction	29,049	(27,676)	1,373	920	453
General Supplies	1,250	(1,000)	250	-	250
Other purchased services (400-500 series)	250	1,000	1,250	434	816
Total Autism	146,074	(24,746)	121,328	119,772	1,556
Preschool Disabilities - Full-Time:					
Salaries of Teachers	102,378	1,660	104,038	103,920	118
Other Salaries for Instruction	51,075	11,195	62,270	62,093	177
General Supplies	1,650	(35)	1,615	1,580	35
Total Preschool Disabilities - Full-Time	155,103	12,820	167,923	167,593	330
Home Instruction:					
Salaries of Teachers	46,500	(1,161)	45,339	9,483	35,856
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	500	-	500	-	500
Total Home Instruction	47,000	(1,161)	45,839	9,483	36,356
TOTAL SPECIAL EDUCATION- INSTRUCTION	2,660,610	146,433	2,807,043	2,750,500	56,543
Basic Skills/Remedial - Instruction					
Salaries of Teachers	91,955	26,696	118,651	117,885	766
Other Purchased Services (400-500 series)	10,875	-	10,875	-	10,875
General Supplies	1,250	-	1,250	-	1,250
Other Objects	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	104,080	26,696	130,776	117,885	12,891
Bilingual Education - Instruction					
Salaries of Teachers	60,676	-	60,676	60,675	1
Other Purchased Services (400-500 series)	350	-	350	-	350
General Supplies	600	-	600	72	528
Total Bilingual Education - Instruction	61,626	-	61,626	60,747	879
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	186,645	-	186,645	167,579	19,066
Purchased Services (300-500 series)	16,700	446	17,146	14,971	2,175
Supplies and Materials	24,767	(1,715)	23,052	19,453	3,599
Other Objects	4,935	(93)	4,842	2,803	2,039
Total School-Spon. Cocurricular Actvts. - Instruction	233,047	(1,362)	231,685	204,806	26,879
School-Spon. Athletics - Instruction					
Salaries	453,777	(1,746)	452,031	414,056	37,975
Purchased Services (300-500 series)	142,855	(8,121)	134,734	127,545	7,189
Supplies and Materials	93,306	17,063	110,369	109,680	689
Other Objects	1,000	-	1,000	1,000	-
Total School-Spon. Athletics - Instruction	690,938	7,196	698,134	652,281	45,853
Total Instruction	16,819,387	(120,174)	16,699,213	16,126,485	572,728
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - Special	196,734	(73,095)	123,639	92,036	31,603
Tuition to Co. Voc. School Dist. - reg.	15,000	(100)	14,900	12,000	2,900
Tuition to Co. Voc. School Dist. - special	11,900	(850)	11,050	-	11,050
Tuition to Co.Spec. Serv. & Reg. Day schools	43,757	-	43,757	43,010	747
Tuition to Private Sch for Disbl w/i State	1,060,176	(62,728)	997,448	535,743	461,705
Tuition Priv Sch Disbl & Otr LEA o/s State	88,126	(305)	87,821	74,012	13,809
Tuition - State Facilities	72,230	(5,000)	67,230	67,230	-
Tuition - Other	36,273	(10,341)	25,932	8,187	17,745
Total Undistributed Expenditures - Instruction:	1,524,196	(152,419)	1,371,777	832,218	539,559
Undistributed Expend. - Attend. & Social Work					
Salaries	168,534	(2,351)	166,183	166,071	112
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	1,900	(196)	1,704	1,064	640
Total Undistributed Expend. - Attend. & Social Work	170,434	(2,547)	167,887	167,135	752

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Health Services					
Salaries	376,925	3,538	380,463	380,183	280
Purchased professional and technical services	28,464	205	28,669	28,005	664
Other purchased services (400-500 series)	1,605	(700)	905	575	330
Supplies and materials	5,920	8,047	13,967	13,966	1
Total Undistributed Expenditures - Health Services	412,914	11,090	424,004	422,729	1,275
Undist. Expend. - Other Support Services - Students - Related Service					
Salaries	274,757	(12,946)	261,811	260,349	1,462
Purchased Prof. Ed. Services	188,884	(35,556)	153,328	99,861	53,467
Supplies and Materials	2,322	721	3,043	1,678	1,365
Total Undist. Expend. - Other Support Services - Students - Related Service	465,963	(47,781)	418,182	361,888	56,294
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	545,929	25,693	571,622	570,397	1,225
Purchased Prof. Ed. Services	125,512	(10,000)	115,512	81,757	33,755
Total Undist. Expend. - Other Support Services Students - Extraordinary Ser	671,441	15,693	687,134	652,154	34,980
Undist. Expend. - Other Support Services Students-Regular					
Salaries of Other Professional Staff	706,987	(549)	706,438	705,617	821
Salaries of Secretarial and Clerical Assistants	131,943	(4,090)	127,853	127,652	201
Other Salaries	5,000	-	5,000	2,378	2,622
Other Purch. Prof. & Tech. Svc.	17,350	367	17,717	7,297	10,420
Other Purchased Services (400-500 series)	13,602	(1,367)	12,235	5,421	6,814
Supplies and Materials	23,801	(1,938)	21,863	15,343	6,520
Other Objects	1,280	-	1,280	1,225	55
Total Undist. Expend. - Other Support Services - Students-Regular	899,963	(7,577)	892,386	864,933	27,453
Undist. Expend. - Other Support Services - Students-Special					
Salaries of Other Professional Staff	820,814	(2,585)	818,229	816,563	1,666
Salaries of Secretarial and Clerical assistants	138,794	861	139,655	136,890	2,765
Purchased Professional - Educational Services	26,980	42,671	69,651	42,103	27,548
Other Purchased Prof. & Tech. Services	4,080	(893)	3,187	3,080	107
Misc. Purch Serv	13,400	(3,051)	10,349	9,888	461
Supplies and Materials	6,275	2,500	8,775	8,768	7
Other Objects	1,550	(482)	1,068	1,050	18
Total Undist. Expend. - Other Support Services - Students-Special	1,011,893	39,021	1,050,914	1,018,342	32,572
Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.					
Salaries Superv. Of Instr.	75,799	-	75,799	75,429	370
Salaries Other Prof. Staff	5,240	-	5,240	60	5,180
Salaries Secr. & Clerical Asst.	11,094	-	11,094	11,040	54
Other Salaries	16,500	-	16,500	12,225	4,275
Supplies and Materials	2,500	-	2,500	1,054	1,446
Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.	111,133	-	111,133	99,808	11,325
Undist. Expend. - Educational Media Services/School Library					
Salaries	200,719	(8,026)	192,693	178,216	14,477
Salaries of Technology Coordinators	42,612	(37)	42,575	42,412	163
Purchased Prof & Tech Svc.	4,050	730	4,780	4,760	20
Other Purchased Services (400-500)	583	-	583	5	578
Supplies and Materials	48,367	(455)	47,912	46,507	1,405
Total Undist. Expend. - Educational Media Services/School Library	296,331	(7,788)	288,543	271,900	16,643
Undist. Expend. - Instruction Staff Training Services					
Salaries of Supervisors of Instruction	75,799	-	75,799	75,428	371
Salaries of Other Professional Staff	49,530	(30,362)	19,168	5,985	13,183
Salaries of Secretarial & Clerical Assistants	33,283	-	33,283	33,121	162
Purchased Professional - Educational Services	21,700	30,363	52,063	30,470	21,593
Other Purchased Services (400-500 series)	36,375	(3,865)	32,510	22,238	10,272
Supplies and Materials	38,213	-	38,213	24,998	13,215
Total Undist. Expend. - Instruction Staff Training Services	254,900	(3,864)	251,036	192,240	58,796

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Support Service - General Administration					
Salaries	358,387	8,197	366,584	358,290	8,294
Legal Services	70,354	19,800	90,154	62,890	27,264
Audit Fees	22,500	(3,500)	19,000	19,000	-
Architectural/Engineering Services	33,578	65,875	99,453	87,472	11,981
Other Purchased Professional Services	4,250	1,500	5,750	5,400	350
Communications/Telephone	73,180	(30,385)	42,795	29,771	13,024
BOE Other Purchased Services	10,100	(1,800)	8,300	4,329	3,971
Misc. Purch. Serv. (400-500)	160,800	13,489	174,289	147,132	27,157
General Supplies	6,983	(1)	6,982	5,848	1,134
BOE In-house Training/Meeting Supplies	4,770	-	4,770	1,503	3,267
Judgments Against the School District	18,000	-	18,000	-	18,000
Miscellaneous Expenditures	28,734	-	28,734	26,648	2,086
Total Undist. Expend. - Support Service - General Administration	791,636	73,175	864,811	748,283	116,528
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant principals	1,160,367	36,993	1,197,360	1,158,802	38,558
Salaries of Secretarial and Clerical Assistants	416,458	39,919	456,377	439,463	16,914
Other Purchased Services (400-500 series)	15,154	(500)	14,654	13,125	1,529
Supplies and Materials	13,303	2,671	15,974	9,932	6,042
Other Objects	13,269	(405)	12,864	12,334	530
Total Undist. Expend. - Support Service - School Administration	1,618,551	78,678	1,697,229	1,633,656	63,573
Undistributed Expenditures- Central Services					
Salaries	491,399	3,684	495,083	479,334	15,749
Purchased Technical Services	43,280	(38,694)	4,586	30,591	(26,005)
Purchase Professional Services	4,700	53,212	57,912	3,825	54,087
Misc. Purchased Services	8,700	-	8,700	5,539	3,161
Supplies and Materials	6,500	1,914	8,414	7,758	656
Miscellaneous Expenditures	3,660	4,568	8,228	2,068	6,160
Total Central Services	558,239	24,684	582,923	529,115	53,808
Administration Information Technology					
Salaries	96,559	(7,067)	89,492	66,341	23,151
Total Admin info tech	96,559	(7,067)	89,492	66,341	23,151
Interest Earned on Maintenance Reserve					
Increase in maintenance reserve	-	-	-	-	-
Interest earned on maintenance reserve	1,380	(1,380)	-	-	-
Total Interest Earned on Maintenance Reserve	1,380	(1,380)	-	-	-
Required Maint for School Facilities					
Cleaning, Repair and Maintenance Services	1,056,044	77,038	1,133,082	972,335	160,747
General Supplies	109,761	24,055	133,816	125,643	8,173
Other Objects	5,000	11,974	16,974	5,611	11,363
Total Required Maintenance for School Facilities	1,170,805	113,067	1,283,872	1,103,589	180,283
Custodial Services					
Salaries	106,971	-	106,971	106,507	464
Purchased Professional and Technical Services	1,056,243	(19,483)	1,036,760	1,020,963	15,797
Cleaning, Repair and Maintenance Services	99,419	(19,098)	80,321	50,066	30,255
Rental of Land and Building Other than Lease	14,100	-	14,100	12,000	2,100
Other Purchased Property Services	42,413	12,000	54,413	43,001	11,412
Insurance	99,500	(10,612)	88,888	76,010	12,878
Miscellaneous Purchased Services	10,000	74,812	84,812	71,225	13,587
General Supplies	27,750	(12,647)	15,103	6,073	9,030
Energy (Natural Gas)	417,371	(61,450)	355,921	253,546	102,375
Energy (Electricity)	634,500	(98,512)	535,988	382,592	153,396
Total Custodial services	2,508,267	(134,990)	2,373,277	2,021,983	351,294
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	128,756	(23,103)	105,653	104,802	851
Cleaning, Repair and Maintenance Services	36,251	20,472	56,723	42,634	14,089
General Supplies	17,700	(8,764)	8,936	8,936	-
Total Care and Upkeep of Grounds	182,707	(11,395)	171,312	156,372	14,940
Security					
Salaries	41,883	3,156	45,039	44,431	608
Cleaning, Repair and Maintenance Services	16,221	63,687	79,908	64,068	15,840
General Supplies	1,250	20,300	21,550	-	21,550
Total Security	59,354	87,143	146,497	108,499	37,998
Total Oper. And Maintenance of Plant Services	3,921,133	53,825	3,974,958	3,390,443	584,515
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	275,659	(13,432)	262,227	260,652	1,575
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	124,957	26,233	151,190	151,036	154
Salaries for Pupil Transportation (Other than Between Home and School)	76,478	8,841	85,319	84,354	965
Salaries for Pupil Transportation (Between Home and School) - Non Public	22,634	5,041	27,675	27,066	609
Management Fee - ESC Trans. Program	6,500	-	6,500	4,733	1,767
Other Purchased Professional & Technical Services	11,700	(1,006)	10,694	7,487	3,207
Cleaning, Repair and Maint. Services	16,120	-	16,120	5,858	10,262
Contract Svc (btw Home & Sch.)-vendors	293,193	1,042	294,235	264,243	29,992
Contr Serv (Oth.than Bet Home & Sch) - Vend	4,700	1,524	6,224	4,788	1,436
Contract Svc (btw home & sch.)-joint agree	15,108	(1,465)	13,643	12,963	680
Contract Serv. (Sp Ed Stds) - Vendors	109,517	(10,256)	99,261	60,276	38,985
Contract Serv. (Sp Ed Stds) - Joint Agrmnts	38,291	1,000	39,291	35,109	4,182
Contract Serv. (Reg Students) - ESCs & CSTAs	70,864	(680)	70,184	54,341	15,843
Contract Serv.(Spl. Ed. Students) - ESCs & CTSAs	80,000	(20,742)	59,258	43,721	15,537
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	21,216	(2,262)	18,954	6,188	12,766
Misc. Purchased Services - Transportation	17,950	1,635	19,585	17,474	2,111
General Supplies	3,000	-	3,000	2,992	8
Transportation Supplies	114,715	36,101	150,816	117,145	33,671
Other Objects	800	-	800	150	650
Total Student Transportation Services	1,303,402	31,574	1,334,976	1,160,576	174,400

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Interest Earned on Current Expense Emergency Reserve					
Increase in current expense emergency reserve	-	-	-	-	-
Interest earned on current expense emergency reserve	875	(875)	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	<u>875</u>	<u>(875)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Personal Services- Employee Benefits					
Social Security Contributions	345,000	15,000	360,000	346,738	13,262
Other Retirement Contributions-Regular	409,318	(24,000)	385,318	355,056	30,262
Unemployment Compensation	81,000	9,000	90,000	84,069	5,931
Workmen's Compensation	205,000	-	205,000	148,415	56,585
Health Benefits	5,478,596	(583,051)	4,895,545	4,663,307	232,238
Tuition Reimbursement	22,000	-	22,000	12,410	9,590
Other Employee Benefits	135,000	37,487	172,487	163,045	9,442
Total Personal Services-Employee Benefits	<u>6,675,914</u>	<u>(545,564)</u>	<u>6,130,350</u>	<u>5,773,040</u>	<u>357,310</u>
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	2,449,408	(2,449,408)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,287,208	(1,287,208)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,736,616</u>	<u>(3,736,616)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>6,675,914</u>	<u>(545,564)</u>	<u>6,130,350</u>	<u>9,509,656</u>	<u>(3,379,306)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>20,786,857</u>	<u>(449,122)</u>	<u>20,337,735</u>	<u>21,921,417</u>	<u>(1,583,682)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>37,606,244</u>	<u>(569,296)</u>	<u>37,036,948</u>	<u>38,047,902</u>	<u>(1,010,954)</u>
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	1,750	(1,750)	-	-	-
Equipment					
Regular Programs - Instruction:					
Grades 1-5	190,732	4,102	194,834	170,241	24,593
Grades 6-8	103,780	54,932	158,712	101,627	57,085
Grades 9-12	87,101	4,268	91,369	78,631	12,738
Special Education- Instruction:					
School - Sponsored and Other Instructional Program	62,400	(20,613)	41,787	36,770	5,017
Undistributed expenditures - Instruction	-	-	-	-	-
General Administration					
Undist. Expend.-Support Serv.-Child Study Teams	5,000	(5,000)	-	-	-
Undist.Exp.-Req. Maint. Schl Facilities					
School admin.	2,500	(2,500)	-	-	-
Support Services-students- Special Education	-	10	10	-	10
Central Service	-	32,522	32,522	32,486	36
Undist. Exp.-Req. Maint. Schl Facilities	739,780	417,207	1,156,987	738,243	418,744
Undist. Exp.-Care and Upkeep of Grounds	-	-	-	-	-
Undistributed exp.-Non-instructional services					
Non-instructional Equip.	21,641	3,649	25,290	25,290	-
School Buses -Regular	168,000	79,540	247,540	164,200	83,340
Total Equipment	<u>1,380,934</u>	<u>568,117</u>	<u>1,949,051</u>	<u>1,347,488</u>	<u>601,563</u>
Facilities Acquisition and Construction Services					
Legal Services	-	-	-	-	-
Architectural/Engineering Services	-	-	-	-	-
Construction Services	-	-	-	-	-
Other Objects	61,143	-	61,143	61,143	-
Total	<u>61,143</u>	<u>-</u>	<u>61,143</u>	<u>61,143</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>1,443,827</u>	<u>566,367</u>	<u>2,010,194</u>	<u>1,408,631</u>	<u>601,563</u>
TOTAL EXPENDITURES	<u>39,050,071</u>	<u>(2,929)</u>	<u>39,047,142</u>	<u>39,456,533</u>	<u>(409,391)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(2,960,492)</u>	<u>2,929</u>	<u>(2,957,563)</u>	<u>752,886</u>	<u>3,710,449</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1	6,683,861	-	6,683,861	6,683,861	-
Fund Balance, June 30	<u>\$ 3,723,369</u>	<u>\$ 2,929</u>	<u>\$ 3,726,298</u>	<u>\$ 7,436,747</u>	<u>\$ 3,710,449</u>
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				911,419	
Emergency Reserve				349,922	
Excess surplus - current year				226,282	
Excess surplus-designated for subsequent year's expenditures				794,159	
Capital reserve				1,033,904	
Committed Fund Balance:					
Other purposes				-	
Year-end encumbrances				1,235,698	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				2,005,841	
Unrestricted/undesignated				879,522	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				(579,370)	
Fund balance per governmental funds (GAAP)				<u>300,152</u>	

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Education Jobs Fund Program
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Educational Jobs Fund Program	\$ 581	-	581	581	-
Total Revenues-Federal	581	-	581	581	-
EXPENDITURES					
Instruction:					
School-Spon. Athletics - Instruction	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Undistributed Expend. - Attend. & Social Work	-	581	581	581	-
Total support services	-	581	581	581	-
Total Expenditures-Federal	\$ -	581	581	581	-

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	-	\$ -	\$ 23,706	\$ 23,706
State sources	-	-	-	-	-
Federal sources	1,200,588	7,463	1,208,051	1,088,362	(119,689)
Total Revenues	<u>1,200,588</u>	<u>7,463</u>	<u>1,208,051</u>	<u>1,112,068</u>	<u>(95,983)</u>
EXPENDITURES					
Instruction:					
Personal services-salaries	276,381	(40,076)	236,305	231,278	5,027
Purchased professional and technical services	19,537	(3,284)	16,253	6,000	10,253
Purchased professional and technical services	8,585	(5,772)	2,813	2,813	-
General supplies	120,763	64,983	185,746	115,814	69,932
Tuition	507,204	130	507,334	507,334	-
Other objects	1,000	(53)	947	946	1
Total instruction	<u>933,470</u>	<u>15,928</u>	<u>949,398</u>	<u>864,185</u>	<u>85,213</u>
Support services:					
Personal services - salaries	7,820	612	8,432	8,432	-
Purchased professional and technical services	190,149	(13,393)	176,756	176,756	-
Other purchased services	-	469	469	469	-
Employee benefits	39,628	3,690	43,318	42,521	797
Travel	1,105	(564)	541	541	-
Supplies- materials	11,267	721	11,988	11,616	372
Total support services	<u>249,969</u>	<u>(8,465)</u>	<u>241,504</u>	<u>240,335</u>	<u>1,169</u>
EXPENDITURES:					
Facilities acquisition and const. serv.:					
Instructional equipment	2,149	-	2,149	2,149	-
Instructional equipment	15,000	-	15,000	5,399	9,601
Total facilities acquisition and const. serv.	<u>17,149</u>	<u>-</u>	<u>17,149</u>	<u>7,548</u>	<u>9,601</u>
Total expenditures	<u>1,200,588</u>	<u>7,463</u>	<u>1,208,051</u>	<u>1,112,068</u>	<u>95,983</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>1,200,588</u>	<u>7,463</u>	<u>1,208,051</u>	<u>1,112,068</u>	<u>95,983</u>
Excess (deficiency) of revenues					
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				\$ -	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2013

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]	\$ 40,209,419	[C-2]	\$ 1,112,068
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		53,582
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(579,370)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		557,366		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 40,187,415	[B-2]	\$ 1,165,650
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 39,456,533	[C-2]	\$ 1,112,068
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.		-		53,582
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 39,456,533	[B-2]	\$ 1,165,650

OTHER SUPPLEMENTARY INFORMATION

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

	Title I <u>10/11</u>	Title I <u>11/12</u>	Title I <u>12/13</u>	IDEA-Part B Preschool <u>12/13</u>	IDEA-Part B-Basic Reg Prog <u>11/12</u>	IDEA-Part B-Basic Reg Prog <u>12/13</u>
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	6,596	121,694	178,249	26,809	40,632	630,518
Total revenues	<u>6,596</u>	<u>121,694</u>	<u>178,249</u>	<u>26,809</u>	<u>40,632</u>	<u>630,518</u>
Expenditures:						
Instruction:						
Salaries	4,519	29,702	148,824	-	-	-
Purchased services	-	6,000	-	-	-	-
Other purchased services	-	2,813	-	-	-	-
General supplies	1,099	79,826	301	4,634	298	12,849
Tuition	-	-	-	-	40,334	467,000
Other Objects	-	-	-	946	-	-
Total instruction	<u>5,618</u>	<u>118,341</u>	<u>149,125</u>	<u>5,580</u>	<u>40,632</u>	<u>479,849</u>
Support services:						
Other support services - students - special:						
Salaries	-	612	-	-	-	-
Prof. and tech. services	-	-	-	17,500	-	144,373
Other purchased services	-	469	-	-	-	-
Employee benefits	978	2,272	29,124	-	-	-
Travel	-	-	-	-	-	541
Supplies and materials	-	-	-	1,580	-	5,755
Total other support services - students - special	<u>978</u>	<u>3,353</u>	<u>29,124</u>	<u>19,080</u>	<u>-</u>	<u>150,669</u>
Total support services	<u>978</u>	<u>3,353</u>	<u>29,124</u>	<u>19,080</u>	<u>-</u>	<u>150,669</u>
Equipment:						
Regular programs instruction	-	-	-	2,149	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,149</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 6,596</u>	<u>\$ 121,694</u>	<u>\$ 178,249</u>	<u>\$ 26,809</u>	<u>\$ 40,632</u>	<u>\$ 630,518</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2013

(Continued from prior page)

	Title II Part A 12/13	Title II Part D 10/11	Projectserv 2013	Race to the Top 2013	Other	Total 2013
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 23,706	\$ 23,706
State sources	-	-	-	-	-	-
Federal sources	56,360	520	7,820	19,164	-	1,088,362
Total revenues	<u>56,360</u>	<u>520</u>	<u>7,820</u>	<u>19,164</u>	<u>23,706</u>	<u>1,112,068</u>
Expenditures:						
Instruction:						
Salaries	46,250	483	-	-	1,500	231,278
Purchased services	-	-	-	-	-	6,000
Other purchased services	-	-	-	-	-	2,813
General supplies	-	-	-	-	16,807	115,814
Tuition	-	-	-	-	-	507,334
Other objects	-	-	-	-	-	946
Total instruction	<u>46,250</u>	<u>483</u>	<u>-</u>	<u>-</u>	<u>18,307</u>	<u>864,185</u>
Support services:						
Other support services - students - special:						
Salaries	-	-	7,820	-	-	8,432
Prof. and tech. services	-	-	-	14,883	-	176,756
Other purchased services	-	-	-	-	-	469
Employee benefits	10,110	37	-	-	-	42,521
Travel	-	-	-	-	-	541
Supplies and materials	-	-	-	4,281	-	11,616
Total other support services - students - special	<u>10,110</u>	<u>37</u>	<u>7,820</u>	<u>19,164</u>	<u>-</u>	<u>240,335</u>
Total support services	<u>10,110</u>	<u>37</u>	<u>7,820</u>	<u>19,164</u>	<u>-</u>	<u>240,335</u>
Equipment:						
Instruction equipment	-	-	-	-	-	2,149
Non-instructional equipment	-	-	-	-	5,399	5,399
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,399</u>	<u>7,548</u>
Total expenditures	<u>\$ 56,360</u>	<u>\$ 520</u>	<u>\$ 7,820</u>	<u>\$ 19,164</u>	<u>\$ 23,706</u>	<u>\$ 1,112,068</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2013

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 38,932	\$ 131,327	\$ 170,259
Accounts receivable:			
State	724	-	724
Federal	25,582	-	25,582
Other government	6,298	-	6,298
Interfund	-	-	-
Inventories	17,826	-	17,826
Total current assets	<u>89,362</u>	<u>131,327</u>	<u>220,689</u>
Fixed assets:			
Equipment	337,128	4,771	341,899
Buildings and improvements	1,173,439	-	1,173,439
Accumulated depreciation	(307,144)	(3,391)	(310,535)
Total fixed assets	<u>1,203,423</u>	<u>1,380</u>	<u>1,204,803</u>
Total assets	<u>\$ 1,292,785</u>	<u>\$ 132,707</u>	<u>\$ 1,425,492</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	47	32	79
Accrued salaries and benefits	-	4,892	4,892
Compensated absences	-	-	-
Interfund payable	-	-	-
Total liabilities	<u>47</u>	<u>4,924</u>	<u>4,971</u>
Net position :			
Invested in capital assets	1,203,423	1,380	1,204,803
Restricted for other purposes	-	-	-
Unrestricted net position	89,315	126,403	215,718
Total fund equity	<u>1,292,738</u>	<u>127,783</u>	<u>1,420,521</u>
Total liabilities and fund equity	<u>\$ 1,292,785</u>	<u>\$ 132,707</u>	<u>\$ 1,425,492</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Funds
Combined Statement of Revenues, Expenses and
Changes in Net Position
For the Fiscal Year ended June 30, 2013

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales-reimbursable programs:			
School breakfast program	\$ 2,014	\$ -	\$ 2,014
School lunch program	252,161	-	252,161
Total-daily sales-reimbursable programs	254,175	-	254,175
Daily sales non-reimbursable programs	262,006	-	262,006
Special functions	3,351	-	3,351
Miscellaneous	49,731	332,864	382,595
Total operating revenues	<u>569,263</u>	<u>332,864</u>	<u>902,127</u>
Operating expenses:			
Salaries	260,089	254,376	514,465
Employee benefits	113,549	22,335	135,884
Other purchased services	18,128	18,945	37,073
Supplies and materials	23,350	1,386	24,736
Utilities	31,044	14,350	45,394
Dues/Workshops	331	563	894
Depreciation	10,622	105	10,727
Cost of sales	324,942	-	324,942
Total operating expenses	<u>782,055</u>	<u>312,060</u>	<u>1,094,115</u>
Operating income (loss)	<u>(212,792)</u>	<u>20,804</u>	<u>(191,988)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	6,810	-	6,810
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	10,476	-	10,476
National school lunch program	165,279	-	165,279
Food distribution program	20,788	-	20,788
FEMA disaster funding	12,914	-	12,914
Interest	83	-	83
Total nonoperating revenues	<u>216,350</u>	<u>-</u>	<u>216,350</u>
Change in net position before transfers	3,558	20,804	24,362
Transfers in (out)	-	-	-
Change in net position	3,558	20,804	24,362
Total unrestricted net position beginning	<u>1,289,180</u>	<u>106,979</u>	<u>1,396,159</u>
Total unrestricted net position ending	<u>\$ 1,292,738</u>	<u>\$ 127,783</u>	<u>\$ 1,420,521</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Food Services Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Year ended June 30, 2013

Exhibit G-3

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 590,051	\$ 332,864	\$ 922,915
Payments to employees & benefits	(381,691)	(284,053)	(665,744)
Payments to suppliers	(397,233)	(35,212)	(432,445)
Net cash provided by (used in) operating activities	(188,873)	13,599	(175,274)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	6,287	-	6,287
Federal sources	168,072	-	168,072
Board interfund loans	(3,935)	-	(3,935)
Net cash provided by non-capital financing activities	170,424	-	170,424
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	-	-	-
Gain/Loss on sale of fixed assets (proceeds)	(3,172)	-	(3,172)
Net cash provided by (used in) capital and related financing activities	(3,172)	-	(3,172)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	83	-	83
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	83	-	83
Net increase in cash and cash equivalents	(21,538)	13,599	(7,939)
Balances—beginning of year	60,470	117,728	178,198
Balances—end of year	\$ 38,932	\$ 131,327	\$ 170,259
 Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating income (loss)	\$ (212,792)	\$ 20,804	\$ (191,988)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	10,622	105	10,727
Federal commodities	20,788	-	20,788
(Increase) decrease in accounts receivable, net	-	-	-
(Increase) decrease in inventories	972	-	972
Increase (decrease) in accounts payable	(410)	32	(378)
Increase (decrease) in accrued salaries benefits	(92)	(7,342)	(7,434)
Increase (decrease) in compensated absences	(7,961)	-	(7,961)
Total adjustments	23,919	(7,205)	16,714
Net cash provided by (used in) operating activities	\$ (188,873)	\$ 13,599	\$ (175,274)

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Combining Statement of Fiduciary Net Position
 June 30, 2013

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Scholarship Fund</u>	<u>Summer Savings</u>	<u>FSA</u>	<u>Class Reunion</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ASSETS								
Cash and cash equivalents	\$ 222,698	\$ 168,638	\$ 38,833	\$ 1,037,620	\$ 11,605	\$ 9,350	\$ 150,463	\$ 1,639,207
Deposits	-	-	-	-	-	-	-	-
Total assets	<u>222,698</u>	<u>168,638</u>	<u>38,833</u>	<u>1,037,620</u>	<u>11,605</u>	<u>9,350</u>	<u>150,463</u>	<u>1,639,207</u>
LIABILITIES								
Payroll deductions and withholdings	-	168,638	-	-	11,605	-	-	180,243
Payable to student groups	222,698	-	-	-	-	9,350	-	232,048
Accrued wages	-	-	-	-	-	-	-	-
Total liabilities	<u>222,698</u>	<u>168,638</u>	<u>-</u>	<u>-</u>	<u>11,605</u>	<u>9,350</u>	<u>-</u>	<u>412,291</u>
Fund Balances								
Reserved for future payment	-	-	38,833	1,037,620	-	-	150,463	1,226,916
Total fund balances	<u>-</u>	<u>-</u>	<u>38,833</u>	<u>1,037,620</u>	<u>-</u>	<u>-</u>	<u>150,463</u>	<u>1,226,916</u>
Total liabilities and fund balances	<u>\$ 222,698</u>	<u>\$ 168,638</u>	<u>\$ 38,833</u>	<u>\$ 1,037,620</u>	<u>\$ 11,605</u>	<u>\$ 9,350</u>	<u>\$ 150,463</u>	<u>\$ 1,639,207</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	Scholarship Funds	Unemployment Compensation Fund	Total
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	3,255	-	3,255
Total Contributions	<u>3,255</u>	<u>-</u>	<u>3,255</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	123	429	552
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>123</u>	<u>429</u>	<u>552</u>
Total additions	<u>3,378</u>	<u>429</u>	<u>3,807</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	6,700	-	6,700
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>6,700</u>	<u>-</u>	<u>6,700</u>
Change in net position	(3,322)	429	(2,893)
Net position -beginning of the year	<u>42,155</u>	<u>150,034</u>	<u>192,189</u>
Net position -end of the year	<u>\$ 38,833</u>	<u>\$ 150,463</u>	<u>\$ 189,296</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
Student Activities Funds	<u>\$ 200,363</u>	<u>\$ 590,063</u>	<u>\$ 567,728</u>	<u>\$ 222,698</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS:				
Cash and cash equivalents	\$ 158,560	\$ 24,742,517	\$ 24,732,439	\$ 168,638
Total assets	<u>158,560</u>	<u>24,742,517</u>	<u>24,732,439</u>	<u>168,638</u>
LIABILITIES:				
Payroll deductions and withholdings	158,560	10,649,485	10,639,507	168,538
Accrued salaries and wages	-	14,093,032	14,092,932	100
Interfund payable	-		-	-
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 158,560</u>	<u>\$ 24,742,517</u>	<u>\$ 24,732,439</u>	<u>\$ 168,638</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Serial Bonds
 June 30, 2013

Exhibit I-1

Issue	Date of Issue	Amount Of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2012	Issued	Retired	Refinanced	Balance June 30, 2013
School Bonds	1/15/03	8,940,000	7/15/2012	500,000	4.000%	\$ 500,000	\$ -	\$ (500,000)	\$ -	\$ -
Refunding 1998 Bonds	10/4/2011	7,165,000	3/15/2013	880,000	3.000%	6,745,000	-	(880,000)	-	5,865,000
			3/15/2014	495,000	3.000%					
			3/15/2015	510,000	3.000%					
			3/15/2016	530,000	3.000%					
			3/15/2017	545,000	4.000%					
			3/15/2018	565,000	4.000%					
			3/15/2019	590,000	4.000%					
			3/15/2020	620,000	4.000%					
			3/15/2021	640,000	4.000%					
			3/15/2022	670,000	5.000%					
3/15/2023	700,000	5.000%								
Refunding 2003 Bonds	5/16/2012	2,025,000	7/15/2012	30,000	2.000%	2,025,000	-	(30,000)	-	1,995,000
			7/15/2013	510,000	2.000%					
			7/15/2014	505,000	3.000%					
			7/15/2015	495,000	3.000%					
			7/15/2016	485,000	3.000%					
						<u>\$ 9,270,000</u>	<u>\$ -</u>	<u>\$ (1,410,000)</u>	<u>\$ -</u>	<u>\$ 7,860,000</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,533,542	-	\$ 1,533,542	\$ 1,553,426	\$ 19,884
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	197,623	-	197,623	197,623	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	197,623	-	197,623	197,623	-
Total Revenues	1,731,165	-	1,731,165	1,751,049	19,884
EXPENDITURES:					
Regular Debt Service:					
Interest	351,165	(30,098)	321,067	305,797	(15,270)
Redemption of Principal	1,380,000	30,098	1,410,098	1,410,000	(98)
Total Regular Debt Service	1,731,165	-	1,731,165	1,715,797	(15,368)
Total Expenditures	1,731,165	-	1,731,165	1,715,797	(15,368)
Excess (Deficiency) of Revenues Over (Under) Expendit	-	-	-	35,252	35,252
Fund Balance, July 1	-	-	-	52,221	52,221
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 87,473	\$ 87,473
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ 87,473	\$ 87,473

STATISTICAL SECTION

**Point Pleasant Borough School District
Statistical Section**

Contents**Page****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.

78-83**Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

84-87**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.

88-91**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.

92-93**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.

94-98

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	\$ 5,450,352	\$ 8,973,868	\$ 10,004,685	\$ 11,748,634	\$ 12,139,361	\$ 12,514,561	\$ 13,402,758	\$ 13,881,928	\$ 13,367,679	\$ 14,476,105
Restricted	6,926,082	4,724,812	3,884,868	2,602,232	1,949,325	2,714,481	3,789,844	4,322,700	5,833,952	6,644,698
Unrestricted	(976,938)	(1,131,357)	(1,198,234)	(1,028,511)	(219,137)	(81,555)	(1,190,938)	(852,815)	(977,682)	(761,492)
Total governmental activities net assets/position	\$ 11,399,496	\$ 12,567,323	\$ 12,691,319	\$ 13,322,355	\$ 13,869,549	\$ 15,147,487	\$ 16,001,664	\$ 17,251,813	\$ 18,283,949	\$ 20,359,311
Business-type activities										
Invested in capital assets, net of related debt	\$ 1,191,827	1,191,001	1,191,640	1,223,731	1,191,640	1,217,761	1,213,886	1,215,887	1,212,358	1,204,803
Restricted	-	-	31,388	31,313	31,313	31,313	-	-	-	-
Unrestricted	485,643	166,756	146,170	114,934	117,920	56,722	142,709	149,912	183,801	215,718
Total business-type activities net assets/position	\$ 1,677,470	\$ 1,357,757	\$ 1,369,198	\$ 1,369,978	\$ 1,340,873	\$ 1,305,796	\$ 1,356,595	\$ 1,365,799	\$ 1,396,159	\$ 1,420,521
District-wide										
Invested in capital assets, net of related debt	\$ 6,642,179	10,164,869	11,196,325	12,972,365	13,331,001	13,732,322	14,616,644	15,097,815	14,580,037	15,680,908
Restricted	6,926,082	4,724,812	3,916,256	2,633,545	1,980,638	2,745,794	3,789,844	4,322,770	5,833,952	6,644,698
Unrestricted	(491,295)	(964,601)	(1,052,064)	(913,577)	(101,217)	(24,833)	(1,048,229)	(802,903)	(793,881)	(545,774)
Total district net assets/position	\$ 13,076,966	\$ 13,925,080	\$ 14,060,517	\$ 14,692,333	\$ 15,210,422	\$ 16,453,283	\$ 17,358,259	\$ 18,617,682	\$ 19,680,108	\$ 21,779,832

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction										
Regular	\$ 11,000,362	\$ 12,558,395	\$ 12,812,203	\$ 13,103,968	\$ 13,842,022	\$ 13,964,403	\$ 14,643,062	\$ 14,129,061	\$ 15,105,900	\$ 14,529,984
Special education	1,890,030	1,918,518	2,111,621	2,176,721	2,343,372	2,513,311	2,596,337	2,666,187	2,634,211	2,795,280
Other special education	974,969	970,802	1,014,809	978,313	957,324	909,942	1,066,562	978,129	982,274	1,043,182
Support Services:										
Instruction	764,306	620,284	610,763	548,033	632,197	935,011	827,080	1,011,338	1,491,483	1,141,009
Attendance and social work	161,092	171,756	160,829	168,529	181,851	192,738	201,891	169,016	166,807	167,135
Health services	278,399	286,951	320,930	330,176	342,555	364,328	391,529	387,386	404,587	423,198
Improvement of instr. services	51,829	60,033	56,964	61,229	56,124	65,420	46,460	102,802	99,744	111,442
Educational media services	321,790	345,007	337,477	353,330	360,250	385,431	375,710	273,996	254,831	271,900
Instruction staff training	144,808	160,655	169,091	190,527	174,266	161,649	170,315	125,119	124,189	192,240
School Administrative services	1,371,139	1,345,144	1,497,264	1,470,623	1,603,409	1,704,298	1,374,383	1,569,389	1,406,476	1,477,634
General administration	521,318	629,903	586,218	618,521	762,942	694,460	735,427	660,177	753,927	748,283
Central Services	-	389,831	413,170	423,022	466,820	481,931	483,544	509,948	514,830	529,115
Plant operations and maintenance	3,860,448	2,688,428	3,333,375	3,385,650	3,397,226	3,465,988	3,493,059	3,442,422	3,141,947	3,421,389
Administrative information technology	-	67,834	46,860	128,566	135,375	141,323	117,859	92,162	94,200	66,341
Pupil transportation	931,490	975,376	1,023,601	1,026,518	1,106,688	1,177,184	1,196,252	1,090,749	1,079,301	1,160,576
Other support services	2,614,401	2,652,894	2,443,734	2,333,908	2,378,478	2,446,081	2,633,264	2,655,387	2,811,171	2,940,450
Business and other support services	-	-	-	-	360	-	-	-	-	-
Non-budgeted expenditures	2,122,985	2,320,325	2,682,995	2,700,065	3,981,895	2,413,623	2,524,023	2,515,647	2,992,512	3,736,616
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	886,713	837,550	781,212	735,156	685,427	631,082	571,733	516,192	570,179	462,128
Unallocated employee benefits	6,419,802	6,039,486	6,190,170	6,329,337	6,230,309	6,417,831	6,204,436	6,813,816	6,513,876	6,773,040
Total governmental activities expenses	32,309,281	31,657,368	32,405,306	32,078,232	32,836,890	31,321,594	32,436,566	32,540,423	32,339,945	31,021,142
Business-type activities:										
Food service	22,233	863,846	865,368	871,279	857,939	823,841	750,605	770,828	784,820	782,055
Child Care	33,314	306,178	323,115	388,837	433,481	341,113	292,519	285,804	309,940	312,060
Total business-type activities expense	55,547	1,170,024	1,208,483	1,260,116	1,291,420	1,164,954	1,043,124	1,056,632	1,094,760	1,094,115
Total district expenses	\$ 32,364,828	\$ 32,827,392	\$ 33,613,789	\$ 33,338,348	\$ 34,128,310	\$ 32,486,548	\$ 33,479,690	\$ 33,597,055	\$ 33,434,705	\$ 32,115,257
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	2,320,325	2,682,995	2,700,065	3,981,895	2,413,623	2,524,023	2,524,023	2,992,512	3,736,616
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	-	2,320,325	2,682,995	2,700,065	3,981,895	2,413,623	2,524,023	2,524,023	2,992,512	3,736,616
Business-type activities:										
Charges for services:										
Food service	\$666,587	\$ 709,030	\$ 758,114	\$ 744,148	\$ 703,586	\$ 681,814	\$ 627,533	\$ 627,533	\$ 604,085	\$ 569,263
Child Care	334,978	328,831	357,439	389,592	427,414	314,075	315,058	315,058	333,160	332,864
Operating grants and contributions	94,196	113,437	102,209	127,156	131,315	133,985	151,333	151,333	187,875	216,350
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	1,095,761	1,151,298	1,217,762	1,260,896	1,262,315	1,129,874	1,093,924	1,093,924	1,125,120	1,118,477
Total district program revenues	\$ 1,095,761	\$ 3,471,623	\$ 3,900,757	\$ 3,960,961	\$ 5,244,210	\$ 3,543,497	\$ 3,617,947	\$ 3,617,947	\$ 4,117,632	\$ 4,855,093

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Governmental activities	\$ (32,309,381)	\$ (33,657,360)	\$ (35,405,506)	\$ (36,078,212)	\$ (38,836,890)	\$ (37,321,594)	\$ (38,634,926)	\$ (38,540,423)	\$ (40,339,945)	\$ (41,021,142)
Business-type activities	(56,147)	(1,170,024)	(1,208,483)	(1,260,115)	(1,291,420)	(1,164,954)	(1,043,124)	(1,056,632)	(1,084,760)	(1,094,115)
Total district-wide net expense	<u>\$ (32,365,528)</u>	<u>\$ (34,827,384)</u>	<u>\$ (36,613,989)</u>	<u>\$ (37,338,327)</u>	<u>\$ (40,128,310)</u>	<u>\$ (38,486,548)</u>	<u>\$ (39,678,050)</u>	<u>\$ (39,597,055)</u>	<u>\$ (41,424,705)</u>	<u>\$ (42,115,257)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$21,177,276	\$ 21,840,645	\$ 22,727,187	\$ 23,410,271	\$ 25,101,110	\$ 25,519,800	\$ 26,615,115	\$ 26,615,115	\$ 29,037,269	\$ 29,683,659
Taxes levied for debt service	1,867,297	1,841,796	1,895,324	2,091,623	1,994,203	1,968,875	1,965,090	1,969,090	1,604,425	1,553,426
Unrestricted grants and contributions	9,434,348	7,872,518	7,569,719	7,455,499	7,649,420	7,642,264	7,941,808	7,941,808	7,213,489	7,518,751
Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Tuition received	-	-	-	-	-	-	-	-	-	-
Investment earnings	407,672	334,630	400,390	378,920	300,119	243,401	83,667	83,667	-	-
Miscellaneous income	302,631	214,294	153,886	272,870	367,337	447,389	355,400	355,400	524,316	604,052
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>33,089,224</u>	<u>32,203,883</u>	<u>32,846,506</u>	<u>33,009,183</u>	<u>35,405,189</u>	<u>36,221,728</u>	<u>36,965,080</u>	<u>36,965,080</u>	<u>38,379,499</u>	<u>39,359,888</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>									
Total district-wide	<u>\$33,089,224</u>	<u>\$ 32,203,883</u>	<u>\$ 32,846,506</u>	<u>\$ 33,009,183</u>	<u>\$ 35,405,189</u>	<u>\$ 36,221,728</u>	<u>\$ 36,965,080</u>	<u>\$ 36,965,080</u>	<u>\$ 38,379,499</u>	<u>\$ 39,359,888</u>
Change in Net Assets/Position										
Governmental activities	\$779,943	\$ 866,840	\$ 123,995	\$ 631,036	\$ 547,194	\$ 1,313,758	\$ 854,177	\$ 948,680	\$ 1,032,066	\$ 2,075,362
Business-type activities	(56,147)	(1,170,024)	(1,208,483)	(1,260,115)	(1,291,420)	(1,164,954)	(1,043,124)	(1,056,632)	(1,084,760)	(1,094,115)
Total district	<u>\$ 723,796</u>	<u>\$ (303,184)</u>	<u>\$ (884,488)</u>	<u>\$ (629,079)</u>	<u>\$ (744,226)</u>	<u>\$ 158,804</u>	<u>\$ (188,947)</u>	<u>\$ (107,952)</u>	<u>\$ (72,694)</u>	<u>\$ 981,247</u>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	3,507,990	\$ 3,673,653	\$ 3,066,035	\$ 2,556,359	\$ 2,361,452	\$ 2,932,696	\$ 3,789,844	\$ 4,322,770	\$ 5,841,731	\$ 6,557,225
Unreserved	592,380	331,125	316,625	376,482	393,303	393,303	103,183	333,420	284,764	300,152
Total general fund	<u>\$ 4,100,370</u>	<u>\$ 4,004,778</u>	<u>\$ 3,382,660</u>	<u>\$ 2,932,841</u>	<u>\$ 2,754,755</u>	<u>\$ 3,325,999</u>	<u>\$ 3,893,027</u>	<u>\$ 4,656,190</u>	<u>\$ 6,126,495</u>	<u>\$ 6,857,377</u>
All Other Governmental Funds										
Reserved	11,083,058	\$ 3,270,356	\$ 702,653	\$ 75,208	\$ -	\$ 4,130	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	208,240	-	-	-	2,602	-	-	-	-
Capital projects fund	93,175	7,563	111,261	26,078	19,675	-	-	-	-	-
Debt service fund	-	-	4,919	1,402	-	-	-	-	-	87,473
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 11,176,233</u>	<u>\$ 3,486,159</u>	<u>\$ 818,833</u>	<u>\$ 102,688</u>	<u>\$ 19,675</u>	<u>\$ 6,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,473</u>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Tax levy	23,007,258	23,782,441	24,722,511	25,901,894	27,085,313	27,888,675	28,584,205	29,804,075	30,641,694	31,237,085
Tuition charges	38,491	57,112	52,351	94,067	74,161	111,863	120,548	107,720	287,912	245,274
Interest earnings	407,672	337,200	372,194	378,920	300,119	243,401	83,667	63,850	24,036	32,263
Miscellaneous	164,140	33,676	150,244	154,546	284,576	328,947	227,680	306,118	181,999	279,783
Transportation fees	37,315	123,506	7,683	31,819	8,600	6,579	22,550	42,197	58,318	54,342
State sources	8,554,420	9,191,871	9,238,654	9,143,056	10,791,234	9,230,404	8,434,755	8,106,190	9,040,095	10,039,078
Federal sources	879,928	1,000,972	1,014,060	1,012,508	840,081	825,483	2,031,076	1,311,414	1,165,906	1,216,289
Other financing sources	879,928	-	-	-	-	-	-	-	-	-
Total revenue	33,960,152	34,526,778	35,557,697	36,716,810	39,384,084	38,635,352	39,504,481	39,741,564	41,399,960	43,104,114
Expenditures										
Instruction										
Regular instruction	11,006,750	11,584,993	11,954,708	12,198,434	12,599,045	12,787,664	13,288,836	12,892,381	13,062,667	13,261,218
Special education instruction	1,890,030	1,878,671	2,082,519	2,144,761	2,299,502	2,471,779	2,548,541	2,622,539	2,562,097	2,750,500
Other special instruction	974,969	966,216	1,010,770	972,986	950,012	983,020	1,058,596	970,855	970,255	1,035,719
Support Services:										
Instruction	764,306	523,155	525,199	457,480	507,899	817,337	691,657	887,670	1,287,160	1,014,132
Attendance and social work	161,092	171,756	160,829	168,529	181,851	192,738	201,891	169,016	166,807	167,135
Health services	278,399	298,951	320,930	330,176	342,555	364,328	391,529	387,386	404,587	423,198
Other support services	2,193,680	2,262,694	2,243,754	2,353,928	2,578,478	2,446,081	2,613,264	2,695,387	2,811,171	2,940,450
Improvement of instruction	51,829	60,033	56,964	61,229	54,124	45,420	48,460	102,802	99,744	111,442
Educational media services	321,790	345,007	337,477	353,330	360,250	385,431	375,710	273,996	254,831	271,900
Instruction staff training	144,808	160,655	169,091	190,527	174,266	161,649	170,315	125,119	124,189	192,240
General administrative services	521,318	629,903	596,218	618,521	762,942	694,460	735,427	669,177	753,927	748,283
School administrative services	1,371,339	1,421,135	1,417,715	1,491,714	1,571,972	1,542,687	1,601,880	1,534,027	1,558,150	1,633,656
School central services	-	389,831	413,170	423,022	466,820	481,931	483,544	500,948	514,830	529,115
School admin info technology	-	67,834	46,860	128,566	135,375	141,323	117,859	92,162	94,200	66,341
Allowed maintenance for school facilities	694,668	751,907	813,836	838,137	878,462	1,037,973	942,677	919,054	810,731	1,103,589
Other operation & maintenance of plant	2,092,686	1,948,088	2,519,739	2,547,513	2,506,401	2,618,904	2,617,526	2,475,679	2,288,510	2,286,854
Student transportation services	931,490	975,576	1,029,601	1,026,518	1,106,688	1,177,184	1,196,252	1,090,749	1,079,301	1,160,576
Business and other support services	420,921	200	-	-	-	-	-	-	-	-
Unallocated employee benefits	4,412,802	5,035,482	5,190,170	5,325,337	5,230,309	4,417,831	5,204,436	5,613,916	5,511,376	5,773,040
Non-budgeted expenditures	2,122,985	2,320,325	2,682,995	2,700,065	3,981,895	2,413,623	2,524,023	2,515,647	2,992,512	3,736,616
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	3,933,886	8,508,826	2,978,742	1,219,640	260,774	160,486	729,995	658,056	773,323	1,416,179
Debt service:										
Principal	1,470,000	1,505,000	1,555,000	1,610,000	1,635,000	1,670,000	1,730,000	1,305,000	1,375,000	1,410,000
Interest and other charges	856,356	807,193	750,855	704,799	655,070	600,725	541,376	485,835	382,066	305,797
Total expenditures	36,616,104	42,613,431	38,847,142	37,868,212	39,239,690	37,612,575	38,813,794	38,978,401	39,877,434	42,327,980
Excess (Deficiency) of revenues over (under) expenditures	(2,646,952)	(8,086,653)	(3,289,445)	(1,148,402)	144,394	1,022,777	(309,313)	763,163	1,522,526	766,134
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	370,350	125,000	(17,562)	-	-	-	-	-	-
Transfers out	-	(63,363)	(125,000)	(17,562)	-	-	-	-	-	-
Total other financing sources (uses)	-	306,987	-	(17,562)	-	-	-	-	-	-
Net change in fund balances	(2,646,952)	(7,785,666)	(3,289,445)	(1,165,964)	144,394	1,022,777	(309,313)	763,163	1,522,526	766,134
Debt service as a percentage of noncapital expenditures	7.12%	6.78%	6.43%	6.32%	5.88%	6.06%	5.81%	4.67%	4.49%	4.19%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

Fiscal Year Ending June 30,	Sale of Capital Assets	Interest on Investments	Event Receipts	Rentals	Prior Year Refunds	Transportation Fees	Miscellaneous	Annual Totals
2004	-	403,626	-	-	-	37,315	164,140	605,081
2005	-	337,200	-	-	-	33,676	119,746	490,622
2006	1,200	372,194	31,737	24,613	19,100	7,683	46,882	503,409
2007	-	378,920	46,526	24,702	-	31,819	59,125	541,092
2008	-	300,120	54,091	34,530	-	7,140	140,338	536,219
2009	-	243,401	52,088	41,345	95,463	6,579	75,365	514,241
2010	-	83,667	49,119	40,061	18,648	22,550	96,503	310,548
2011	-	63,850	53,891	33,296	79,643	42,197	104,199	377,076
2012	5,370	24,036	47,854	23,143	52,217	58,318	98,772	309,710
2013	9,734	32,263	48,491	11,970	87,216	54,342	98,666	342,682

Source: District records

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

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2004	18,398,900	1,198,914,200			113,150,400		14,344,700	1,436,236,900	91,428,700	3,012,889	1,347,821,089	2,224,379,452 c	1.7640
2005	17,907,100	1,207,638,100			109,000,500		14,344,700	1,466,300,500	97,410,100	2,505,559	1,371,395,959	2,612,678,233 c	1.7711
2006	23,561,400	1,217,659,100			105,501,800		14,294,700	1,459,903,600	97,886,600	2,102,200	1,364,119,200	3,058,251,124 c	1.8297
2007	22,958,900	1,230,660,600			106,646,400		14,294,700	1,374,560,600	98,328,300	1,863,476	1,376,424,076	3,538,613,763 c	1.9005
2008	22,958,900	1,229,902,500			106,646,400		14,294,700	1,373,802,500	99,801,100	4,242,574	1,389,197,202	3,762,722,649 c	1.9678
2009	25,484,700	1,243,006,700			108,023,200		11,019,700	1,387,534,300	99,617,300	4,245,574	1,387,534,300	3,811,358,194 c	2.0075
2010	39,584,500	2,956,937,600			250,854,710		27,301,500	3,274,678,310	167,502,200	4,341,758	3,279,020,068	3,700,619,628 c	2.0424
2011	40,101,500	2,937,797,800			250,474,310		27,010,000	3,255,383,610	166,699,300	3,868,500	3,259,252,110	3,653,629,191 c	0.9089
2012	39,556,600	2,929,105,600			249,877,410		26,624,300	3,245,163,910	168,540,500	3,790,128	3,248,954,038	3,310,307,759 c	0.9396
2013	-	-			-		25,582,300	3,221,631,310	167,384,500	3,112,728	3,224,744,038	3,114,034,975 c	0.9605

Source: Municipal Tax Assessor

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

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

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

^b Tax rates are per \$100

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

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

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

Fiscal Year Ended June 30,	Point Pleasant Borough School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal _c	Ocean County _c	
	2004	1.7640		1.7640	0.5540	
2005	1.6279	0.1433	1.7712	0.6510	0.7400	3.1622
2006	1.6818	0.1479	1.8297	0.7380	0.7570	3.3247
2007	1.7468	0.1537	1.9005	0.7990	0.0799	3.5660
2008	1.8237	0.1442	1.9679	0.8180	0.8300	3.6620
2009	1.8658	0.1417	2.0075	0.8530	0.8410	3.7410
2010	1.9017	0.1407	2.0424	0.3660	0.3690	1.6440
2011	0.8606	0.0484	0.9090	0.3820	0.3810	1.6720
2012	0.8909	0.0486	0.9395	0.4060	0.3910	1.7365
2013	0.9133	0.0472	0.9605	0.4200	0.3970	1.7775

Source: Municipal Tax Collector

Note:

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

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

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

	2013			2004		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Clark's Landing	14,000,000		0.43%	2,800,000		0.2100%
Point 88 Realty	8,000,000		0.25%	5,782,600		0.4300%
Johnson Bros Boat Works, LLC	6,126,300		0.19%	2,150,000		0.1600%
Taxpayer 1	4,827,900		0.15%	1,984,700		0.1500%
Robelander Realty Inc.	4,468,800		0.14%	1,800,300		0.1400%
Nassau Tower Realty LLC Walgreens	4,100,000		0.13%	-		-
Taxpayer 2	4,089,000		0.13%	-		-
CNL Income Crystal PT Marina LLC	3,981,000		0.12%	1,889,500		0.1400%
Canal Point Marine Inc.	3,499,000		0.11%	-		-
Dad Realty, Inc.	3,444,200		0.11%	-		-
Point Pleasant Borough Of	3,312,000		0.10%	-		-
Butler Real Estate LLC	3,286,600		0.10%	-		-
Mansaquan Savings Bank	2,559,200		0.08%	-		-
Claremont Health Systems	-		-	4,204,000		0.3200%
Robert Enterprises	-		-	2,500,000		0.1900%
Verizon	-		-	3,613,100		0.2700%
Pt. Pleasant Towers, LLC	-		-	3,538,680		0.2700%
Total	\$ 65,694,000		2.04%	\$ 30,262,880		2.28%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	40,785,066	39,876,275	97.77%	1,175,249
2005	43,513,218	42,429,211	97.51%	1,396,869
2006	46,365,482	45,490,072	98.11%	521,128
2007	49,081,108	47,820,984	97.43%	817,279
2008	50,872,401	49,393,149	97.09%	951,634
2009	52,352,741	50,799,422	97.03%	N/A
2010	53,913,656	50,796,681	94.24%	N/A
2011	55,635,545	53,822,115	96.74%	N/A
2012	57,229,984	55,775,044	97.46%	N/A
2013	N/A	N/A	N/A	N/A

Source: Municipal Chief Financial Officer

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

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipa- tion Notes (BANs)	Capital Leases			
2004	22,063,000	-	-	-	-	22,063,000	3.32%	1,115.93
2005	20,558,000	-	-	-	-	20,558,000	3.01%	1,038.34
2006	19,003,000	-	-	-	-	19,003,000	2.60%	956.66
2007	17,393,000	-	-	-	-	17,393,000	2.22%	871.22
2008	15,758,000	-	-	-	-	15,758,000	1.91%	781.80
2009	14,088,000	-	-	-	-	14,088,000	1.80%	692.76
2010	12,358,000	-	-	-	-	12,358,000	1.70%	670.68
2011	11,053,000	-	-	-	-	11,053,000	1.50%	598.07
2012	9,270,000	-	-	-	-	9,270,000	N/A	502.47
2013	7,860,000	-	-	-	-	7,860,000	N/A	N/A

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	22,063,000	-	22,063,000	0.99%	1,113.45
2005	20,558,000	-	20,558,000	0.79%	1,035.09
2006	19,003,000	-	19,003,000	0.62%	955.79
2007	17,393,000	-	17,393,000	0.49%	872.39
2008	15,758,000	-	15,758,000	0.42%	782.46
2009	14,088,000	-	14,088,000	0.37%	692.76
2010	12,358,000	-	12,358,000	0.33%	670.68
2011	11,053,000	-	11,053,000	0.34%	598.07
2012	9,270,000	-	9,270,000	0.28%	-
2013	7,860,000	-	7,860,000	0.24%	-

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

a Use Estimated County equalized value from J-6

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Point Pleasant Borough's Share (100%)	\$ 21,530,000	100.00% d	\$ 21,530,000
Other debt		-	-
County of Ocean - Borough's Share (XXX%)	a \$ 418,744,357	3.40%	\$ 14,237,308
Ocean County Utility Authority	b 204,975,112	2.96%	6,065,625
Subtotal, overlapping debt			41,832,933
Point Pleasant School District Direct Debt			<u>7,860,000</u>
Total direct and overlapping debt			<u>\$ 49,692,933</u>

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

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

Legal Debt Margin Calculation for Fiscal Year 2013

	Equalized valuation basis	
	2013	\$ 3,114,034,975 c
	2012	3,310,307,759 c
	2011	<u>3,653,629,191 c</u>
	[A]	<u>\$ 10,077,971,925</u>
Average equalized valuation of taxabl	[A/3]	\$ 3,359,323,975
Debt limit (4 % of average equalizati	[B]	134,372,959 a
	[C]	<u>\$ 7,860,000</u>
	[B-C]	<u>\$ 126,512,959</u>

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 72,694,023	\$ 72,694,023	\$ 66,366,585	\$ 122,793,908	\$ 122,793,908	\$ 146,726,968	\$ 150,832,416	\$ 150,633,503	\$ 144,364,034	\$ 134,372,959
Total net debt applicable to limit	<u>22,063,000</u>	<u>20,558,000</u>	<u>19,003,000</u>	<u>17,393,000</u>	<u>15,758,000</u>	<u>14,088,000</u>	<u>12,358,000</u>	<u>11,053,000</u>	<u>9,270,000</u>	<u>7,860,000</u>
Legal debt margin	<u>\$ 50,631,023</u>	<u>\$ 52,136,023</u>	<u>\$ 47,363,585</u>	<u>\$ 105,400,908</u>	<u>\$ 107,035,908</u>	<u>\$ 132,638,968</u>	<u>\$ 138,474,416</u>	<u>\$ 139,580,503</u>	<u>\$ 135,094,034</u>	<u>\$ 126,512,959</u>
Total net debt applicable to the limit as a percentage of debt limit	30.35%	28.28%	28.63%	14.16%	12.83%	9.60%	8.19%	7.34%	6.42%	5.85%

Source:

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

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2004	19,815	664,951,770	33,558	3.80%
2005	19,861	658,034,652	33,132	3.50%
2006	19,882	686,107,938	34,509	3.90%
2007	19,961	743,108,108	37,228	3.40%
2008	20,139	795,913,419	39,521	4.50%
2009	20,336	803,699,056	39,521	7.50%
2010	18,426	742,401,966	40,291	7.50%
2011	18,481	744,617,971	40,291	8.20%
2012	18,449	N/A	N/A	8.40%
2013	N/A	N/A	N/A	N/A

Source:

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

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

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

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

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

Employer	2013			2004		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Point Pleasant Board of Education	-		0%	-		0.00%
Point Pleasant Hospital	-		-	-		0.00%
Borough of Point Pleasant	-		0%	-		0.00%
Claremont Nursing Home	-		0%	-		0.00%
Stop and Shop(formerly Grand Union)	-		0%	-		0.00%
Weisleder	-		0%	-		0.00%
	-		0.00%	-		0.00%

Source: Municipal Tax Collector

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

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

<u>Function/Program</u>	<u>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>	<u>2013</u>
Instruction										
Regular	189.0	193.0	193.0	193	188	188	190	182	204	185.5
Special education	34.0	32.0	33.0	34	35	41	41	41	41	39.5
Other special education										
Vocational										
Other instruction	16.0	15.0	18.0	19	21	37	41	38	23	24.5
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	47.0	54.0	49.0	52	54	52	54	56	56	63.5
General administration	4.0	4.0	4.0	4	4	4	4	4	4	5.0
School administrative services	12.0	12.0	12.0	12	12	12	12	11	11	20.0
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	4.0	4.0	4.0	4	4	5	5	6	6	6.5
Administrative Information Technology	-	-	-	1	1	1	1	1	1	1.0
Plant operations and maintenance	3.0	3.0	4.0	3	3	8	8	5	5	7.5
Pupil transportation	15.0	15.0	16.0	16	14	11	10	11	11	13.0
Other support services	17.0	17.0	17.0	17	17	17	17	14	14	13.0
Special Schools										
Food Service	17.0	16.0	16.0	16	15	15	14	14	14	14.0
Child Care										
Total	<u>358.0</u>	<u>365.0</u>	<u>366.0</u>	<u>371.0</u>	<u>368.0</u>	<u>388.5</u>	<u>394.5</u>	<u>383.0</u>	<u>390.0</u>	<u>393.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2004	3,189	28,639,280	8,981	4.16%	227	13.5			3144	2,967	-1.32%	94.37%
2005	3,183	28,470,659	8,945	-0.40%	227	13	13	12	3176	2,991	1.02%	94.18%
2006	3,223	29,853,379	9,263	3.56%	228	13	12	12	3225	3,054	1.54%	94.70%
2007	3,215	31,124,621	9,681	4.52%	229	13	11	11	3229	3,046	0.12%	94.33%
2008	3,162	32,312,871	10,219	5.56%	223	15	14	13	3165	2,971	-1.98%	93.87%
2009	3,124	31,888,418	10,208	-0.11%	248	12	11	12	3116	2,956	-1.55%	94.87%
2010	3,037	32,249,703	10,384	1.73%	231	13	11	11	3048	2,888	-2.19%	94.77%
2011	3,008	32,847,824	10,817	4.17%	232	13	12	11	2998	2,839	-1.63%	94.70%
2012	2,952	33,474,068	11,280 ^d	8.63%	245	13 ^e	11 ^e	11 ^e	2951	2,805	-3.17%	95.05%
2013	2,919	34,311,286	11,754 ^d	8.67%	250	13.5 ^e	11 ^e	11 ^e	2918	2,489	-2.67%	85.30%

Sources: District records

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

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

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

	<u>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>	<u>2013</u>
District Building										
<u>Elementary</u>										
Nellie Bennet										
Square Feet	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497
Capacity (students)	674	674	674	674	674	674	674	674	674	674
Enrollment	865	858	846	822	800	800	800	800	732	741
<u>Ocean Road</u>										
Square Feet	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406
Capacity (students)	556	556	556	556	556	556	556	556	556	556
Enrollment	563	591	582	565	546	568	568	568	550	577
<u>Middle School</u>										
Memorial Middle School										
Square Feet	78,758	78,758	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002
Capacity (students)	644	644	742	742	742	742	742	742	742	742
Enrollment	777	776	750	765	748	716	716	716	720	663
<u>High School</u>										
Point Pleasant High School										
Square Feet	134,251	134,251	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636
Capacity (students)	644	644	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Enrollment	939	938	1,005	1,026	1,053	1,030	1,030	1,030	919	959
<u>Other</u>										
Administration Building										
Square Feet	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320
Bus Garage										
Square Feet	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970

Number of Schools at June 30, 2013

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

Source: District Facilities Office

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

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

* School Facilities Project # (s)	Point Pleasant High School	Memorial Middle School	Nellie F. Bennett Elementary	Ocean Road Elementary School	Administra- tive and Maintenance Building	Total
2004	226,079	167,010	164,658	122,130	14,791	694,668
2005	249,262	173,834	183,995	130,262	14,554	751,907
2006	345,853	192,477	133,733	123,801	17,972	813,836
2007	311,332	191,677	168,709	130,399	36,021	838,138
2008	328,234	195,318	164,623	163,516	26,770	878,461
2009	406,115	243,411	177,295	162,915	48,237	1,037,973
2010	387,354	183,925	189,144	132,512	49,742	942,677
2011	292,612	236,600	164,496	169,884	55,465	919,057
2012	307,978	173,789	128,555	141,960	58,448	810,730
2013	465,527	240,109	197,539	162,631	37,783	1,103,589
Total School Facilities	\$ 3,320,346	\$ 1,998,150	\$ 1,672,747	\$ 1,440,010	\$ 359,783	\$ 8,791,036

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

Source: District records

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2013

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

SINGLE AUDIT SECTION

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Board of Education of the Point Pleasant Borough School District in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Board of Education of the Point Pleasant Borough School District's basic financial statements, and have issued our report thereon dated October 18, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

JUMP, SCUTELLARO & COMPANY, L.L.P.
Toms River, NJ



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

October 18, 2013

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 FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB
CIRCULAR LETTER 04-04

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Point Pleasant Borough School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Point Pleasant Borough School District's major federal and state programs for the year ended June 30, 2013. The Board of Education of the Point Pleasant Borough School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Point Pleasant Borough School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Point Pleasant Borough School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Board of Education of the Point Pleasant Borough School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

Other Matters

Report on Internal Control Over Compliance

Management of Point Pleasant Borough School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Point Pleasant Borough School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB 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 Board of Education of the Point Pleasant Borough School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

JUMP, SCUTELLARO & COMPANY, L.L.P.
Toms River, NJ



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

October 18, 2013

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2012	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2013	Accounts Receivable at June 30, 2013	Due to Grantor at June 30, 2013
General Fund											
U.S. Department of Education											
Education Jobs Fund Program	84.410	9/1/12-8/31/13	581	-	-	-	(581)	-	-	(581)	-
Education Jobs Fund Program	84.410	9/1/11-8/31/12	232,724	(23,409)	-	23,409	-	-	-	-	-
Medical Assistance Program	93.778	9/1/12-8/31/13	73,764	-	-	73,764	(73,764)	-	-	-	-
Medical Assistance Program	93.778	9/1/11-8/31/12	63,539	(14,570)	-	14,570	-	-	-	-	-
Total General Fund				(37,979)	-	111,743	(74,345)	-	-	(581)	-
U.S. Department of Education											
Passed-through State Department of Education:											
Projectserv Grant	84.1848	10/29/12-6/30/13	7,820	-	-	7,820	(7,820)	-	-	-	-
Race to the Top	84.413A	9/1/11-11/30/15	19,164	-	-	19,164	(19,164)	-	-	-	-
Title I, Basic Allocation - Carryover	84.010	9/1/10-8/31/11	246,000	(39,364)	(7,960)	-	(6,596)	-	-	(53,920)	-
Title I, Basic Allocation	84.010	9/1/12-8/31/13	205,066	-	-	237,987	(178,249)	-	59,738	-	-
Title I, Basic Allocation - Carryover	84.010	9/1/11-8/31/12	245,302	(27,183)	-	39,784	(121,694)	-	-	(109,093)	-
Title II - Part A-Carryover	84.340	9/1/12-8/31/12	65,468	(15,787)	-	15,787	-	-	-	-	-
Title II - Part A	84.340	9/1/12-8/31/13	56,360	-	-	42,071	(56,360)	-	-	(14,289)	-
Title II - Part D	84.168	9/1/12-8/31/13	-	-	(1,092)	520	(520)	-	-	(1,092)	-
I.D.E.A. Part B Basic	84.027	9/1/12-8/31/13	630,517	-	-	489,188	(630,518)	-	-	(141,330)	-
I.D.E.A. Part B Basic -ARRA	84.027	7/1/09-8/31/11	652,679	-	328	-	-	(328)	-	-	-
I.D.E.A. Part B Basic - Carryover	84.027	9/1/11-8/31/12	630,598	(176,063)	-	200,904	(40,632)	-	-	(15,791)	-
I.D.E.A. Part B Basic - Carryover	84.027	9/1/10-8/31/11	618,088	(8,729)	15,258	-	-	-	6,529	-	-
I.D.E.A. Part B Preschool - Carryover	84.173	9/1/08-8/31/11	81,292	-	13,596	-	-	-	13,596	-	-
I.D.E.A. Part B Preschool	84.173	9/1/12-8/31/13	26,809	-	-	21,427	(26,809)	-	-	(5,382)	-
I.D.E.A. Part B Preschool - Carryover	84.173	9/1/11-8/31/12	26,819	(5,310)	-	1,068	-	-	-	(4,242)	-
Total Special Revenue Fund				(272,436)	20,130	1,075,720	(1,088,362)	(328)	79,863	(345,139)	-
U.S. Department of Agriculture											
Passed-through State Department of Education:											
FEMA		7/1/12-6/30/13	12,914	-	-	-	(12,914)	-	-	(12,914)	-
School Breakfast Program	10.553	7/1/11-6/30/12	8,824	(492)	-	492	-	-	-	-	-
School Breakfast Program	10.553	7/1/12-6/30/13	10,476	-	-	10,476	(10,476)	-	-	-	-
Food Distribution Program	10.553	7/1/12-6/30/13	-	-	-	20,788	(20,788)	-	-	-	-
National School Lunch Program	10.555	7/1/11-6/30/12	146,354	(4,493)	-	4,493	-	-	-	-	-
National School Lunch Program	10.555	7/1/12-6/30/13	165,279	-	-	152,611	(165,279)	-	-	(12,668)	-
Total Enterprise (Food Service) Fund				(4,985)	-	188,860	(209,457)	-	-	(25,582)	-
Total Expenditures of Federal Awards				(315,400)	20,130	1,376,323	(1,372,164)	(328)	79,863	(371,302)	-

See accompanying notes to schedules of expenditures.

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2013

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2013	MEMO			
										(Accounts Receivable) at June 30, 2013	Due to Grantor at June 30, 2013	Budgetary Receivable	Cumulative Total Expenditures
New Jersey Department of Education													
General Fund:													
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	154,006	(154,006)	-	154,006	-	-	-	-	-	-	-
Extraordinary Aid	13-100-034-5120-473	7/1/12-6/30/13	159,382	-	-	-	(159,382)	-	-	(159,382)	-	-	(159,382)
Special Education Categorical Aid	13-495-034-5120-089	7/1/12-6/30/13	1,642,997	-	-	1,063,627	(1,642,997)	-	-	-	-	(579,370)	(1,642,997)
Nonpublic Transportation Aid	12-495-034-5120-045	7/1/11-6/30/12	3,176	(3,176)	-	3,176	-	-	-	-	-	-	-
Nonpublic Transportation Aid	13-495-034-5120-045	7/1/12-6/30/13	11,377	-	-	5,635	(11,377)	-	-	(5,742)	-	-	(11,377)
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	4,019,050	-	-	-	-	-	-	-	-	-	-
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	3,847,120	-	-	3,847,120	(3,847,120)	-	-	-	-	-	(3,847,120)
Categorical Security Aid	12-495-034-5120-084	7/1/11-6/30/12	163,661	-	-	-	-	-	-	-	-	-	-
Categorical Security Aid	13-495-034-5120-084	7/1/12-6/30/13	176,228	-	-	176,228	(176,228)	-	-	-	-	-	(176,228)
PBSIS	7/1/11-6/30/12	8,160	(8,160)	-	-	8,160	-	-	-	-	-	-	-
PBSIS	7/1/12-6/30/13	289,739	-	-	-	289,739	(289,739)	-	-	-	-	-	(289,739)
Reimbursed Post-Retirement Medical	12-495-034-5095-002	7/1/11-6/30/12	1,735,580	-	-	-	-	-	-	-	-	-	-
Reimbursed Post-Retirement Medical	13-495-034-5095-002	7/1/12-6/30/13	2,449,408	-	-	2,449,408	(2,449,408)	-	-	-	-	-	(2,449,408)
Reimbursed TPAF Social Security Tax Contribution	12-100-034-5095-002	7/1/11-6/30/12	1,256,932	(62,499)	-	62,499	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	13-100-034-5095-002	7/1/12-6/30/13	1,287,208	-	-	1,223,447	(1,287,208)	-	-	(63,761)	-	-	(1,287,208)
Total General Fund				(227,841)	-	9,283,045	(9,863,459)	-	-	(228,885)	-	(579,370)	(9,863,459)
Enterprise Fund:													
State School Lunch Program	12-100-010-3360-067	7/1/11-6/30/12	6,847	(201)	-	201	-	-	-	-	-	-	-
State School Lunch Program	13-100-010-3360-067	7/1/12-6/30/13	6,810	-	-	6,086	(6,810)	-	-	(724)	-	-	(6,810)
State School Breakfast Program	13-100-010-3360-096	7/1/12-6/30/13	-	-	-	-	-	-	-	(724)	-	-	(6,810)
Total Enterprise Fund				(201)	-	6,287	(6,810)	-	-	(724)	-	-	(6,810)
Total Expenditures of State Awards				(228,042)	-	9,289,332	(9,870,269)	-	-	(229,609)	-	(579,370)	(9,870,269)

See accompanying notes to schedules of expenditures.

POINT PLEASANT BOROUGH SCHOOL DISTRICT

Notes to the Schedules of Awards and Financial Assistance

June 30, 2013

1. General

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

2. Basis of Accounting

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

3. Relationship to General Purpose Financial Statements

Relationship to Basic Financial Statements

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT

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

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(22,004) for the general fund and \$53,582 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$ 74,345	9,841,455	-	\$ 9,915,800
Special Revenue Fund	1,141,944	-	23,706	1,165,650
Debt Service Fund	-	197,623	-	197,623
Food Service Fund	<u>209,457</u>	<u>6,810</u>	<u>-</u>	<u>216,267</u>
Total awards and financial assistance	<u>\$1,425,746</u>	<u>10,045,888</u>	<u>23,706</u>	<u>\$ 11,469,340</u>

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2013. 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, 2013.

Point Pleasant Borough School District

Ocean County, New Jersey

For the Year Ended June 30, 2013

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? X yes no

Point Pleasant Borough School District

Ocean County, New Jersey

For the Year Ended June 30, 2013

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: Unmodified Opinion

Internal Control over major programs:

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

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

Any audit findings disclosed that are required
to be reported in accordance with NJOMB
Circular Letter 04-04?

 yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

495-034-5120-089

Special Education Aid

495-034-5120-078

Equalization Aid

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2013.

Prior Year Audit Findings - N/A

Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2013.

There were no prior year findings for the period ended June 30, 2012.