

SCHOOL DISTRICT
OF
POINT PLEASANT BOROUGH
OF OCEAN COUNTY

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2018

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

OF

Point Pleasant Borough Board of Education
of Ocean County

Point Pleasant Borough, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

Point Pleasant Borough Board of Education
Finance Department

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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 5, 2018

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, 2018 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped children. The District had on October 13, 2017 resident enrollment of 2,725 students, which is 8 students higher than the previous year's enrollment. The following details the changes in the enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2017-18	2,725	.03%
2016-17	2,717	(.83%)
2015-16	2,740	(4.00%)
2014-15	2,845	(1.00%)
2013-14	2,880	(1.34) %
2012-13	2,919	(.01) %
2011-12	2,952	(1.83) %
2010-11	3,007	(.96) %
2009-10	3,036	(2.8) %
2008-09	3,124	(1.00) %

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

3. PROFESSIONAL DEVELOPMENT ACTIVITIES – 2017-2018

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

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

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

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

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

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

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

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

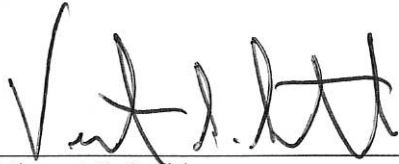
Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8. DEBT ADMINISTRATION: On January 29, 2014, the Board issued \$15,948,000 in additional school bonds. The purpose of this bond issuance was to make needed repairs to all four schools. As of June 30, 2018, the Board's outstanding debt issues included \$16,883,000 of general obligation bonds.
9. CASH MANAGEMENT: The investment policy of the Board is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The Board has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUPDA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
11. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the general purpose financial statement and combining and individual fund statements and schedules is

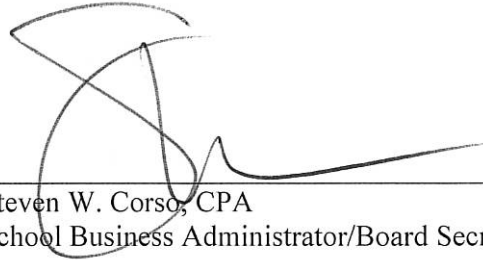
included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



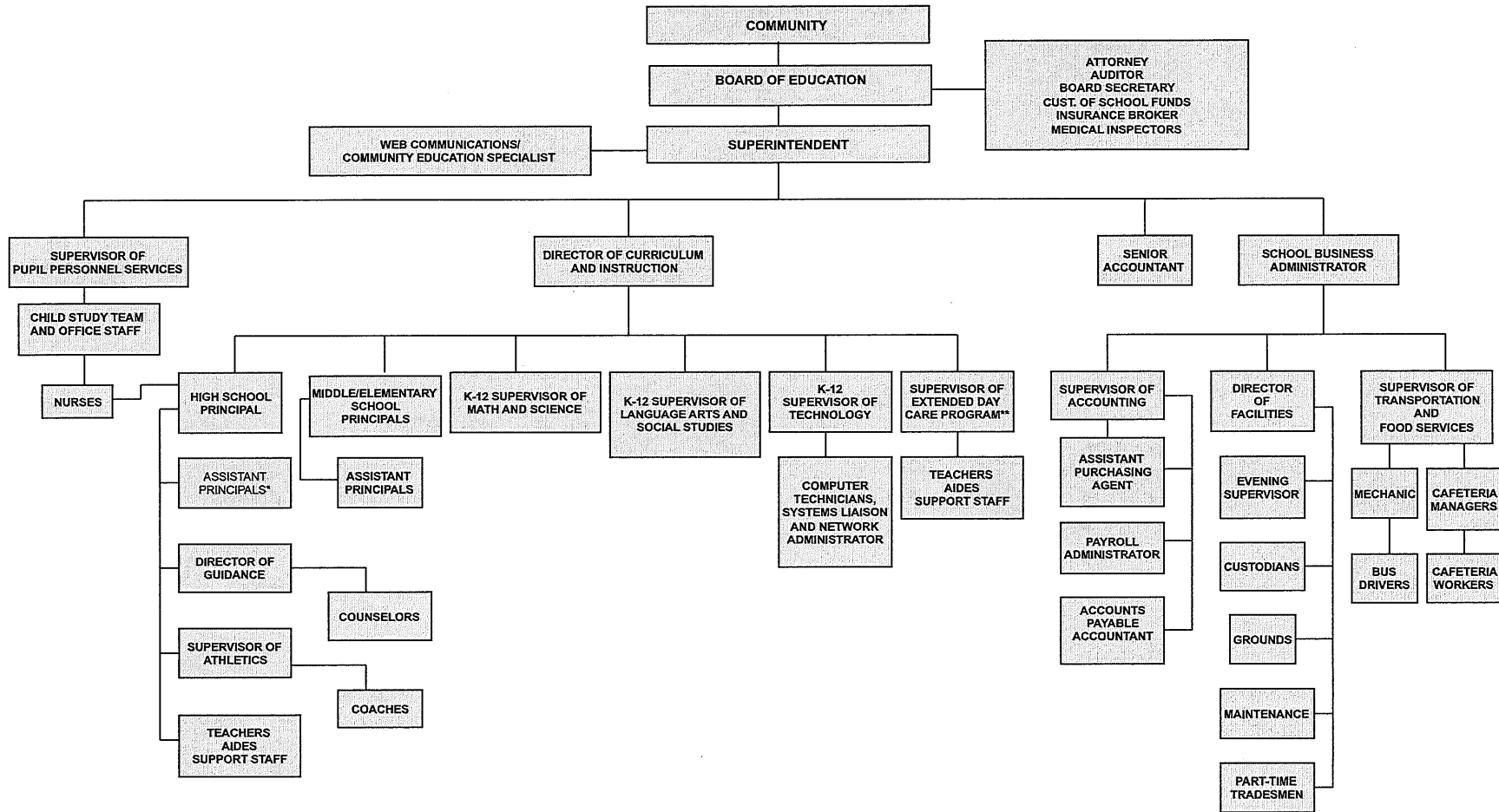
Vincent S. Smith
Superintendent of Schools



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

VS:SWC:lt

POINT PLEASANT SCHOOL DISTRICT TABLE OF ORGANIZATION



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

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

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

Roster of Officials
June 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Larry Williams, President	2018
William Munn, Jr., Vice President	2018
Cheryl Salway	2020
Diane Peterson	2019
Jacquelyn Wieland	2019
Matthew Jordan	2018
Joan Speroni	2020

Other Officials

Vincent S. Smith, Superintendent of Schools

Susan Ladd, Director of Curriculum & Instruction

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

Laurie Considine, Treasurer of School Monies

Point Pleasant Borough Board of Education
Consultants and Advisors

Architect

Netta Architects
1084 Route 22 West
Mountainside, New Jersey 07092

Audit Firm

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

Attorney

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

Official Depositories

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Board of Education of Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended is in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, in 2018, the Board adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). Our opinions are not modified with respect to this matter.

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

Other Information

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

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

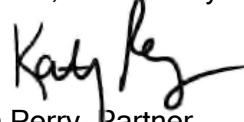
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 31, 2019 on our consideration of the Board of Education of the Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,

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



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

Toms River, New Jersey
January 31, 2019

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Point Pleasant Borough Board of Education

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2018

Unaudited

The discussion and analysis of Point Pleasant Borough Board of Education's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2018 are as follows:

Net position totaled \$16,835,991, which represents a (0.08) percent decrease from June 30, 2017.

General revenues accounted for \$42,857,140 in revenue or 88.92 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,337,777 or 11.08 percent of total revenues of \$48,194,917.

Total assets decreased by \$1,091,887 as current assets decreased by \$515,585 and capital assets, net decreased by \$576,302.

The School Board had \$48,207,855 in expenses; only \$5,337,777 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$42,857,140 were adequate to provide for these programs.

Among major funds, the General Fund had \$44,242,134 in revenues and \$44,383,287 in expenditures and transfers. The General Fund's balance decreased \$(141,153) over June 30, 2017. The General Fund's balance is \$5,344,466.

Using this Comprehensive Annual Financial Report (CAFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Point Pleasant Borough Board of Education as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Point Pleasant Borough Board of Education, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the School Board to provide programs and activities viewing the School Board as a whole and reports the culmination of all financial transactions. The report answers the question "How Did We Do Financially During Fiscal Year June 30, 2018?" The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets, liabilities, deferred outflows of resources and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board's net position and changes in those assets. This change in net position is important because reports whether the School Board's financial position has improved or diminished.

In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

Governmental Activities - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Child Care Funds are reported as business activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

Governmental Funds

The School Board's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2018 and 2017.

Table 1

Net Position as of June 30, 2018 and June 30, 2017

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 5,912,520	\$ 336,581	\$ 6,249,101	\$ 6,483,206	\$ 281,480	\$ 6,764,686
Capital assets, net	37,423,053	1,193,076	38,616,129	37,994,685	1,197,746	39,192,431
Total assets	43,335,573	1,529,657	44,865,230	44,477,891	1,479,226	45,957,117
Deferred outflow of resources	2,542,380	-	2,542,380	3,522,864	-	3,522,864
Liabilities:						
Current liabilities	411,260	19,229	430,489	307,145	14,276	321,421
Long-term liabilities outstanding	27,663,839	15,524	27,679,363	31,664,983	-	31,664,983
Total liabilities	28,075,099	34,753	28,109,852	31,972,128	14,276	31,986,404
Deferred inflow of resources	2,461,767	-	2,461,767	644,648	-	644,648
Net position:						
Net investment in capital assets	20,159,519	1,193,076	21,352,595	19,506,349	1,197,746	20,704,095
Restricted	4,310,817	-	4,310,817	5,153,385	-	5,153,385
Unrestricted	(9,129,249)	301,828	(8,827,421)	(9,275,755)	267,204	(9,008,551)
Total Net Position	\$ 15,341,087	\$ 1,494,904	\$ 16,835,991	\$ 15,383,979	\$ 1,464,950	\$ 16,848,929

The School Board's combined net position was \$16,835,991 on June 30, 2018. This is a change of (0.08)% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2018 and 2017.

Table 2

Changes in Net Position

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ -	\$ 965,466	\$ 965,466	\$ -	\$ 899,943	\$ 899,943
Operating and capital grants and contributions	4,190,684	181,627	4,372,311	3,987,611	201,191	4,188,802
General revenues:						
Property taxes	35,163,615	-	35,163,615	34,594,008	-	34,594,008
Federal and state aid	7,039,440	-	7,039,440	6,877,220	-	6,877,220
Investment earnings	-	-	-	-	-	-
Miscellaneous	654,085	-	654,085	692,397	-	692,397
Total revenues	47,047,824	1,147,093	48,194,917	46,151,236	1,101,134	47,252,370
Expenses						
Instructional services	20,705,405	-	20,705,405	20,468,566	-	20,468,566
Support services	25,794,148	1,117,139	26,911,287	25,359,179	1,096,218	26,455,397
Interest on long-term liabilities	591,163	-	591,163	623,624	-	623,624
Total expenses	47,090,716	1,117,139	48,207,855	46,451,369	1,096,218	47,547,587
Change in net position	(42,892)	29,954	(12,938)	(300,133)	4,916	(295,217)
Net position - beginning	15,383,979	1,464,950	16,848,929	15,684,112	1,460,034	17,144,146
Net position (deficit) - ending	\$ 15,341,087	\$ 1,494,904	\$ 16,835,991	\$ 15,383,979	\$ 1,464,950	\$ 16,848,929

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

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements.

Other support services increased primarily due to the additional other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year June 30, 2018

Business-Type Activities

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

Total Enterprise Fund revenues exceeded expenses by \$29,954.

Charges for services represent \$965,466 of revenue. This represents the amount paid by patrons for daily food service and child care.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$181,627.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

Governmental Activities

	2018		2017	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 20,705,405	\$ 19,829,128	\$ 20,468,566	\$ 19,655,811
Support Services:				
Pupils and Instructional Staff	10,402,319	7,094,512	10,125,607	6,994,783
General Administration, School Administration, Business Operation and Maintenance of Facilities	13,966,955	13,960,355	13,831,757	13,787,725
Pupil Transportation	1,424,874	1,424,874	1,401,815	1,401,815
Interest and Fiscal Charges	591,163	591,163	623,624	623,624
Total Expenses	\$ 47,090,716	\$ 42,900,032	\$ 46,451,369	\$ 42,463,758

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, to school curricular and athletic activities and field trips as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2018, it reported a combined fund balance of \$5,367,023, which is a decrease of \$(356,250). The Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the decrease in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2018.

<u>Revenue</u>	<u>2018 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 35,808,267	76.11 %	\$ 500,870	1.42 %
State Sources	9,868,295	20.97	(508)	(0.01)
Federal Sources	1,361,829	2.89	365,801	36.73
Other Financing Sources	<u>12,065</u>	<u>0.03</u>	<u>10,396</u>	<u>622.89</u>
Total	<u>\$ 47,050,456</u>	<u>100.00 %</u>	<u>\$ 876,559</u>	<u>1.90 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2018.

<u>Expenditures</u>	<u>2018 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 18,241,912	38.48 %	\$ 168,672	0.93 %
Undistributed Expenditures	25,488,587	53.77	779,911	3.16
Capital Outlay	1,860,242	3.92	(908,759)	(32.82)
Debt Service:				
Principal	1,165,000	2.46	(445,000)	(27.64)
Interest	<u>650,965</u>	<u>1.37</u>	<u>(46,475)</u>	<u>(6.66)</u>
Total	<u>\$ 47,406,706</u>	<u>100.00 %</u>	<u>\$ (451,651)</u>	<u>(0.94)%</u>

General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$2,612,752 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$633,836 more than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are Capital Reserve \$730,169, Maintenance Reserve \$1,171,703 and Emergency Reserve \$393,902. These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District

The expenditures decreased due to cost containment measures which included participating in various cooperatives and jointures. These agreements decrease the prices offered to the District on various goods and services that are provided, including supplies and energy. Additional savings were recognized as a result of an LED lighting retrofit project in the district. Further adding to district savings, the amount of tuition paid for out of district placements and additional extraordinary services decreased.

Revenues were affected primarily from additional extraordinary aid that was unbudgeted, transportation reimbursement from other districts and a FEMA grant for the district's generators.

The excesses will be carried forward into the beginning fund balance from the 2017-2018 fiscal year and will be used to reduce the local tax levy for the 2019-2020 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2018, the School Board had \$38,616,129 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2018 and June 30, 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 344,336	\$ 275,324	\$ -	\$ -	\$ 344,336	\$ 275,324
Construction in Progress	-	-	-	-	-	-
Building and Improvements	32,916,283	33,656,473	1,173,439	1,173,439	34,089,722	34,829,912
Machinery and Equipment	4,162,434	4,062,888	19,637	24,307	4,182,071	4,087,195
Total	\$ 37,423,053	\$ 37,994,685	\$ 1,193,076	\$ 1,197,746	\$ 38,616,129	\$ 39,192,431

During the current fiscal year, \$2,214,608 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental and business-type activities:

	June 30, 2018	June 30, 2017
Bonds Payable (net)	\$ 16,883,000	\$ 18,048,000
Capital Leases payable	296,272	372,894
Pension Liability-PERS	8,852,592	11,517,562
Compensated Absences payable	<u>1,631,975</u>	<u>1,726,527</u>
Total long-term liabilities	\$ <u>27,663,839</u>	\$ <u>31,664,983</u>

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

Economic Factors and Next Year's Budget

For the 2017-2018 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 23.89% of the School Board's revenue is from federal, state and other aid (restricted and not restricted), while 76.11% of total revenue is from local sources.

The \$(9,129,249) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would owe this value to debtors.

The 2017-2018 budget was adopted in March 2017 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Point Pleasant for increased aid.

The School Board anticipates a slight increase in enrollment for the 2018-2019 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Point Pleasant Borough Board of Education, 2100 Panther Path, Point Pleasant, NJ, 08742.

BASIC FINANCIAL STATEMENTS

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,696,777	\$ 306,129	\$ 5,002,906
Capital reserve cash	730,169	-	730,169
Receivables - other	10,445	2,455	12,900
Receivables - state	317,193	260	317,453
Receivables - federal	157,936	6,551	164,487
Inventory	-	21,186	21,186
Interfund receivable	-	-	-
Capital assets, non-depreciable	275,324	-	275,324
Capital assets, depreciable, net	37,147,729	1,193,076	38,340,805
Total assets	<u>43,335,573</u>	<u>1,529,657</u>	<u>44,865,230</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	2,504,880	-	2,504,880
Deferred charge on refunding	37,500	-	37,500
Total deferred outflows of resources	<u>2,542,380</u>	<u>-</u>	<u>2,542,380</u>
LIABILITIES			
Accounts payable	321,244	-	321,244
Accrued payroll	45,778	-	45,778
Other liabilities	-	-	-
Interfund payable	-	-	-
Payable to state government	-	-	-
Unearned revenue	44,238	19,229	63,467
Noncurrent liabilities:			
Due within one year	1,425,859	-	1,425,859
Due beyond one year	26,237,980	15,524	26,253,504
Total liabilities	<u>28,075,099</u>	<u>34,753</u>	<u>28,109,852</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	2,043,733	-	2,043,733
Deferred premium on refunding	418,034	-	418,034
Total deferred inflows of resources	<u>2,461,767</u>	<u>-</u>	<u>2,461,767</u>
NET POSITION			
Net Investment in capital assets	20,159,519	1,193,076	21,352,595
Restricted for:			
Debt service	-	-	-
Capital projects	752,726	-	752,726
Other purposes	3,558,091	-	3,558,091
Unrestricted	(9,129,249)	301,828	(8,827,421)
Total net position	<u>\$ 15,341,087</u>	<u>\$ 1,494,904</u>	<u>\$ 16,835,991</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

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	\$ 16,112,870	\$ -	\$ 876,277	\$ -	\$ (15,236,593)	\$ -	\$ (15,236,593)
Special education instruction	3,206,397	-	-	-	(3,206,397)	-	(3,206,397)
Other special instruction	1,386,138	-	-	-	(1,386,138)	-	(1,386,138)
Support services and undistributed costs:							
Instruction	2,215,935	-	23,487	-	(2,192,448)	-	(2,192,448)
Attendance and social work	137,300	-	-	-	(137,300)	-	(137,300)
Health services	464,339	-	5,222	-	(459,117)	-	(459,117)
Other support services	3,599,518	-	57,866	-	(3,541,652)	-	(3,541,652)
Improvement of instruction	131,322	-	18,942	-	(112,380)	-	(112,380)
Educational media services	384,880	-	-	-	(384,880)	-	(384,880)
Instruction staff training	266,735	-	-	-	(266,735)	-	(266,735)
General administrative services	758,497	-	-	-	(758,497)	-	(758,497)
School administrative services	1,850,275	-	-	-	(1,850,275)	-	(1,850,275)
School central services	590,110	-	-	-	(590,110)	-	(590,110)
School admin info technology	121,872	-	-	-	(121,872)	-	(121,872)
Allowed maintenance for school facilities	773,300	-	-	-	(773,300)	-	(773,300)
Other operation & maintenance of plant	2,382,657	-	6,600	-	(2,376,057)	-	(2,376,057)
Care & upkeep of grounds	334,274	-	-	-	(334,274)	-	(334,274)
Security	183,305	-	-	-	(183,305)	-	(183,305)
Student transportation services	1,424,874	-	-	-	(1,424,874)	-	(1,424,874)
Unallocated employee benefits	6,972,665	-	-	-	(6,972,665)	-	(6,972,665)
Non-budgeted expenditures	3,202,290	-	3,202,290	-	-	-	-
Interest expense	591,163	-	-	-	(591,163)	-	(591,163)
Total governmental activities	47,090,716	-	4,190,684	-	(42,900,032)	-	(42,900,032)
Business-type activities:							
Food Service	766,444	582,591	181,627	-	-	(2,226)	(2,226)
Child Care	350,695	382,875	-	-	-	32,180	32,180
Total business-type activities	1,117,139	965,466	181,627	-	-	29,954	29,954
Total primary government	\$ 48,207,855	\$ 965,466	\$ 4,372,311	\$ -	\$ (42,900,032)	\$ 29,954	\$ (42,870,078)

General revenues:

Taxes:			
Property taxes levied for general purpose		\$ 33,716,844	\$ 33,716,844
Taxes levied for debt service		1,446,771	1,446,771
Federal and state aid not restricted		7,039,440	7,039,440
Miscellaneous income		656,717	656,717
Loss on disposal of fixed assets		(2,632)	(2,632)
Total general revenues		42,857,140	42,857,140
Change in net position		(42,892)	(12,938)
Net position – beginning		15,383,979	16,848,929
Net position – ending		\$ 15,341,087	\$ 16,835,991

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,726,151	\$ (51,931)	\$ 22,557	\$ -	\$ 4,696,777
Capital reserve account	730,169	-	-	-	730,169
Receivables, net	-	-	-	-	-
Receivables from other funds	-	-	-	-	-
Receivables from state	317,193	-	-	-	317,193
Receivables from federal	-	157,936	-	-	157,936
Receivables from other governments	-	-	-	-	-
Other receivables	10,445	-	-	-	10,445
Inventory	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 5,783,958</u>	<u>\$ 106,005</u>	<u>\$ 22,557</u>	<u>\$ -</u>	<u>\$ 5,912,520</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 260,117	\$ 61,127	\$ -	\$ -	\$ 321,244
Accrued salaries and benefits	45,138	640	-	-	45,778
Interfund payable	-	-	-	-	-
Other current liabilities	134,237	-	-	-	134,237
Payable to state government	-	-	-	-	-
Deferred revenue	-	44,238	-	-	44,238
Total liabilities	<u>439,492</u>	<u>106,005</u>	<u>-</u>	<u>-</u>	<u>545,497</u>
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal					
Capital reserve account	730,169	-	-	-	730,169
Maintenance reserve account	1,171,703	-	-	-	1,171,703
Emergency reserve account	393,902	-	-	-	393,902
Excess surplus - current year	97,486	-	-	-	97,486
Excess surplus -- designated for subsequent year's expenditures	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	22,557	-	22,557
Assigned to:					
Other purposes	496,152	-	-	-	496,152
Designated by the BOE for subsequent year's expenditures	1,895,000	-	-	-	1,895,000
Unassigned to:					
General fund	560,054	-	-	-	560,054
Total fund balances	<u>5,344,466</u>	<u>-</u>	<u>22,557</u>	<u>-</u>	<u>5,367,023</u>
Total liabilities and fund balances	<u>\$ 5,783,958</u>	<u>\$ 106,005</u>	<u>\$ 22,557</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$70,932,940 and the accumulated depreciation is \$33,509,887.	37,423,053
Deferred outflows related to PERS pension plan	2,504,880
Deferred inflows related to the PERS plan	(2,043,733)
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$348,570.	37,500
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.	(418,034)
Long-term liabilities, including bonds payable but not including current portion of compensated absences of \$134,237 are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 10).	<u>(27,529,602)</u>
Net position of governmental activities	<u>\$ 15,341,087</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 33,716,844	\$ -	\$ -	\$ 1,446,771	\$ 35,163,615
Tuition charges	195,216	-	-	-	195,216
Interest on investments	20,279	-	-	-	20,279
Interest earned on capital reserve funds	9,353	-	-	-	9,353
Interest earned on bond ref	-	-	-	-	-
Transportation fees	124,808	-	-	-	124,808
Miscellaneous	291,033	3,963	-	-	294,996
Total - Local sources	<u>34,357,533</u>	<u>3,963</u>	<u>-</u>	<u>1,446,771</u>	<u>35,808,267</u>
State sources	9,499,101	-	-	369,194	9,868,295
Federal sources	373,435	988,394	-	-	1,361,829
Other financing sources	12,065	-	-	-	12,065
Total revenues	<u>44,242,134</u>	<u>992,357</u>	<u>-</u>	<u>1,815,965</u>	<u>47,050,456</u>
EXPENDITURES					
Current:					
Regular instruction	\$ 12,866,563	\$ 880,240	\$ -	\$ -	\$ 13,746,803
Special education instruction	3,122,889	-	-	-	3,122,889
Other special instruction	1,372,220	-	-	-	1,372,220
Undistributed - current:					
Instruction	1,955,841	23,487	-	-	1,979,328
Attendance and social work	137,300	-	-	-	137,300
Health services	459,117	5,222	-	-	464,339
Other support services	3,541,652	57,866	-	-	3,599,518
Improvement of instruction	112,380	18,942	-	-	131,322
Educational media services	384,880	-	-	-	384,880
Instruction staff training	266,735	-	-	-	266,735
General administrative services	758,497	-	-	-	758,497
School administrative services	1,915,662	-	-	-	1,915,662
School central services	590,110	-	-	-	590,110
School admin info technology	121,872	-	-	-	121,872
Required maintenance for school facilities	773,300	-	-	-	773,300
Other operation & maintenance of plant	2,440,751	-	-	-	2,440,751
Care & upkeep of grounds	334,274	-	-	-	334,274
Security	183,305	-	-	-	183,305
Student transportation services	1,424,874	-	-	-	1,424,874
Unallocated employee benefits	6,780,230	-	-	-	6,780,230
Non-budgeted expenditures	3,202,290	-	-	-	3,202,290
Debt service:					
Principal	-	-	-	1,165,000	1,165,000
Interest and other charges	-	-	-	650,965	650,965
Capital outlay	1,638,545	6,600	215,097	-	1,860,242
Total expenditures	<u>44,383,287</u>	<u>992,357</u>	<u>215,097</u>	<u>1,815,965</u>	<u>47,406,706</u>
Excess (Deficiency) of revenues over expenditures	<u>(141,153)</u>	<u>-</u>	<u>(215,097)</u>	<u>-</u>	<u>(356,250)</u>
OTHER FINANCING SOURCES (USES)					
Sale of Bonds	-	-	-	-	-
Refunding of bonds	-	-	-	-	-
Costs for bond issuance	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(141,153)	-	(215,097)	-	(356,250)
Fund balance—July 1	5,485,619	-	237,654	-	5,723,273
Fund balance—June 30	<u>\$ 5,344,466</u>	<u>\$ -</u>	<u>\$ 22,557</u>	<u>\$ -</u>	<u>\$ 5,367,023</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2018

Total net change in fund balances - governmental funds (from B-2) **\$ (356,250)**

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

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

Depreciation expense	\$ (2,783,608)	
Capital outlays	<u>2,214,608</u>	(569,000)

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

Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2018	28,496	
Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2018	<u>(31,128)</u>	(2,632)

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey (192,435)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 1,165,000

In the Statement of Activities, the amortization of bond premiums is recorded as interest expense. In the governmental funds, the amortization is not recorded and this change had no effect. 67,303

In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability. In the governmental funds, the payments is an expenditure. (296,272)

In the Statement of Activities, the amortization of bond issuance costs is recorded as interest expense. In the governmental funds, the amortization is not recorded. (7,501)

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. 148,895

Change in net position of governmental activities **\$ (42,892)**

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 79,220	\$ 226,909	\$ 306,129
Investments	-	-	-
Receivables from state	260	-	260
Receivables from federal	6,551	-	6,551
Receivables from other government	-	-	-
Other receivables	2,455	-	2,455
Inventories	21,186	-	21,186
Total current assets	<u>109,672</u>	<u>226,909</u>	<u>336,581</u>
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	-
Furniture, machinery & equipment	1,528,173	3,487	1,531,660
Less accumulated depreciation	(335,952)	(2,632)	(338,584)
Total noncurrent assets	<u>1,192,221</u>	<u>855</u>	<u>1,193,076</u>
Total assets	<u>\$ 1,301,893</u>	<u>\$ 227,764</u>	<u>\$ 1,529,657</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue	19,229	-	19,229
Interfund payable	-	-	-
Accrued salaries and benefits	-	-	-
Total current liabilities	<u>19,229</u>	<u>-</u>	<u>19,229</u>
Noncurrent Liabilities:			
Compensated absences	15,524	-	15,524
Total noncurrent liabilities	<u>15,524</u>	<u>-</u>	<u>15,524</u>
Total liabilities	<u>34,753</u>	<u>-</u>	<u>34,753</u>
NET POSITION			
Net investment in capital assets	1,192,221	855	1,193,076
Restricted for:			
Other	-	-	-
Unrestricted	74,919	226,909	301,828
Total net position	<u>1,267,140</u>	<u>227,764</u>	<u>1,494,904</u>
Total liabilities and net position	<u>\$ 1,301,893</u>	<u>\$ 227,764</u>	<u>\$ 1,529,657</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Fund		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ 6,470	\$ -	\$ 6,470
School lunch	277,134	-	277,134
Total daily sales reimbursable programs	<u>283,604</u>	<u>-</u>	<u>283,604</u>
Daily sales non-reimbursable programs	211,320	-	211,320
Special functions	6,726	-	6,726
Miscellaneous	80,941	382,875	463,816
Total operating revenues	<u>582,591</u>	<u>382,875</u>	<u>965,466</u>
Operating expenses:			
Salaries	267,913	263,799	531,712
Employee benefits	142,632	53,299	195,931
Other purchased services	19,865	18,850	38,715
Supplies and materials	16,917	1,620	18,537
Utilities	27,844	13,022	40,866
Other objects	1,916	-	1,916
Depreciation	4,565	105	4,670
Cost of sales - reimbursable programs	193,879	-	193,879
Cost of sales - non-reimbursable programs	90,913	-	90,913
Total operating expenses	<u>766,444</u>	<u>350,695</u>	<u>1,117,139</u>
Operating income (loss)	<u>(183,853)</u>	<u>32,180</u>	<u>(151,673)</u>
Nonoperating revenues (expenses):			
Interest income	441	-	441
State sources:			
Vending machine grant		-	-
State school lunch program	6,038	-	6,038
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	11,051	-	11,051
National school lunch program	133,007	-	133,007
Food distribution program	31,090	-	31,090
FEMA disaster funding	-	-	-
Total nonoperating revenues (expenses)	<u>181,627</u>	<u>-</u>	<u>181,627</u>
Income (loss) before contributions & transfers	<u>(2,226)</u>	<u>32,180</u>	<u>29,954</u>
Transfers in (out)	-	-	-
Change in net position	<u>(2,226)</u>	<u>32,180</u>	<u>29,954</u>
Total net position –beginning	1,269,366	195,584	1,464,950
Total net position –ending	<u>\$ 1,267,140</u>	<u>\$ 227,764</u>	<u>\$ 1,494,904</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Cash Flows
for the Fiscal Year ended June 30, 2018

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 618,073	\$ 383,109	\$ 1,001,182
Payments to employees & benefits	(395,021)	(317,134)	(712,155)
Payments to suppliers	(350,762)	(33,492)	(384,254)
Net cash (used for) provided by operating activities	<u>(127,710)</u>	<u>32,483</u>	<u>(95,227)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	6,022	-	6,022
Federal sources	144,917	-	144,917
Board interfund loans	700	-	700
Net cash provided by non-capital financing activities	<u>151,639</u>	<u>-</u>	<u>151,639</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)	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	441	-	441
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	<u>441</u>	<u>-</u>	<u>441</u>
Net increase in cash and cash equivalents	24,370	32,483	56,853
Balances—beginning of year	54,850	194,426	249,276
Balances—end of year	<u>\$ 79,220</u>	<u>\$ 226,909</u>	<u>\$ 306,129</u>
Reconciliation of operating (loss) income to net cash provided by (used) in operating activities:			
Operating income (loss)	\$ (183,853)	\$ 32,180	\$ (151,673)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	4,565	105	4,670
Federal commodities	31,090	-	31,090
(Increase) decrease in accounts receivable, net	(597)	234	(363)
Decrease in inventories	572	-	572
Decrease in accrued salaries benefits	-	(36)	(36)
Increase in deferred revenue	4,989	-	4,989
Increase in compensated absences	15,524	-	15,524
Total adjustments	<u>56,143</u>	<u>303</u>	<u>56,446</u>
Net cash (used for) provided by operating activities	<u>\$ (127,710)</u>	<u>\$ 32,483</u>	<u>\$ (95,227)</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2018

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 154,494	\$ 32,128	\$ 1,594,019
Intergovernmental accounts receivable	-	-	-
Interfund receivable	-	-	-
Total assets	<u>154,494</u>	<u>32,128</u>	<u>1,594,019</u>
LIABILITIES			
Accounts payable	-	-	-
Payroll deductions and withholdings	-	-	1,303,065
Payable to student groups	-	-	290,954
Accrued wages	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,594,019</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	154,494	-	-
Reserved for scholarships	-	32,128	-
Total net position	<u>154,494</u>	<u>32,128</u>	<u>-</u>
Total liabilities and net position	<u>\$ 154,494</u>	<u>\$ 32,128</u>	<u>\$ 1,594,019</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2018

	Unemployment Compensation Fund	Scholarship Funds	Total
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	-	38,100	38,100
Total Contributions	<u>-</u>	<u>38,100</u>	<u>38,100</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	1,831	-	1,831
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>1,831</u>	<u>-</u>	<u>1,831</u>
Total additions	<u>1,831</u>	<u>38,100</u>	<u>39,931</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	-	32,395	32,395
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>-</u>	<u>32,395</u>	<u>32,395</u>
Change in net position	1,831	5,705	7,536
Net position –beginning of the year	<u>152,663</u>	<u>26,423</u>	<u>179,086</u>
Net position –end of the year	<u>\$ 154,494</u>	<u>\$ 32,128</u>	<u>\$ 186,622</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 13.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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

B. Basis of Presentation (Cont'd)

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

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

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

The District reports the following governmental funds:

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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

B. Basis of Presentation (Cont'd)

General Fund (cont'd)

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

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

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

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

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

The District reports the following proprietary fund:

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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

B. Basis of Presentation (Cont'd)

Enterprise Fund (cont'd)

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

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

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

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Unemployment Compensation Trust Fund, Scholarship Fund and Agency 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 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.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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

C. Basis of Accounting (cont'd)

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

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

D. Property Taxes

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

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6:20-2A.2(m)1. All budget amendments/transfers must be approved by Board resolution. Budget amendments during the year ended June 30, 2018 were insignificant.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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

E. Budgets/Budgetary Control (cont'd)

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

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

F. Encumbrances

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

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

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

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.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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

G. Cash, Cash Equivalents and Investments (cont'd)

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

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

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

H. Tuition Receivable

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

I. Tuition Payable

Tuition charges for the fiscal years 2017-2018 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.

Prior to 2018, the District reported inventories at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method. The District began stating inventories prospectively at the lower of FIFO cost and net realizable value. This change was made in response to a recent FASB standard issued as part of the Board's simplification initiative. Under the prior method, "market", was replacement cost, subject to possible adjustments. Net realizable value is based on the selling price. The change is intended to reduce complexity in financial statement preparation. This change had no significant effect on earnings for 2018.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets

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

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

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

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

M. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2018, the amount earned by these employees but not disbursed was \$1,293,718.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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

N. Compensated Absences

District employees are granted varying amounts of vacation and sick leave in accordance with the District's employment contracts. Vacation day allotments per year cannot be accumulated into the next fiscal year. Sick leave benefits provide for ordinary sick pay and are reimbursable in accordance with the individual's employment contract. The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental fund. The balance at June 30, 2018 is \$1,631,975.

O. Unearned/Deferred Revenue

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

P. Accrued Liabilities and Long-Term Obligations

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

Q. Net Position

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

R. Fund Balance Reserves

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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

R. Fund Balance Reserves (Cont'd)

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

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

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

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

S. Revenues - Exchange and Nonexchange Transactions

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

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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

T. Operating Revenues and Expenses

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

U. Deferred Outflows/Inflows of Resources

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

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

V. Allocation of Indirect Expenses

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

W. Management Estimates

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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, 2018, the carrying amount of the District's deposits was \$7,513,716 and the bank balance was \$8,018,683. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

At June 30, 2018, the Board's bank balances of \$8,018,683 were exposed to Custodial Credit Risk as follows:

	<u>2018</u>
Insured	\$ 500,000
Uninsured and Uncollateralized	<u>7,518,683</u>
	<u>\$ 8,018,683</u>

The District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to 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 district's name. At June 30, 2018, 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").

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

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, 2018, the District had no investments on deposit.

4. Capital Reserve Account

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

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

During the fiscal year ended June 30, 2018, the District had actual interest earnings of \$9,353 and had no transfers.

The activity of the Capital Reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance July 1, 2017	\$ 770,816
Add:	
Increase per Resolution	300,000
Interest Earnings	9,353
Deposits	-
Less:	
Withdrawals per Budget	<u>(350,000)</u>
Ending Balance, June 30, 2018	<u>\$ 730,169</u>

The June 30, 2018 LRFP balance of local support costs of uncompleted Capital Projects is \$34,946,500. There were no withdrawals from the capital reserve for DOE approved facilities projects.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

5. Maintenance Reserve Account

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

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

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2018.

The activity of the Maintenance Reserve for the July 01, 2017 to June 30, 2018 fiscal year is as follows:

Balance, July 01, 2017	\$ 1,196,353
Add:	
Increase per resolution	250,000
Interest earnings	15,350
Withdrawals per budget	<u>(290,000)</u>
Balance, June 30, 2018	<u>\$ 1,171,703</u>

6. Emergency Reserve Account

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

6. Emergency Reserve Account (Cont'd)

The activity of the Emergency Reserve for the July 01, 2017 to June 30, 2018 fiscal year is as follows:

Balance, July 01, 2017	\$ 404,972
Add:	
Increase per resolution	200,000
Interest earnings	4,930
Withdrawals per budget	<u>(216,000)</u>
Balance, June 30, 2018	<u>\$ 393,902</u>

7. Receivables

Receivables at June 30, 2018, consisted of amounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
State Aid	\$ 317,193	\$ 317,453
Federal Aid	157,936	164,487
Other	<u>10,445</u>	<u>12,900</u>
Gross Receivables	485,574	494,840
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 485,574</u>	<u>\$ 494,840</u>

8. Inventory

Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

Food	\$ 10,051
Commodities	7,042
Supplies	<u>4,093</u>
	<u>\$ 21,186</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

9. **Contingent liabilities**

Grant Programs

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

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

10. **Capital Assets**

Capital assets consisted of the following at June 30, 2018:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Site and Site improvements	<u>275,324</u>	<u>-</u>	<u>-</u>	<u>275,324</u>
Total Capital Assets Not Being Depreciated	<u>275,324</u>	<u>-</u>	<u>-</u>	<u>275,324</u>
Capital Assets Being Depreciated				
Building and Building Improvements	58,722,360	1,410,762	-	60,133,122
Machinery and Equipment	<u>9,751,776</u>	<u>803,846</u>	<u>(31,128)</u>	<u>10,524,494</u>
Totals at Historical Cost	<u>68,474,136</u>	<u>2,214,608</u>	<u>(31,128)</u>	<u>70,657,616</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	25,065,887	2,150,952	-	27,216,839
Machinery and Equipment	<u>5,688,888</u>	<u>632,656</u>	<u>(28,496)</u>	<u>6,293,048</u>
Total Accumulated Depreciation	<u>30,754,775</u>	<u>2,783,608</u>	<u>(28,496)</u>	<u>33,509,887</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>37,719,361</u>	<u>(569,000)</u>	<u>(2,632)</u>	<u>37,147,729</u>
Government Activity Capital Assets, Net	<u>\$ 37,994,685</u>	<u>(569,000)</u>	<u>(2,632)</u>	<u>\$ 37,423,053</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ 1,173,439	-	-	\$ 1,173,439
Equipment	358,221	-	-	358,221
Less Accumulated Depreciation	<u>333,914</u>	<u>4,670</u>	<u>-</u>	<u>338,584</u>
Business-type activities capital assets, Net	<u>\$ 1,197,746</u>	<u>(4,670)</u>	<u>-</u>	<u>\$ 1,193,076</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

10. Capital Assets (Cont'd)

Depreciation expense of governmental activities was charged to functions as follows:

Regular Instruction	\$ 2,366,067
Student and Instruction Related Services	236,607
School Administration Services	83,508
Other Special Instruction	13,918
Special Education Instruction	<u>83,508</u>
Total depreciation expense	<u>\$ 2,783,608</u>

11. Operating Leases

The District has no material commitments under operating leases at June 30, 2018.

12. Non-current Liabilities

During the fiscal year ended June 30, 2018, the following changes occurred in the non-current liabilities:

	<u>Balance July 01, 2017</u>	<u>Increases/ (Decreases)</u>	<u>Balance June 30, 2018</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 1,726,527	\$ (94,552)	\$ 1,631,975	\$ 134,237
Bonds Payable	18,048,000	(1,165,000)	16,883,000	1,215,000
Lease Payable	372,894	(76,622)	296,272	76,622
Pension liability-PERS	<u>11,517,562</u>	<u>(2,664,970)</u>	<u>8,852,592</u>	<u>-</u>
Total	<u>\$ 31,664,983</u>	<u>\$ (4,001,144)</u>	<u>\$ 27,663,839</u>	<u>\$ 1,425,859</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

12. Non-current Liabilities (Cont'd)

A. Bonds Payable

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,215,000	\$ 610,365	\$ 1,825,365
2020	1,270,000	568,015	1,838,015
2021	1,320,000	523,715	1,843,715
2022	1,375,000	477,715	1,852,715
2023	1,435,000	423,065	1,858,065
2024-2028	4,130,000	1,590,950	5,720,950
2029-2033	5,040,000	841,050	5,881,050
2034	<u>1,098,000</u>	<u>46,665</u>	<u>1,144,665</u>
	<u>\$ 16,883,000</u>	<u>\$ 5,081,540</u>	<u>\$ 21,964,540</u>

B. Bonds Authorized But Not Issued

As of June 30, 2018, the District had no authorized but not issued bonds.

C. Capital Leases

The District is leasing equipment under various capital leases. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of June 30, 2018:

Year ended June 30,

2019	\$ 78,129
2020	78,129
2021	78,129
2022	<u>78,129</u>
Total minimum lease payments	312,516
Less: amounts representing interest	<u>(16,244)</u>
Present value of lease payments	<u>\$ 296,272</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At

June 30, 2018, the School District reported a liability of \$8,852,592 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was .0380292083%, which was a decrease of .0008589676% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$192,435 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 208,448	\$ -
Changes of assumptions	1,783,492	1,776,954
Net difference between projected and actual earnings on pension plan investments	60,280	-
Changes in proportion and differences between District contributions and proportionate share of contributions	49,251	266,779
District contributions subsequent to the measurement date	403,409	-
Total	<u>\$ 2,504,880</u>	<u>\$ 2,043,733</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

\$403,409 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 43,713
2019	65,964
2020	39,971
2021	(53,161)
2022	(38,748)
Thereafter	-
Total	<u>\$ 57,739</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	-
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	5.00	-

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for the 2017, 2016, 2015 and 2014 amounts, respectively.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

Actuarial Assumptions - The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50 %	1.00 %
U.S. Treasuries	3.00 %	1.87 %
Investment Grade Credit	10.00 %	3.78 %
Public High Yield	2.50 %	6.82 %
Global Diversified Credit	5.00 %	7.10 %
Credit Oriented Hedge Funds	1.00 %	6.60 %
Debt Related Private Equity	2.00 %	10.63 %
Debt Related Real Estate	1.00 %	6.61 %
Private Real Asset	2.50 %	11.83 %
Equity Related Real Estate	6.25 %	9.23 %
U.S. Equity	30.00 %	8.19 %
Non-U.S. Developed Markets Equity	11.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.64 %
Buyouts/Venture Capital	8.25 %	13.08 %

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the net pension liability	10,982,241	8,852,592	7,078,330

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/18</u>	<u>6/30/17</u>
Collective Deferred Outflows of Resources	723,829,861	7,815,204,785
Collective Deferred Inflows of Resources	-	-
Collective Net Pension Liability	23,278,401,588	29,617,131,759
School District's Portion	.0380292083%	.0388881759%

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit plan with a special-funding situation, by which a State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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. The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the School District.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$120,460,016. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was .1786614856%, which was a decrease of .0003615298% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized a pension expense in the amount of \$2,721,892 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2017 measurement date.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Actuarial Assumptions - The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.00%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50 %	1.00 %
U.S. Treasuries	3.00 %	1.87 %
Investment Grade Credit	10.00 %	3.78 %
Public High Yield	2.50 %	6.82 %
Global Diversified Credit	5.00 %	7.10 %
Credit Oriented Hedge Funds	1.00 %	6.60 %
Debt Related Private Equity	2.00 %	10.63 %
Debt Related Real Estate	1.00 %	6.61 %
Private Real Asset	2.50 %	11.83 %
Equity Related Real Estate	6.25 %	9.23 %
U.S. Equity	30.00 %	8.19 %
Non-U.S. Developed Markets Equity	11.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.64 %
Buyouts/Venture Capital	8.25 %	13.08 %

Discount Rate - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's proportionate share of the net pension liability	143,633,706	120,460,016	102,172,970

Pension Plan Fiduciary Net Position - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

C. Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2018 were \$37,456. There was no liability for unpaid contributions at June 30, 2018.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

14. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for 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. The cost of these benefits is funded through contributions by the State in accordance with, P.L. 1994 c. 62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer paid 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.
(GASB Cod. Sec. 2300.106(g))

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Employees covered by benefit terms

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	142,331
Active plan members	<u>223,747</u>
Total	<u><u>366,078</u></u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

14. Post-Retirement Benefits (cont'd)

Total Nonemployer OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified returned PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

Actuarial assumptions and other imputes

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.15%-4.15% PFRS 2.1%-8.98% TPAF 1.55%-4.55%
Salary Increases after 2026	PERS 3.15%-5.15% PFRS 3.1%-9.98% TPAF 2.0%-5.45%
Discount Rate	3.58%
Healthcare Cost Trend Rates	4.5%-5.9%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Preretirement mortality rates were based on the RP-2014 Headcount-weighted Healthy Employee Male/Female Mortality Table with Fully Generational Mortality Improvement projections from the central year using Scale MP-2017. Postretirement mortality rates were based on the RP-2014 Headcount-weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. The disabled mortality was based on the RP-2014 Headcount-weighted Male/Female mortality table with fully generational improvement projects from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for PERS-June 30, 2014; TPAF-June 30, 2015 and PFRS-June 30, 2013.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

14. Post-Retirement Benefits (cont'd)

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at June 30, 2016	\$ 57,831,784,184
Changes for the year:	
Service cost	2,391,878,884
Interest on the total OPEB liability	1,699,441,736
Changes of assumptions	<u>(7,086,599,129)</u>
Gross benefit payments by the state	<u>(1,242,412,566)</u>
Contributions from the member	<u>45,748,749</u>
Net changes	<u>(4,191,942,326)</u>
Balance at June 30, 2017	<u>\$ 53,639,841,858</u>

Discount rate

The discount rate was 2.85% percent in 2016 and 3.85% percent in 2017. This represents the municipal bond rate chosen by the State of New Jersey Division of Pension and Benefits. The source is the Bond Buyer Go 20-Bond municipal bond index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the June 30, 2017 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
Total OPEB Liability of the State for School Retirees	\$63,674,362,200	\$53,639,841,858	\$45,680,364,953
Total OPEB Liability of the State Associated with the School District for School Retirees	\$126,732,052	\$106,760,198	\$90,918,330

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

14. Post-Retirement Benefits (cont'd)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Sensitivity of the total OPEB liability to changes in the health care cost trend rates

The following presents the June 30, 2017 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u>	<u>Trend Rate</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability of the State for School Retirees	\$44,113,584,560	\$53,639,841,858	\$66,290,599,457
Total OPEB Liability of the State Associated with the School District for School Retirees	\$87,799,587	\$106,760,198	\$131,939,196

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$5,924,182 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Point Pleasant Borough Board of Education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

14. Post-Retirement Benefits (cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (cont'd)

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience		
Changes of assumptions	\$ -	\$ (6,343,769,032)
Contributions made in fiscal year ending 2018 after June 30, 2017 measurement date	<u>1,190,373,242</u>	<u>-</u>
Total	<u>\$ 1,190,373,242</u>	<u>\$ (6,343,769,032)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	<u>(2,629,618,547)</u>
Total	<u>\$ (6,343,769,032)</u>

15. Deferred Compensation

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

Ameriprise Financial Services, Inc
AIG/Variable Annuity Life Insurance Co
AXA Equitable Financial Company

Fidelity Investments
Creative Financial Strategies
Lincoln Investments

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

16. Risk Management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. See J-20.

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Ending</u> <u>Balance</u>
2018	\$ -	\$ -	\$ 1,831	\$ 154,494
2017	-	-	868	152,663
2016	-	-	600	151,795

17. Interfund Receivables and Payables

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

No interfund balances remained on the balance sheet at June 30, 2018.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

18. Compensated Absences

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

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

19. Fund Balances

General Fund - of the \$5,344,466 General Fund balance at June 30, 2018, \$496,152 of encumbrances is assigned to other purposes, \$730,169 is restricted for capital reserve, \$1,171,703 is restricted for maintenance reserve, \$393,902 is restricted for emergency reserve, \$97,486 is restricted for excess surplus, \$- is restricted for excess surplus for subsequent year expenditures, \$1,895,000 has been classified as assigned fund balance designated for subsequent year expenditures, and \$560,054 is unassigned.

20. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was \$97,486 calculated as excess surplus at June 30, 2018.

21. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2018. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2015.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2018

22. Subsequent Events

Management has evaluated subsequent events through January 31, 2019, the date the financial statements were available to be issued.

23. Tax Abatement

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

Exhibit C-1

	<u>Original Budget</u>	<u>Transfers/ Encumbrances</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 33,716,844	\$ -	\$ 33,716,844	\$ 33,716,844	\$ -
Interest earned on current expense emergency reserve	1,200	(1,200)	-	4,930	4,930
Interest earned on maintenance reserve	1,750	(1,750)	-	15,349	15,349
Interest earned on capital reserve funds	2,500	(2,500)	-	9,353	9,353
Transportation fees from other LEA's	69,450	-	69,450	124,808	55,358
Tuition - from individuals	159,100	-	159,100	162,718	3,618
Tuition - from other LEA's within the state	20,450	-	20,450	32,498	12,048
Rents and Royalties	12,000	-	12,000	36,149	24,149
Miscellaneous	180,000	-	180,000	254,884	74,884
Total - local sources	<u>34,163,294</u>	<u>(5,450)</u>	<u>34,157,844</u>	<u>34,357,533</u>	<u>199,689</u>
State sources:					
Categorical Transportation aid	85,308	-	85,308	85,308	-
Special Education Categorical Aid	1,663,733	-	1,663,733	1,663,733	-
Security aid	184,043	-	184,043	184,043	-
Equalization aid	3,924,507	-	3,924,507	3,924,507	-
Adjustment Aid	98,493	(98,493)	-	-	-
Under Adequacy Aid	26,399	-	26,399	26,399	-
Extraordinary aid	210,000	30,000	240,000	314,603	74,603
Non-public transportation	-	-	-	2,590	2,590
PARCC readiness aid	28,360	-	28,360	28,360	-
Per Pupil growth aid	28,360	-	28,360	28,360	-
Professional learning community aid	26,910	-	26,910	26,910	-
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	3,445	3,445
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	1,758,013	1,758,013
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	2,721,892	2,721,892
TPAF social security (reimbursed - Non-budgeted)	-	-	-	1,440,832	1,440,832
Total state sources	<u>6,276,113</u>	<u>(68,493)</u>	<u>6,207,620</u>	<u>12,208,995</u>	<u>6,001,375</u>
Federal sources:					
Medicaid reimbursement	28,456	90	28,546	48,845	20,299
Other federal aids	-	-	-	324,590	324,590
Total federal sources	<u>28,456</u>	<u>90</u>	<u>28,546</u>	<u>373,435</u>	<u>344,889</u>
Other financing sources					
Sale or compensation for loss of F/A	-	-	-	12,065	12,065
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,065</u>	<u>12,065</u>
Total revenues	<u>40,467,863</u>	<u>(73,853)</u>	<u>40,394,010</u>	<u>46,952,028</u>	<u>6,558,018</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	768,156	(61,373)	706,783	701,313	5,470
Grades 1-5 - Salaries of teachers	3,965,079	27,006	3,992,085	3,988,515	3,570
Grades 6-8 - Salaries of teachers	3,275,297	14,792	3,290,089	3,285,943	4,146
Grades 9-12 - Salaries of teachers	4,104,452	(182,392)	3,922,060	3,878,924	43,136
Regular Programs - Home Instruction:					
Salaries of teachers	71,500	(25,624)	45,876	39,126	6,750
Purchased professional-educational services	25,000	2,496	27,496	20,338	7,158
Regular Programs - Undistributed Instruction					
Purchased professional-educational services	22,500	717	23,217	16,019	7,198
Purchased technical services	32,866	(4,500)	28,366	27,484	882
Other purchased services (400-500 series)	154,625	777	155,402	143,005	12,397
General supplies	665,280	(53,820)	611,460	584,961	26,499
Textbooks	41,150	141,309	182,459	174,788	7,671
Other objects	15,600	-	15,600	6,147	9,453
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>13,141,505</u>	<u>(140,612)</u>	<u>13,000,893</u>	<u>12,866,563</u>	<u>134,330</u>
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	68,891	1,061	69,952	69,896	56
Other salaries for instruction	14,003	327	14,330	14,325	5
General supplies	500	100	600	339	261
Textbooks	150	(100)	50	-	50
Total Behavioral Disabilities	<u>83,544</u>	<u>1,388</u>	<u>84,932</u>	<u>84,560</u>	<u>372</u>
Multiple Disabilities:					
Salaries of Teachers	381,974	13,678	395,652	391,173	4,479
Other salaries for instruction	84,116	(14,546)	69,570	61,004	8,566
General supplies	1,250	2,000	3,250	1,864	1,386
Total Multiple Disabilities	<u>467,340</u>	<u>1,132</u>	<u>468,472</u>	<u>454,041</u>	<u>14,431</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

Exhibit C-1

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 2,116,609	\$ 107,356	\$ 2,223,965	\$ 2,189,820	\$ 34,145
Other Salaries for Instruction	139,905	32,057	171,962	168,819	3,143
General supplies	4,500	(39)	4,461	3,947	514
Textbooks	1,500	-	1,500	1,000	500
Total Resource Room/Resource Center	<u>2,262,514</u>	<u>139,374</u>	<u>2,401,888</u>	<u>2,363,586</u>	<u>38,302</u>
Autism:					
Salaries of Teachers	72,887	533	73,420	72,835	585
Other purchased services (400-500 series)	250	-	250	-	250
General Supplies	1,250	16	1,266	100	1,166
Total Autism	<u>74,387</u>	<u>549</u>	<u>74,936</u>	<u>72,935</u>	<u>2,001</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	101,545	(68)	101,477	99,055	2,422
Other Salaries for Instruction	87,971	(17,409)	70,562	47,178	23,384
General Supplies	1,850	(226)	1,624	1,534	90
Total Preschool Disabilities - Full-Time	<u>191,366</u>	<u>(17,703)</u>	<u>173,663</u>	<u>147,767</u>	<u>25,896</u>
Home Instruction:					
Salaries of Teachers	15,000	-	15,000	-	15,000
Total Home Instruction	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
TOTAL SPECIAL EDUCATION- INSTRUCTION	<u>3,094,151</u>	<u>124,740</u>	<u>3,218,891</u>	<u>3,122,889</u>	<u>96,002</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	302,133	5,789	307,922	285,478	22,444
Other Purchased Services (400-500 series)	85,100	-	85,100	75,195	9,905
General Supplies	9,800	-	9,800	8,227	1,573
Other Objects	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	<u>397,033</u>	<u>5,789</u>	<u>402,822</u>	<u>368,900</u>	<u>33,922</u>
Bilingual Education - Instruction					
Salaries of Teachers	100,157	-	100,157	98,387	1,770
Purchased Prof - Ed.Services	-	-	-	-	-
Other Purchased Services (400-500 series)	400	-	400	-	400
General Supplies	650	-	650	-	650
Total Bilingual Education - Instruction	<u>101,207</u>	<u>-</u>	<u>101,207</u>	<u>98,387</u>	<u>2,820</u>
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	188,330	(1,965)	186,365	173,784	12,581
Purchased Services (300-500 series)	16,700	(2,114)	14,586	11,277	3,309
Supplies and Materials	21,925	22,282	44,207	40,386	3,821
Other Objects	4,940	-	4,940	3,154	1,786
Total School-Spon. Cocurricular Actvts. - Instruction	<u>231,895</u>	<u>18,203</u>	<u>250,098</u>	<u>228,601</u>	<u>21,497</u>
School-Spon. Athletics - Instruction					
Salaries	444,922	3,325	448,247	447,987	260
Purchased Services (300-500 series)	147,900	(6,464)	141,436	133,417	8,019
Supplies and Materials	87,850	12,207	100,057	94,553	5,504
Other Objects	500	(125)	375	375	-
Total School-Spon. Cocurricular Actvts. - Instruction	<u>681,172</u>	<u>8,943</u>	<u>690,115</u>	<u>676,332</u>	<u>13,783</u>
Other Instructional Programs - Instruction					
Purchased prof & tech services	13,801	7,619	21,420	-	21,420
Total Other Instructional Programs - Instruction	<u>13,801</u>	<u>7,619</u>	<u>21,420</u>	<u>-</u>	<u>21,420</u>
Total Instruction	<u>17,660,764</u>	<u>24,682</u>	<u>17,685,446</u>	<u>17,361,672</u>	<u>323,774</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - Special	106,047	48,918	154,965	154,965	-
Tuition to Co. Voc. School Dist. - reg.	80,400	3,722	84,122	81,160	2,962
Tuition to Co.Spec. Serv. & Reg. Day schools	386,360	(103,083)	283,277	267,200	16,077
Tuition to Private Sch for Disbl w/i State	1,677,753	(212,135)	1,465,618	1,363,019	102,599
Tuition - Other	41,231	48,367	89,598	89,497	101
Total Undistributed Expenditures - Instruction:	<u>2,291,791</u>	<u>(214,211)</u>	<u>2,077,580</u>	<u>1,955,841</u>	<u>121,739</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	208,428	(71,739)	136,689	136,421	268
Supplies and Materials	1,400	(350)	1,050	879	171
Total Undistributed Expend. - Attend. & Social Work	<u>209,828</u>	<u>(72,089)</u>	<u>137,739</u>	<u>137,300</u>	<u>439</u>
Undist. Expend. - Health Services					
Salaries	377,520	24,319	401,839	394,366	7,473
Purchased professional and technical services	32,000	44,659	76,659	58,295	18,364
Other purchased services (400-500 series)	2,200	(115)	2,085	554	1,531
Supplies and materials	7,500	(9)	7,491	5,902	1,589
Total Undistributed Expenditures - Health Services	<u>419,220</u>	<u>68,854</u>	<u>488,074</u>	<u>459,117</u>	<u>28,957</u>
Undist. Expend. - Other Support Services - Students - Related Service					
Salaries	290,972	4,455	295,427	274,784	20,643
Purchased Prof. Ed. Services	385,440	23,354	408,794	365,548	43,246
Supplies and Materials	2,300	(850)	1,450	729	721
Other objects	-	485	485	485	-
Total Undist. Expend. - Other Support Services - Students - Related Service	<u>678,712</u>	<u>27,444</u>	<u>706,156</u>	<u>641,546</u>	<u>64,610</u>
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	749,003	65,178	814,181	759,681	54,500
Purchased Prof. Ed. Services	172,000	10,066	182,066	99,115	82,951
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	<u>921,003</u>	<u>75,244</u>	<u>996,247</u>	<u>858,796</u>	<u>137,451</u>
Undist. Expend. - Other Support Services Students-Regular					
Salaries of Other Professional Staff	770,933	62,080	833,013	821,002	12,011
Salaries of Secretarial and Clerical Assistants	147,083	(15,075)	132,008	128,855	3,153
Other Salaries	5,000	-	5,000	2,595	2,405
Unused Vac Payment to Term/Ret Staff	-	-	-	-	-
Other Purch. Prof. & Tech. Svc.	4,770	47	4,817	-	4,817
Other Purchased Services (400-500 series)	7,900	(547)	7,353	2,355	4,998
Supplies and Materials	12,900	4,263	17,163	15,320	1,843
Other Objects	880	-	880	529	351
Total Undist. Expend. - Other Support Services - Students-Regular	<u>949,466</u>	<u>50,768</u>	<u>1,000,234</u>	<u>970,656</u>	<u>29,578</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Support Services - Students-Special					
Salaries of Other Professional Staff	\$ 937,339	\$ (64,565)	\$ 872,774	\$ 870,872	\$ 1,902
Salaries of Secretarial and Clerical assistants	123,997	(7,653)	116,344	116,344	-
Purchased Professional - Educational Services	28,000	21,989	49,989	42,036	7,953
Other Purchased Prof. & Tech. Services	8,000	-	8,000	8,000	-
Other Purchased Services (400-500 series)	14,500	(3,045)	11,455	9,796	1,659
Supplies and Materials	7,100	15,635	22,735	22,714	21
Other Objects	1,350	(423)	927	892	35
Total Undist. Expend. - Other Support Services - Students-Special	1,120,286	(38,062)	1,082,224	1,070,654	11,570
Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.					
Salaries Superv. Of Instr.	81,679	471	82,150	82,150	-
Salaries Other Prof. Staff	-	515	515	515	-
Salaries Secr. & Clerical Asst.	10,609	-	10,609	10,595	14
Other Salaries	16,000	413	16,413	16,050	363
Supplies and Materials	3,100	(30)	3,070	3,070	-
Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.	111,388	1,369	112,757	112,380	377
Undist. Expend. - Educational Media Services/School Library					
Salaries	271,421	2,366	273,787	270,755	3,032
Salaries of Technology Coordinators	71,769	-	71,769	71,734	35
Purchased Prof & Tech Svc.	6,080	(172)	5,908	5,504	404
Other Purchased Services (400-500)	1,500	(42)	1,458	72	1,386
Supplies and Materials	42,300	4,139	46,439	36,815	9,624
Total Undist. Expend. - Educational Media Services/School Library	393,070	6,291	399,361	384,880	14,481
Undist. Expend. - Instruction Staff Training Services					
Salaries of Supervisors of Instruction	81,679	471	82,150	82,150	-
Salaries of Other Professional Staff	24,700	26,973	51,673	41,695	9,978
Salaries of Secretarial & Clerical Assistants	31,827	-	31,827	31,784	43
Purchased Professional - Educational Services	31,000	15,598	46,598	40,998	5,600
Other Purchased Services (400-500 series)	39,350	1,343	40,693	30,222	10,471
Supplies and Materials	50,700	(2,118)	48,582	39,886	8,696
Total Undist. Expend. - Instruction Staff Training Services	259,256	42,267	301,523	266,735	34,788
Undist. Expend. - Support Service - General Administration					
Salaries	331,513	19,516	351,029	345,061	5,968
Legal Services	110,000	10,642	120,642	108,072	12,570
Audit Fees	22,000	-	22,000	22,000	-
Architectural/Engineering Services	32,000	45,177	77,177	58,984	18,193
Other Purchased Professional Services	1,000	-	1,000	-	1,000
Communications/Telephone	66,900	10,183	77,083	34,668	42,415
BOE Other Purchased Services	5,300	1,400	6,700	5,229	1,471
Misc. Purch. Serv.(400-500)	195,150	(602)	194,548	154,140	40,408
General Supplies	4,251	2,049	6,300	4,718	1,582
BOE In-house Training/Meeting Supplies	1,800	-	1,800	603	1,197
Jdgments Against the School District	20,000	(1,795)	18,205	-	18,205
Miscellaneous Expenditures	29,300	-	29,300	25,022	4,278
Total Undist. Expend. - Support Service - General Administration	819,214	86,570	905,784	758,497	147,287
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant principals	\$ 1,430,427	\$ 1,001	\$ 1,431,428	\$ 1,430,384	\$ 1,044
Salaries of Secretarial and Clerical Assistants	420,710	35,968	456,678	448,442	8,236
Other Purchased Services (400-500 series)	13,700	2,661	16,361	14,306	2,055
Supplies and Materials	18,000	5,589	23,589	9,014	14,575
Other Objects	14,250	390	14,640	13,516	1,124
Total Undist. Expend. - Support Service - School Administration	1,897,087	45,609	1,942,696	1,915,662	27,034
Undistributed Expenditures- Central Services					
Salaries	531,705	91	531,796	531,795	1
Purchased Professional Services	4,950	(2,708)	2,242	1,625	617
Purchase Technical Services	41,122	(8,324)	32,798	32,798	-
Misc. Purchased Services	4,300	(271)	4,029	3,333	696
Supplies and Materials	7,000	4,423	11,423	10,874	549
Miscellaneous Expenditures	3,250	6,435	9,685	9,685	-
Total Central Services	592,327	(354)	591,973	590,110	1,863
Administration Information Technology					
Salaries	121,976	(1)	121,975	121,872	103
Total Admn Info tech	121,976	(1)	121,975	121,872	103
Interest Earned on Maintenance Reserve					
Interest earned on maintenance reserve	1,750	(1,750)	-	-	-
Total Interest Earned on Maintenance Reserve	1,750	(1,750)	-	-	-
Required Maint for School Facilities					
Salaries	35,000	(26,673)	8,327	8,327	-
Cleaning, Repair and Maintenance Services	871,408	(64,410)	806,998	661,801	145,197
General Supplies	87,600	31,144	118,744	99,636	19,108
Other Objects	3,900	(364)	3,536	3,536	-
Total Required Maintenance for School Facilities	997,908	(60,303)	937,605	773,300	164,305
Custodial Services					
Salaries	222,586	(52,196)	170,390	167,670	2,720
Purchased Professional and Technical Services	1,291,226	(14,847)	1,276,379	1,258,468	17,911
Cleaning, Repair and Maintenance Services	68,550	7,614	76,164	58,227	17,937
Rental of Land and Building Other than Lease	12,000	1,208	13,208	12,355	853
Other Purchased Property Services	47,500	(98)	47,402	31,403	15,999
Insurance	126,600	(7,128)	119,472	119,042	430
Miscellaneous Purchased Services	25,000	96,367	121,367	69,857	51,510
General Supplies	2,500	18,942	21,442	18,350	3,092
Energy (Natural Gas)	246,000	50,944	296,944	222,273	74,671
Energy (Electricity)	563,220	(77,168)	486,052	483,106	2,946
Total Custodial services	2,605,182	23,638	2,628,820	2,440,751	188,069
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	165,269	-	165,269	164,085	1,184
Cleaning, Repair and Maintenance Services	65,500	142,183	207,683	140,487	67,196
General Supplies	23,500	6,503	30,003	29,702	301
Total Care and Upkeep of Grounds	254,269	148,686	402,955	334,274	68,681

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

Exhibit C-1

	<u>Original Budget</u>	<u>Transfers/ Encumbrances</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Security					
Salaries	\$ -	\$ 86,460	\$ 86,460	\$ 81,584	\$ 4,876
Purchased Professional and Technical Services	-	65,000	65,000	65,000	-
Cleaning, Repair and Maintenance Services	36,000	(6,674)	29,326	26,235	3,091
General Supplies	17,000	1,729	18,729	10,486	8,243
Total Security	<u>53,000</u>	<u>146,515</u>	<u>199,515</u>	<u>183,305</u>	<u>16,210</u>
Total Oper. And Maintenance of Plant Services	<u>3,910,359</u>	<u>258,536</u>	<u>4,168,895</u>	<u>3,731,630</u>	<u>437,265</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	403,819	8,931	412,750	407,944	4,806
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	166,193	47,720	213,913	213,156	757
Salaries for Pupil Transportation (Other than Between Home and School)	95,550	11,910	107,460	97,876	9,584
Salaries for Pupil Transportation (Between Home and School) - Non Public Schools	38,255	(12,140)	26,115	19,944	6,171
Management Fee - ESC Trans. Program	19,100	3,200	22,300	20,449	1,851
Other Purchased Professional & Technical Services	11,370	340	11,710	11,357	353
Cleaning, Repair and Maint. Services	18,500	(3,540)	14,960	2,669	12,291
Lease purchase payments - School buses	78,630	-	78,630	78,129	501
Contract Svc (btw Home & Sch.)-vendors	27,000	(10,000)	17,000	-	17,000
Contr Serv (Oth.than Bet Home & Sch) - Vend	4,500	-	4,500	2,731	1,769
Contract Svc (btw home & sch.)-joint agree	-	34,020	34,020	34,020	-
Contract Serv. (Sp Ed Stds) - Vendors	73,000	(58,176)	14,824	12,944	1,880
Contract Serv. (Reg Students) - ESCs & CSTAs	77,000	-	77,000	75,178	1,822
Contract Serv.(Spl. Ed. Students) - ESCs & CTSAs	325,000	10,841	335,841	313,419	22,422
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	6,188	-	6,188	4,420	1,768
Misc. Purchased Services - Transportation	20,500	360	20,860	20,576	284
General Supplies	5,000	10	5,010	1,435	3,575
Transportation Supplies	106,500	18,902	125,402	108,427	16,975
Other Objects	750	-	750	200	550
Total Student Transportation Services	<u>1,476,855</u>	<u>52,378</u>	<u>1,529,233</u>	<u>1,424,874</u>	<u>104,359</u>
Interest Earned on Current Expense Emergency Reserve					
Interest earned on current expense emergency reserve	1,200	(1,200)	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	<u>1,200</u>	<u>(1,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Personal Services- Employee Benefits					
Social Security Contributions	390,000	-	390,000	381,046	8,954
Other Retirement Contributions-PERS	427,000	-	427,000	377,811	49,189
Unemployment Compensation	100,000	-	100,000	92,093	7,907
Workmen's Compensation	200,000	-	200,000	171,538	28,462
Health Benefits	6,641,867	(220,669)	6,421,198	5,607,366	813,832
Tuition Reimbursement	20,000	3,570	23,570	10,200	13,370
Unused sick payments to terminated/retired	150,000	55,312	205,312	140,176	65,136
Total Personal Services-Employee Benefits	<u>7,928,867</u>	<u>(161,787)</u>	<u>7,767,080</u>	<u>6,780,230</u>	<u>986,850</u>
On-behalf TPAF LTDI (non-budgeted)	-	-	-	3,445	(3,445)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	1,758,013	(1,758,013)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	2,721,892	(2,721,892)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,440,832	(1,440,832)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,924,182</u>	<u>(5,924,182)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>7,928,867</u>	<u>(161,787)</u>	<u>7,767,080</u>	<u>12,704,412</u>	<u>(4,937,332)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>24,103,655</u>	<u>225,876</u>	<u>24,329,531</u>	<u>28,104,962</u>	<u>(3,775,431)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>41,764,419</u>	<u>250,558</u>	<u>42,014,977</u>	<u>45,466,634</u>	<u>(3,451,657)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	33,833	(4,902)	28,931	24,987	3,944
Grades 6-8	6,333	595	6,928	6,927	1
Grades 9-12	17,833	22,078	39,911	33,744	6,167
Special Education- Instruction:					
School - Sponsored and Other Instructional Program	-	18,826	18,826	18,826	-
General Administration					
Undist. Expnd.-Support Serv.-Child Study Teams	-	-	-	-	-
Undist.Exp.-Req. Maint. Schl Facilities					
Undist. Exp.-Req. Maint. Schl Facilities	912,501	250,826	1,163,327	1,078,588	84,739
Undist. Exp.-Student Trans. - Non-Inst. Equip.	93,000	(93,000)	-	-	-
Undistributed exp.-Non-instructional services					
School Buses -Regular	-	134,049	134,049	94,049	40,000
Total Equipment	<u>1,063,500</u>	<u>328,472</u>	<u>1,391,972</u>	<u>1,257,121</u>	<u>134,851</u>
Facilities Acquisition and Construction Services					
Legal Services	-	-	-	-	-
Architectural/Engineering Services	-	366	366	-	366
Construction Services	140,000	9,562	149,562	149,562	-
Assessment for Debt Service on SDA Funding	68,534	-	68,534	68,534	-
Other Objects	-	-	-	-	-
Supplies & Materials	150,000	18,338	168,338	163,328	5,010
Capital Outlay transfer to Capital Projects	-	-	-	-	-
Intrest Deposit to Capital Reserve	2,500	(2,500)	-	-	-
Total	<u>361,034</u>	<u>25,766</u>	<u>386,800</u>	<u>381,424</u>	<u>5,376</u>
TOTAL CAPITAL OUTLAY	<u>1,424,534</u>	<u>354,238</u>	<u>1,778,772</u>	<u>1,638,545</u>	<u>140,227</u>
TOTAL EXPENDITURES	<u>43,188,953</u>	<u>604,796</u>	<u>43,793,749</u>	<u>47,105,179</u>	<u>(3,311,430)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,721,090)</u>	<u>(678,649)</u>	<u>(3,399,739)</u>	<u>(153,151)</u>	<u>3,246,588</u>
Fund Balance, July 1	6,078,376	-	6,078,376	6,078,376	-
Fund Balance, June 30	<u>\$ 3,357,286</u>	<u>\$ (678,649)</u>	<u>\$ 2,678,637</u>	<u>5,925,225</u>	<u>\$ 3,246,588</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

Exhibit C-1

	<u>Original Budget</u>	<u>Transfers/ Encumbrances</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				\$ 1,171,703	
Emergency Reserve				393,902	
Excess surplus - current year				97,486	
Excess surplus-designated for subsequent year's expenditures				-	
Capital reserve				730,169	
Assigned Fund Balance:					
Year-end encumbrances				496,152	
Designated for subsequent year's expenditures				1,895,000	
Unrestricted/undesignated				<u>1,140,813</u>	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				<u>(580,759)</u>	
Fund balance per governmental funds (GAAP)				<u><u>560,054</u></u>	

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 7,563	\$ 7,563
State sources	-	-	-	-	-
Federal sources	1,084,202	578	1,084,780	987,545	(97,235)
Total Revenues	<u>1,084,202</u>	<u>578</u>	<u>1,084,780</u>	<u>995,108</u>	<u>(89,672)</u>
EXPENDITURES					
Instruction:					
Personal services-salaries	245,799	15,036	260,835	231,853	28,982
Purchased professional and technical services	19,824	(35)	19,789	6,738	13,051
General supplies	61,019	10,013	71,032	44,713	26,319
Tuition	595,000	-	595,000	595,000	-
Other objects	1,700	134	1,834	1,834	-
Total instruction	<u>923,342</u>	<u>25,148</u>	<u>948,490</u>	<u>880,138</u>	<u>68,352</u>
Support services:					
Personal services - salaries	17,004	2,032	19,036	11,511	7,525
Purchased professional and technical services	48,012	(28,841)	19,171	15,576	3,595
Other purchased services	5,879	237	6,116	5,222	894
Employee benefits	63,359	2,557	65,916	57,866	8,050
Supplies- materials	20,006	(555)	19,451	18,195	1,256
Total support services	<u>154,260</u>	<u>(24,570)</u>	<u>129,690</u>	<u>108,370</u>	<u>21,320</u>
EXPENDITURES:					
Facilities acquisition and const. serv.:					
Instructional equipment	6,600	-	6,600	6,600	-
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>6,600</u>	<u>-</u>	<u>6,600</u>	<u>6,600</u>	<u>-</u>
Total expenditures	<u>1,084,202</u>	<u>578</u>	<u>1,084,780</u>	<u>995,108</u>	<u>89,672</u>
Total outflows	<u>1,084,202</u>	<u>578</u>	<u>1,084,780</u>	<u>995,108</u>	<u>89,672</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
Budget - to - GAAP Reconciliation
For the Fiscal Year Ended June 30, 2018

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]	\$ 46,952,028	[C-2]	\$ 995,108
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(2,751)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(2,721,892)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(580,759)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		592,757		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 44,242,134	[B-2]	\$ 992,357
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 47,105,179	[C-2]	\$ 995,108
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(2,721,892)		
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.		-		(2,751)
Pension expense recognized for GAAP but not for budgetary purposes.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 44,383,287	[B-2]	\$ 992,357

REQUIRED SUPPLEMENTARY INFORMATION - PART III

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Fiscal Year Ended June 30, 2018

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.0387504353%	0.0385013092%	0.0388881759%	0.0380292083%
District's proportionate share of the net pension liability	\$ 7,586,149	\$ 8,988,249	\$ 11,517,562	\$ 8,852,592
District's covered-employee payroll	\$ 2,649,489	\$ 2,581,190	\$ 2,603,676	\$ 2,521,839
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	286.32%	348.22%	442.36%	351.04%
Plan fiduciary net position as a percentage of the total pension liability	67.89%	61.84%	45.35%	58.18%

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions-PERS
For the Fiscal Year Ended June 30, 2018

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contributions	\$ 319,453	\$ 331,008	\$ 350,509	\$ 353,765
Contributions in relation to the contractually required contribution	<u>316,156</u>	<u>328,284</u>	<u>351,396</u>	<u>377,811</u>
Contribution deficiency (excess)	<u>\$ 3,297</u>	<u>\$ 2,724</u>	<u>\$ (887)</u>	<u>\$ (24,046)</u>
District's covered-employee payroll	\$ -	\$ 2,649,489	\$ 2,581,190	\$ 2,603,676
Contributions as a percentage of covered-employee payroll	0.00%	12.49%	13.58%	13.59%

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Fiscal Year Ended June 30, 2018

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.1758938202%	0.1781194611%	0.1790230154%	0.1786614856%
District's proportionate share of the net pension liability	\$ 94,009,522	\$ 112,579,106	\$ 140,830,902	\$ 120,460,016
District's covered-employee payroll	\$ 17,900,386	\$ 18,691,714	\$ 19,175,968	\$ 19,364,482
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	525.18%	602.29%	734.41%	622.07%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%

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

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 4,303,725
Interest cost	3,379,563
Changes in assumptions	(14,001,282)
Member contributions	91,054
Gross benefit payments	<u>(2,472,793)</u>
Net change in total OPEB liability	(8,699,733)
Total OPEB liability - beginning	<u>115,459,931</u>
Total OPEB liability - ending	<u>\$ 106,760,198</u>
District's covered employee payroll	\$ 24,966,083
Total OPEB liability as a percentage of covered employee payroll	428%

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

Point Pleasant Borough Board of Education

Notes to the Required Supplementary Information - Part III

For the Year Ended June 30, 2018

Notes for TPAF Pension Schedules

Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25 %
Salary increases: 2012-2021	1.65 - 4.15 % based on age
Thereafter	2.65 - 5.15 % based on age
Investment rate of return	7.00 %

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Notes to OPEB Schedule

Benefit changes: None

Changes in assumptions: The increase in the liability from June 30, 2015 to June 30, 2016 is due to the decrease in the assumed discount rate from 3.8% as of June 30, 2015 to 2.85% as of June 30, 2016. The decrease in the liability from June 30, 2016 to June 30, 2017 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Title I 17/18	IDEA-Part B-Basic Reg Prog 17/18	IDEA-Part B Preschool 17/18	Title II Part A 17/18
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	<u>278,889</u>	<u>599,723</u>	<u>25,907</u>	<u>69,213</u>
Total revenues	<u>278,889</u>	<u>599,723</u>	<u>25,907</u>	<u>69,213</u>
Expenditures:				
Instruction:				
Salaries of teachers	178,953	-	-	52,500
Purchased services	-	-	-	-
General supplies	26,049	4,772	5,186	-
Tuition	-	577,500	17,500	-
Other Objects	<u>-</u>	<u>-</u>	<u>1,134</u>	<u>-</u>
Total instruction	<u>205,002</u>	<u>582,272</u>	<u>23,820</u>	<u>52,500</u>
Support services:				
Other support services - students - special:				
Salaries of other professional staff	9,963	-	-	-
Prof. and tech. services	12,925	2,651	-	-
Other purchased services	-	1,000	1,087	-
Employee benefits	41,004	-	-	16,713
Supplies and materials	<u>9,995</u>	<u>7,200</u>	<u>1,000</u>	<u>-</u>
Total other support services - students - special	<u>73,887</u>	<u>10,851</u>	<u>2,087</u>	<u>16,713</u>
Total support services	<u>73,887</u>	<u>10,851</u>	<u>2,087</u>	<u>16,713</u>
Equipment:				
Regular programs instruction	-	6,600	-	-
Non-instructional equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equipment	<u>-</u>	<u>6,600</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 278,889</u>	<u>\$ 599,723</u>	<u>\$ 25,907</u>	<u>\$ 69,213</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, 2018

(Continued from prior page)

	Title III 17/18	Title IV 17/18	Other	Total 2018
Revenues:				
Local sources	\$ -	\$ -	\$ 7,563	\$ 7,563
State sources	-	-	-	-
Federal sources	4,366	9,447	-	987,545
Total revenues	<u>4,366</u>	<u>9,447</u>	<u>7,563</u>	<u>995,108</u>
Expenditures:				
Instruction:				
Salaries of teachers	400	-	-	231,853
Purchased services	-	3,000	3,738	6,738
General supplies	1,869	4,467	2,370	44,713
Tuition	-	-	-	595,000
Other objects	-	-	700	1,834
Total instruction	<u>2,269</u>	<u>7,467</u>	<u>6,808</u>	<u>880,138</u>
Support services:				
Other support services - students - special:				
Salaries of other professional staff	1,548	-	-	11,511
Prof. and tech. services	-	-	-	15,576
Other purchased services	400	1,980	755	5,222
Employee benefits	149	-	-	57,866
Supplies and materials	-	-	-	18,195
Total other support services - students - special	<u>2,097</u>	<u>1,980</u>	<u>755</u>	<u>108,370</u>
Total support services	<u>2,097</u>	<u>1,980</u>	<u>755</u>	<u>108,370</u>
Equipment:				
Instruction equipment	-	-	-	6,600
Non-instructional equipment	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,600</u>
Total expenditures	<u>\$ 4,366</u>	<u>\$ 9,447</u>	<u>\$ 7,563</u>	<u>\$ 995,108</u>

F. Capital Projects Fund

**POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2018**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2018</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Reroofing and MEP Upgrades - Memorial Middle School	1/2/2014	4,148,287	4,096,185	36,927	15,175
Reroofing and MEP Upgrades - Nellie Bennett School	1/2/2014	3,560,713	3,498,116	59,485	3,112
Reroofing and MEP Upgrades - Ocean Road Elementary School	1/2/2014	1,904,600	1,862,716	38,544	3,340
Reroofing and MEP Upgrades - Point Pleasant High School	1/2/2014	6,334,400	6,323,110	10,360	930
Security Cameras - Memorial Middle School	7/31/2014	93,910	74,181	19,729	-
Security Cameras - Nellie Bennett School	7/31/2014	52,209	41,615	10,594	-
Security Cameras - Ocean Road Elementary School	7/31/2014	59,803	40,074	19,729	-
Security Cameras - Point Pleasant High School	7/31/2014	155,109	135,380	19,729	-
Totals		<u>\$ 16,309,031</u>	<u>\$ 16,071,377</u>	<u>\$ 215,097</u>	<u>\$ 22,557</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2018

Revenues and Other Financing Sources

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

Expenditures and Other Financing Uses

Purchased professional and technical services		829
Land and improvements		-
Construction services		144,487
Other objects		-
Equipment purchases		69,781
Transfer to debt service fund		-
Total expenditures		<u>215,097</u>

Excess of revenues over expenditures (215,097)

Fund balance - beginning 237,654

Fund balance - ending \$ 22,557

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
 Reroofing and MEP Upgrades - Memorial Middle School
 From Inception and for the Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	4,148,287	-	4,148,287	4,148,287
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>4,148,287</u>	<u>-</u>	<u>4,148,287</u>	<u>4,148,287</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	295,693	183	295,876	297,000
Land and improvements	-	-	-	-
Construction services	3,800,492	36,744	3,837,236	3,851,287
Equipment purchases	-	-	-	-
Total expenditures	<u>4,096,185</u>	<u>36,927</u>	<u>4,133,112</u>	<u>4,148,287</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 52,102</u>	<u>\$ (36,927)</u>	<u>\$ 15,175</u>	<u>\$ -</u>
Additional project information:				
Project Number	4210-030-13-3000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	3,896,000			
Bonds Issued	3,896,000			
Original Authorized Cost	3,896,000			
Additional Authorized Cost	-			
Revised Authorized Cost	3,896,000			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	99.63%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
 Reroofing and MEP Upgrades - Nellie Bennett School
 From Inception and for the Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	3,560,713	-	3,560,713	3,560,713
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>3,560,713</u>	<u>-</u>	<u>3,560,713</u>	<u>3,560,713</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	239,369	183	239,552	240,000
Land and improvements	-	-	-	-
Construction services	3,258,747	59,302	3,318,049	3,320,713
Equipment purchases	-	-	-	-
Total expenditures	<u>3,498,116</u>	<u>59,485</u>	<u>3,557,601</u>	<u>3,560,713</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 62,597</u>	<u>\$ (59,485)</u>	<u>\$ 3,112</u>	<u>\$ -</u>
Additional project information:				
Project Number	4210-030-13-2000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	3,813,000			
Bonds Issued	3,813,000			
Original Authorized Cost	3,813,000			
Additional Authorized Cost	-			
Revised Authorized Cost	3,813,000			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	99.91%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
 Reroofing and MEP Upgrades - Ocean Road Elementary School
 From Inception and for the Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	1,904,600	-	1,904,600	1,904,600
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>1,904,600</u>	<u>-</u>	<u>1,904,600</u>	<u>1,904,600</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	191,177	183	191,360	192,000
Land and improvements	-	-	-	-
Construction services	1,671,539	38,361	1,709,900	1,712,600
Equipment purchases	-	-	-	-
Total expenditures	<u>1,862,716</u>	<u>38,544</u>	<u>1,901,260</u>	<u>1,904,600</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 41,884</u>	<u>\$ (38,544)</u>	<u>\$ 3,340</u>	<u>\$ -</u>
Additional project information:				
Project Number	4210-030-13-3000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	2,268,000			
Bonds Issued	2,268,000			
Original Authorized Cost	2,268,000			
Additional Authorized Cost	-			
Revised Authorized Cost	2,268,000			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	99.82%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
Reroofing and MEP Upgrades - Point Pleasant High School
From Inception and for the Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	6,334,400	-	6,334,400	6,334,400
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	6,334,400	-	6,334,400	6,334,400
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	424,585	280	424,865	425,000
Land and improvements	-	-	-	-
Construction services	5,898,525	10,080	5,908,605	5,909,400
Equipment purchases	-	-	-	-
Total expenditures	6,323,110	10,360	6,333,470	6,334,400
Excess (deficiency) or revenues over (under) expenditures	\$ 11,290	\$ (10,360)	\$ 930	\$ -
Additional project information:				
Project Number	4210-030-13-2000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	5,971,000			
Bonds Issued	5,971,000			
Original Authorized Cost	5,971,000			
Additional Authorized Cost	-			
Revised Authorized Cost	5,971,000			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	99.99%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
 Security Cameras - Memorial Middle School
 From Inception and for the Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 42,157	\$ -	\$ 42,157	\$ 42,157
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	51,753	-	51,753	51,753
Transfer from capital outlay	-	-	-	-
Total revenues	<u>93,910</u>	<u>-</u>	<u>93,910</u>	<u>93,910</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	74,181	19,729	93,910	93,910
Total expenditures	<u>74,181</u>	<u>19,729</u>	<u>93,910</u>	<u>93,910</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 19,729</u>	<u>\$ (19,729)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	4210-050-14-1002			
Grant Date	7/31/2014			
Grant Amount	42,157			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	105,392			
Additional Authorized Cost	-			
Revised Authorized Cost	105,392			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	100.00%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
Security Cameras - Nellie Bennett School
From Inception and for the Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 19,716	\$ -	\$ 19,716	\$ 19,716
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	32,493	-	32,493	32,493
Transfer from capital outlay	-	-	-	-
Total revenues	52,209	-	52,209	52,209
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	41,615	10,594	52,209	52,209
Total expenditures	41,615	10,594	52,209	52,209
Excess (deficiency) or revenues over (under) expenditures	\$ 10,594	\$ (10,594)	\$ -	\$ -
 Additional project information:				
Project Number	4210-055-14-11003			
Grant Date	7/31/2014			
Grant Amount	19,716			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	49,290			
Additional Authorized Cost	-			
Revised Authorized Cost	49,290			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	100.00%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
 Security Cameras - Ocean Road Elementary School
 From Inception and for the Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 20,462	\$ -	\$ 20,462	\$ 20,462
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	39,341	-	39,341	39,341
Transfer from capital outlay	-	-	-	-
Total revenues	<u>59,803</u>	<u>-</u>	<u>59,803</u>	<u>59,803</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	40,074	19,729	59,803	59,803
Total expenditures	<u>40,074</u>	<u>19,729</u>	<u>59,803</u>	<u>59,803</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 19,729</u>	<u>\$ (19,729)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	4210-060-14-1004			
Grant Date	7/31/2014			
Grant Amount	20,462			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	51,156			
Additional Authorized Cost	-			
Revised Authorized Cost	51,156			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	100.00%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
Security Cameras - Point Pleasant High School
From Inception and for the Year Ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 62,077	\$ -	\$ 62,077	\$ 62,077
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	93,032	-	93,032	93,032
Transfer from capital outlay	-	-	-	-
Total revenues	155,109	-	155,109	155,109
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	-	-	-	-
Equipment purchases	135,380	19,729	155,109	155,109
Total expenditures	135,380	19,729	155,109	155,109
Excess (deficiency) or revenues over (under) expenditures	\$ 19,729	\$ (19,729)	\$ -	\$ -
Additional project information:				
Project Number	4210-030-14-1001			
Grant Date	7/31/2014			
Grant Amount	62,077			
Bond Authorization Date				
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	155,193			
Additional Authorized Cost	-			
Revised Authorized Cost	155,193			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	100.00%			
Original target completion date	-			
Revised target completion date	-			

G. Proprietary Funds

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2018

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 79,220	\$ 226,909	\$ 306,129
Accounts receivable:			
State	260	-	260
Federal	6,551	-	6,551
Other government	-	-	-
Other	2,455	-	2,455
Interfund	-	-	-
Inventories	<u>21,186</u>	<u>-</u>	<u>21,186</u>
Total current assets	<u>109,672</u>	<u>226,909</u>	<u>336,581</u>
Fixed assets:			
Equipment	354,734	3,487	358,221
Buildings and improvements	1,173,439	-	1,173,439
Accumulated depreciation	<u>(335,952)</u>	<u>(2,632)</u>	<u>(338,584)</u>
Total fixed assets	<u>1,192,221</u>	<u>855</u>	<u>1,193,076</u>
Total assets	<u>\$ 1,301,893</u>	<u>\$ 227,764</u>	<u>\$ 1,529,657</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Deferred revenue	19,229	-	19,229
Compensated absences	15,524	-	15,524
Interfund payable	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>34,753</u>	<u>-</u>	<u>34,753</u>
Net position :			
Net investment in capital assets	1,192,221	855	1,193,076
Restricted for other purposes	-	-	-
Unrestricted net position	<u>74,919</u>	<u>226,909</u>	<u>301,828</u>
Total net position	<u>1,267,140</u>	<u>227,764</u>	<u>1,494,904</u>
Total liabilities and net position	<u>\$ 1,301,893</u>	<u>\$ 227,764</u>	<u>\$ 1,529,657</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses and
Changes in Net Position
For the Fiscal Year ended June 30, 2018

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales-reimbursable programs:			
School breakfast program	\$ 6,470	\$ -	\$ 6,470
School lunch program	277,134	-	277,134
Total-daily sales-reimbursable programs	283,604	-	283,604
Daily sales non-reimbursable programs	211,320	-	211,320
Special functions	6,726	-	6,726
Miscellaneous	80,941	382,875	463,816
Total operating revenues	582,591	382,875	965,466
Operating expenses:			
Salaries	267,913	263,799	531,712
Employee benefits	142,632	53,299	195,931
Other purchased services	19,865	18,850	38,715
Supplies and materials	16,917	1,620	18,537
Utilities	27,844	13,022	40,866
Dues/Workshops	1,916	-	1,916
Depreciation	4,565	105	4,670
Cost of sales - reimbursable programs	193,879	-	193,879
Cost of sales - non-reimbursable programs	90,913	-	90,913
Total operating expenses	766,444	350,695	1,117,139
Operating income (loss)	(183,853)	32,180	(151,673)
Nonoperating revenues:			
State sources:			
State school lunch program	6,038	-	6,038
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	11,051	-	11,051
National school lunch program	133,007	-	133,007
Food distribution program	31,090	-	31,090
FEMA disaster funding	-	-	-
Interest	441	-	441
Total nonoperating revenues	181,627	-	181,627
Change in net position before transfers	(2,226)	32,180	29,954
Transfers in (out)	-	-	-
Change in net position	(2,226)	32,180	29,954
Total unrestricted net position beginning	1,269,366	195,584	1,464,950
Total unrestricted net position ending	\$ 1,267,140	\$ 227,764	\$ 1,494,904

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Cash Flows
for the Fiscal Year ended June 30, 2018

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 618,073	\$ 383,109	\$ 1,001,182
Payments to employees & benefits	(395,021)	(317,134)	(712,155)
Payments to suppliers	(350,762)	(33,492)	(384,254)
Net cash provided by (used in) operating activities	(127,710)	32,483	(95,227)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	6,022	-	6,022
Federal sources	144,917	-	144,917
Board interfund loans	700	-	700
Net cash provided by non-capital financing activities	151,639	-	151,639
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	-	-	-
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	441	-	441
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	441	-	441
Net increase in cash and cash equivalents	24,370	32,483	56,853
Balances—beginning of year	54,850	194,426	249,276
Balances—end of year	\$ 79,220	\$ 226,909	\$ 306,129
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating income (loss)	\$ (183,853)	\$ 32,180	\$ (151,673)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	4,565	105	4,670
Federal commodities	31,090	-	31,090
(Increase) decrease in accounts receivable, net	(597)	234	(363)
(Increase) decrease in inventories	572	-	572
Increase (decrease) in accounts payable	-	-	-
Increase (decrease) in accrued salaries benefits	-	(36)	(36)
Increase (decrease) in deferred revenue	4,989	-	4,989
Increase (decrease) in compensated absences	15,524	-	15,524
Total adjustments	56,143	303	56,446
Net cash provided by (used in) operating activities	\$ (127,710)	\$ 32,483	\$ (95,227)

H. Fiduciary Funds

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
June 30, 2018
Agency

	Agency				Trust		Total
	Student Activity	Payroll Agency	FSA	Summer Savings	Scholarship Fund	Unemployment Compensation Trust	
ASSETS							
Cash and cash equivalents	\$ 290,954	\$ 714	\$ 8,633	\$ 1,293,718	\$ 32,128	\$ 154,494	\$ 1,780,641
Deposits	-	-	-	-	-	-	-
Total assets	<u>290,954</u>	<u>714</u>	<u>8,633</u>	<u>1,293,718</u>	<u>32,128</u>	<u>154,494</u>	<u>1,780,641</u>
LIABILITIES							
Payroll deductions and withholdings	-	714	8,633	1,293,718	-	-	1,303,065
Payable to student groups	290,954	-	-	-	-	-	290,954
Accrued wages	-	-	-	-	-	-	-
Total liabilities	<u>290,954</u>	<u>714</u>	<u>8,633</u>	<u>1,293,718</u>	<u>-</u>	<u>-</u>	<u>1,594,019</u>
NET POSITION							
Reserved for future payment	-	-	-	-	32,128	154,494	186,622
Total net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,128</u>	<u>154,494</u>	<u>186,622</u>
Total liabilities and net position	<u>\$ 290,954</u>	<u>\$ 714</u>	<u>\$ 8,633</u>	<u>\$ 1,293,718</u>	<u>\$ 32,128</u>	<u>\$ 154,494</u>	<u>\$ 1,780,641</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2018

	Scholarship Funds	Unemployment Compensation Fund	Total
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	38,100	-	38,100
Total Contributions	<u>38,100</u>	<u>-</u>	<u>38,100</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	-	1,831	1,831
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>-</u>	<u>1,831</u>	<u>1,831</u>
Total additions	<u>38,100</u>	<u>1,831</u>	<u>39,931</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	-	-
Scholarships awarded	32,395	-	32,395
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>32,395</u>	<u>-</u>	<u>32,395</u>
Change in net position	5,705	1,831	7,536
Net position –beginning of the year	<u>26,423</u>	<u>152,663</u>	<u>179,086</u>
Net position –end of the year	<u>\$ 32,128</u>	<u>\$ 154,494</u>	<u>\$ 186,622</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
Student Activities Funds	<u>\$ 243,676</u>	<u>\$ 1,323,020</u>	<u>\$ 1,275,742</u>	<u>\$ 290,954</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
ASSETS:				
Cash and cash equivalents	\$ 708	\$ 12,113,556	\$ 12,113,550	\$ 714
Total assets	<u>708</u>	<u>12,113,556</u>	<u>12,113,550</u>	<u>714</u>
LIABILITIES:				
Payroll deductions and withholdings	708	12,113,556	12,113,550	714
Accrued salaries and wages	-	-	-	-
Interfund payable	-	-	-	-
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 708</u>	<u>\$ 12,113,556</u>	<u>\$ 12,113,550</u>	<u>\$ 714</u>

I. Long-Term Debt

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2018

Exhibit I-1

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Refinanced</u>	<u>Balance June 30, 2018</u>
2014 Bonds		15,948,000	1/15/2019	625,000	3.000%					
			1/15/2020	650,000	3.000%					
			1/15/2021	680,000	3.000%					
			1/15/2022	705,000	3.000%					
			1/15/2023	735,000	3.000%					
			1/15/2024	760,000	3.000%					
			1/15/2025	795,000	3.000%					
			1/15/2026	825,000	3.000%					
			1/15/2027	860,000	3.125%					
			1/15/2028	890,000	3.250%					
			1/15/2029	925,000	3.500%					
			1/15/2030	965,000	3.500%					
			1/15/2031	1,005,000	4.000%					
			1/15/2032	1,045,000	4.000%					
			1/15/2033	1,100,000	4.000%					
			1/15/2034	1,098,000	4.250%	\$ 14,263,000	\$ -	\$ (600,000)	\$ -	\$ 13,663,000
Refunding 1998 Bonds	10/4/2011	7,165,000	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%	3,785,000	-	(565,000)	-	3,220,000
						<u>\$ 18,048,000</u>	<u>\$ -</u>	<u>\$ (1,165,000)</u>	<u>\$ -</u>	<u>\$ 16,883,000</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Lease
 June 30, 2018

<u>Lessor</u>	<u>Date of Lease</u>	<u>Amount of Original Lease Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Amount Outstanding July 1, 2017</u>	<u>Issued Current Year</u>	<u>Cancelled Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2018</u>
TD Bank (Buses)	05/25/17	\$ 372,894	\$ 17,752	2.17%	\$ 372,894	-	-	76,622	\$ 296,272
					<u>\$ 372,894</u>	<u>-</u>	<u>-</u>	<u>76,622</u>	<u>\$ 296,272</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,446,771	\$ -	\$ 1,446,771	\$ 1,446,771	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	369,194	-	369,194	369,194	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	369,194	-	369,194	369,194	-
Total Revenues	1,815,965	-	1,815,965	1,815,965	-
EXPENDITURES:					
Regular Debt Service:					
Interest	650,965	-	650,965	650,965	-
Redemption of Principal	1,165,000	-	1,165,000	1,165,000	-
Total Regular Debt Service	1,815,965	-	1,815,965	1,815,965	-
Total Expenditures	1,815,965	-	1,815,965	1,815,965	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

Point Pleasant Borough School District
Statistical Section

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<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it</p>	133-137

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 Positions by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 12,514,561	\$ 13,402,758	\$ 13,881,928	\$ 13,367,679	\$ 14,476,105	\$ 5,000,313	\$ 14,660,093	\$ 17,825,529	\$ 19,506,349	\$ 20,159,519
Restricted	2,714,481	3,789,844	4,322,700	5,893,952	6,644,698	17,019,535	8,387,132	7,034,632	5,153,385	4,310,817
Unrestricted	(81,555)	(1,190,938)	(952,815)	(977,682)	(761,492)	(694,024)	(8,587,002)	(9,176,049)	(9,275,755)	(9,129,249)
Total governmental activities net position	<u>15,147,487</u>	<u>16,001,664</u>	<u>17,251,813</u>	<u>18,283,949</u>	<u>20,359,311</u>	<u>21,325,824</u>	<u>14,460,223</u>	<u>15,684,112</u>	<u>15,383,979</u>	<u>15,341,087</u>
Business-type activities										
Net investment in capital assets	1,217,761	1,213,886	1,215,887	1,212,358	1,204,803	1,198,619	1,196,974	1,199,322	1,197,746	1,193,076
Restricted	31,313	-	-	-	-	-	-	-	-	-
Unrestricted	56,722	142,709	149,912	183,801	215,718	268,330	291,366	260,712	267,204	301,828
Total business-type activities net position	<u>1,305,796</u>	<u>1,356,595</u>	<u>1,365,799</u>	<u>1,396,159</u>	<u>1,420,521</u>	<u>1,466,949</u>	<u>1,488,340</u>	<u>1,460,034</u>	<u>1,464,950</u>	<u>1,494,904</u>
District-wide										
Net investment in capital assets	13,732,322	14,616,644	15,097,815	14,580,037	15,680,908	6,198,932	15,857,067	19,024,851	20,704,095	21,352,595
Restricted	2,745,794	3,789,844	4,322,770	5,893,952	6,644,698	17,019,535	8,387,132	7,034,632	5,153,385	4,310,817
Unrestricted	(24,833)	(1,048,229)	(802,903)	(793,881)	(545,774)	(425,694)	(8,295,636)	(8,915,337)	(9,008,551)	(8,827,421)
Total district net position	<u>\$ 16,453,283</u>	<u>\$ 17,358,259</u>	<u>\$ 18,617,682</u>	<u>\$ 19,680,108</u>	<u>\$ 21,779,832</u>	<u>\$ 22,792,773</u>	<u>\$ 15,948,563</u>	<u>\$ 17,144,146</u>	<u>\$ 16,848,929</u>	<u>\$ 16,835,991</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 13,964,403	\$ 14,643,062	\$ 14,129,061	\$ 15,105,900	\$ 14,529,984	\$ 14,230,525	\$ 14,674,596	\$ 14,819,690	\$ 15,896,411	\$ 16,112,870
Special education	2,513,311	2,596,337	2,666,187	2,634,211	2,795,280	2,860,902	2,946,981	2,920,712	3,109,208	3,206,397
Other special education	989,942	1,066,562	978,129	982,274	1,043,182	995,149	1,063,130	1,331,703	1,462,947	1,386,138
Support Services:										
Instruction	935,011	827,080	1,011,338	1,491,483	1,141,009	1,722,477	2,161,268	1,822,569	2,296,656	2,215,935
Attendance and social work	192,738	201,891	169,016	166,807	167,135	181,977	154,912	156,899	169,080	137,300
Health services	364,328	391,529	387,386	404,587	423,198	424,009	462,161	436,770	423,168	464,339
Improvement of instr. services	45,420	48,460	102,802	99,744	111,442	130,029	133,043	110,031	110,245	131,322
Educational media services	385,431	375,710	273,996	254,831	271,900	350,934	328,310	364,946	373,257	384,880
Instruction staff training	161,649	170,315	125,119	124,189	192,240	180,212	198,381	231,039	239,887	266,735
School Administrative services	1,704,258	1,374,383	1,569,789	1,606,476	1,477,634	1,852,303	1,788,050	2,229,154	2,255,125	1,850,275
General administration	694,460	735,427	660,177	753,927	748,283	700,125	770,622	712,571	744,034	758,497
Central Services	481,931	483,544	500,948	514,830	529,115	535,384	553,778	566,109	572,119	590,110
Plant operations and maintenance	3,661,588	3,493,059	3,442,422	3,141,947	3,451,589	3,620,345	3,389,038	3,415,723	3,746,159	3,673,536
Administrative information technology	141,323	117,859	92,162	94,200	66,341	88,248	90,530	115,541	118,423	121,872
Pupil transportation	1,177,184	1,196,252	1,090,749	1,079,301	1,160,576	1,256,351	1,466,909	1,294,826	1,401,815	1,424,874
Other support services	2,446,081	2,613,264	2,695,387	2,811,171	2,940,450	3,074,900	3,242,310	3,472,910	3,476,966	3,599,518
Business and other support services	-	-	-	-	-	-	-	-	-	-
Non-budgeted expenditures	2,413,623	2,524,023	2,515,647	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,036,348	3,202,290
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	631,082	571,733	516,192	570,179	462,128	271,922	737,605	701,887	623,624	591,163
Unallocated employee benefits	4,417,831	5,204,436	5,613,916	5,511,376	5,773,040	5,918,470	6,299,246	6,512,214	6,395,897	6,972,665
Total governmental activities expenses	37,321,594	38,634,926	38,540,423	40,339,945	41,021,142	41,662,017	43,288,111	44,258,514	46,451,369	47,090,716
Business-type activities:										
Food service	823,841	750,605	770,828	784,820	782,055	748,018	754,676	750,258	743,111	766,444
Child Care	341,113	292,519	285,804	309,940	312,060	358,565	355,840	346,499	353,107	350,695
Total business-type activities expense	1,164,954	1,043,124	1,056,632	1,094,760	1,094,115	1,106,583	1,110,516	1,096,757	1,096,218	1,117,139
Total district expenses	\$ 38,486,548	\$ 39,678,050	\$ 39,597,055	\$ 41,434,705	\$ 42,115,257	\$ 42,768,600	\$ 44,398,627	\$ 45,355,271	\$ 47,547,587	\$ 48,207,855
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,413,623	2,524,023	2,524,023	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,987,611	4,190,684
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	2,413,623	2,524,023	2,524,023	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,987,611	4,190,684
Business-type activities:										
Charges for services										
Food service	\$ 681,816	\$ 627,533	\$ 627,533	\$ 604,085	\$ 569,263	\$ 562,342	\$ 572,540	\$ 499,230	\$ 533,007	\$ 582,591
Child Care	314,075	315,058	315,058	333,160	332,864	381,118	357,986	375,772	366,936	382,875
Operating grants and contributions	133,985	151,333	151,333	187,875	216,350	209,551	201,381	193,449	201,191	181,627
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	1,129,876	1,093,924	1,093,924	1,125,120	1,118,477	1,153,011	1,131,907	1,068,451	1,101,134	1,147,093
Total district program revenues	\$ 3,543,499	\$ 3,617,947	\$ 3,617,947	\$ 4,117,632	\$ 4,855,093	\$ 4,420,766	\$ 3,959,148	\$ 4,111,671	\$ 5,088,745	\$ 5,337,777

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental activities	\$ (37,321,594)	\$ (38,634,926)	\$ (38,540,423)	\$ (40,339,945)	\$ (41,021,142)	\$ (41,662,017)	\$ (43,288,111)	\$ (44,258,514)	\$ (46,451,369)	\$ (47,090,716)
Business-type activities	(1,164,954)	(1,043,124)	(1,056,632)	(1,094,760)	(1,094,115)	(1,106,583)	(1,110,516)	(1,096,757)	(1,096,218)	(1,117,139)
Total district-wide net expense	<u>\$ (38,486,548)</u>	<u>\$ (39,678,050)</u>	<u>\$ (39,597,055)</u>	<u>\$ (41,434,705)</u>	<u>\$ (42,115,257)</u>	<u>\$ (42,768,600)</u>	<u>\$ (44,398,627)</u>	<u>\$ (45,355,271)</u>	<u>\$ (47,547,587)</u>	<u>\$ (48,207,855)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 25,919,800	\$ 26,615,115	\$ 26,615,115	\$ 29,037,269	\$ 29,683,659	\$ 30,466,932	\$ 31,294,686	\$ 32,064,138	\$ 32,707,297	\$ 33,716,844
Taxes levied for debt service	1,968,875	1,969,090	1,969,090	1,604,425	1,553,426	1,177,423	1,880,378	1,904,172	1,886,711	1,446,771
Unrestricted grants and contributions	7,642,264	7,941,808	7,941,808	7,213,489	7,518,751	7,213,043	7,845,048	7,607,932	6,877,220	7,039,440
Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	243,401	83,667	83,667	-	-	-	-	-	-	-
Miscellaneous income	447,389	355,400	355,400	524,316	604,052	503,377	556,592	862,941	692,397	654,085
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>36,221,729</u>	<u>36,965,080</u>	<u>36,965,080</u>	<u>38,379,499</u>	<u>39,359,888</u>	<u>39,360,775</u>	<u>41,576,704</u>	<u>42,439,183</u>	<u>42,163,625</u>	<u>42,857,140</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 36,221,729</u>	<u>\$ 36,965,080</u>	<u>\$ 36,965,080</u>	<u>\$ 38,379,499</u>	<u>\$ 39,359,888</u>	<u>\$ 39,360,775</u>	<u>\$ 41,576,704</u>	<u>\$ 42,439,183</u>	<u>\$ 42,163,625</u>	<u>\$ 42,857,140</u>
Change in Net Assets/Position										
Governmental activities	\$ 1,313,758	\$ 854,177	\$ 948,680	\$ 1,032,066	\$ 2,075,362	\$ 966,513	\$ 1,115,834	\$ 1,223,889	\$ (300,133)	\$ (42,892)
Business-type activities	(35,078)	50,800	37,292	30,360	24,362	46,428	21,391	(28,306)	4,916	29,954
Total district	<u>\$ 1,278,680</u>	<u>\$ 904,977</u>	<u>\$ 985,972</u>	<u>\$ 1,062,426</u>	<u>\$ 2,099,724</u>	<u>\$ 1,012,941</u>	<u>\$ 1,137,225</u>	<u>\$ 1,195,583</u>	<u>\$ (295,217)</u>	<u>\$ (12,938)</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,687,434	\$ 2,393,260
Committed	-	-	-	-	-	-	-	-	678,590	-
Assigned	-	-	-	-	-	-	-	-	1,549,707	2,391,152
Unassigned	-	-	-	-	-	-	-	-	569,888	560,054
Reserved	2,932,696	3,789,844	4,322,770	5,841,731	6,557,225	5,501,195	5,465,918	6,174,742	-	-
Unreserved	393,303	103,183	333,420	284,764	300,152	396,976	417,488	373,101	-	-
Total general fund	<u>\$ 3,325,999</u>	<u>\$ 3,893,027</u>	<u>\$ 4,656,190</u>	<u>\$ 6,126,495</u>	<u>\$ 6,857,377</u>	<u>\$ 5,898,171</u>	<u>\$ 5,883,406</u>	<u>\$ 6,547,843</u>	<u>\$ 5,485,619</u>	<u>\$ 5,344,466</u>
All Other Governmental Funds										
Reserved	\$ 4,130	\$ -	\$ -	\$ -	\$ -	\$ 8,474,260	\$ 1,749,259	\$ 767,196	\$ 219,919	\$ -
Restricted										
Debt service fund										-
Capital projects fund									17,735	22,557
Unreserved, reported in:										
Special revenue fund	2,602	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	3,008,828	1,171,955	92,694	-	-
Debt service fund	-	-	-	-	87,473	35,252	-	-	-	-
Total all other governmental funds	<u>\$ 6,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,473</u>	<u>\$ 11,518,340</u>	<u>\$ 2,921,214</u>	<u>\$ 859,890</u>	<u>\$ 237,654</u>	<u>\$ 22,557</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	27,888,675	28,584,205	29,804,075	30,641,694	31,237,085	31,644,355	33,175,064	33,968,310	34,594,008	35,163,615
Tuition charges	111,863	120,548	107,720	287,912	245,274	266,030	189,795	282,985	251,974	195,216
Interest earnings	243,401	83,667	63,850	24,036	32,263	55,814	60,219	-	69,125	29,632
Miscellaneous	328,947	227,680	306,118	181,999	279,783	168,966	234,288	452,032	277,056	294,996
Transportation fees	6,579	22,550	42,197	58,318	54,342	34,830	69,491	121,946	115,234	124,808
State sources	9,230,404	8,434,755	8,106,190	9,040,095	10,039,078	9,530,503	9,699,903	9,687,203	9,868,803	9,868,295
Federal sources	825,483	2,031,076	1,311,414	1,165,906	1,216,289	950,295	972,386	963,949	996,028	1,361,829
Other financing sources	-	-	-	-	-	-	2,799	5,978	1,669	12,065
Total revenue	38,635,352	39,504,481	39,741,564	41,399,960	43,104,114	42,650,793	44,403,945	45,482,403	46,173,897	47,050,456
Expenditures										
Instruction										
Regular Instruction	12,787,664	13,288,836	12,892,381	13,062,667	13,261,218	13,000,663	13,235,531	13,294,919	13,595,816	13,746,803
Special education instruction	2,471,779	2,548,541	2,622,539	2,562,097	2,750,500	2,817,495	2,896,191	2,866,897	3,028,010	3,122,889
Other special instruction	983,020	1,058,596	970,855	970,255	1,035,719	987,914	1,054,665	1,322,734	1,449,414	1,372,220
Support Services:										
Instruction	817,337	691,657	887,670	1,287,160	1,014,132	1,599,491	2,017,361	1,670,092	2,066,596	1,979,328
Attendance and social work	192,738	201,891	169,016	166,807	167,135	181,977	154,912	156,899	169,080	137,300
Health services	364,328	391,529	387,386	404,587	423,198	424,009	462,161	436,770	423,168	464,339
Other support services	2,446,081	2,613,264	2,695,387	2,811,171	2,940,450	3,074,900	3,242,310	3,472,910	3,476,966	3,599,518
Improvement of instruction	45,420	48,460	102,802	99,744	111,442	130,029	133,043	110,031	110,245	131,322
Educational media services	385,431	375,710	273,996	254,831	271,900	350,934	328,310	364,946	373,257	384,880
Instruction staff training	161,649	170,315	125,119	124,189	192,240	180,212	198,381	231,039	239,887	266,735
General administrative services	694,460	735,427	660,177	753,927	748,283	700,125	770,622	712,571	744,034	758,497
School administrative services	1,542,687	1,601,880	1,534,027	1,558,150	1,633,656	1,779,540	1,816,759	1,835,486	1,878,647	1,915,662
School central services	481,931	483,544	500,948	514,830	529,115	535,384	553,778	566,109	572,119	590,110
School admin info technology	141,323	117,859	92,162	94,200	66,341	88,248	90,530	115,541	118,423	121,872
Allowed maintenance for school facilities	1,037,973	942,677	919,054	810,731	1,103,589	1,168,015	826,065	760,504	822,302	773,300
Other operation & maintenance of plant	2,618,904	2,617,526	2,475,679	2,288,510	2,286,854	2,383,788	2,461,693	2,586,685	2,881,105	2,958,330
Student transportation services	1,177,184	1,196,252	1,090,749	1,079,301	1,160,576	1,256,351	1,466,909	1,294,826	1,401,815	1,424,874
Business and other support services	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	4,417,831	5,204,436	5,613,916	5,511,376	5,773,040	5,918,470	6,287,691	6,307,407	6,394,684	6,780,230
Non-budgeted expenditures	2,413,623	2,524,023	2,515,647	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,036,348	3,202,290
Special Schools										
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	160,486	729,995	658,056	773,323	1,416,179	6,994,232	9,856,054	3,405,014	2,769,001	1,860,242
Debt service:										
Principal	1,670,000	1,730,000	1,305,000	1,375,000	1,410,000	1,005,000	1,565,000	1,580,000	1,610,000	1,165,000
Interest and other charges	600,725	541,376	485,835	382,066	305,797	282,600	770,629	744,690	697,440	650,965
Total expenditures	37,612,575	39,813,794	38,978,401	39,877,434	42,337,980	48,127,132	53,015,836	46,879,290	47,858,357	47,406,706
Excess (Deficiency) of revenues over (under) expenditures	1,022,777	(309,313)	763,163	1,522,526	766,134	(5,476,339)	(8,611,891)	(1,396,887)	(1,684,460)	(356,250)
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	15,948,000	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	216,619	-	-	-
Transfers out	-	-	-	-	-	-	(216,619)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	15,948,000	-	-	-	-
Net change in fund balances	1,022,777	(309,313)	763,163	1,522,526	766,134	10,471,661	(8,611,891)	(1,396,887)	(1,684,460)	(356,250)
Debt service as a percentage of noncapital expenditures	6.06%	5.81%	4.67%	4.49%	4.19%	3.13%	5.41%	5.35%	5.12%	3.99%
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
2009	-	243,401	52,088	41,345	95,463	6,579	75,365	514,241
2010	-	83,667	49,119	40,061	18,648	22,550	96,503	310,548
2011	-	63,850	53,891	33,296	79,643	42,197	104,199	377,076
2012	5,370	24,036	47,854	23,143	52,217	58,318	98,772	309,710
2013	9,734	32,263	48,491	11,970	87,216	54,342	98,666	342,682
2014	-	55,815	41,694	17,539	7,745	34,830	92,115	249,738
2015	-	60,219	45,997	58,503	28,678	69,490	83,644	346,531
2016	5,978	47,009	56,459	24,253	256,670	121,946	57,940	570,255
2017	1,669	69,125	59,886	29,159	23,545	115,234	42,640	341,258
2018	-	123,092	69,376	36,149	19,826	124,808	56,278	429,529

Source: District records

**POINT PLEASANT BOROUGH SCHOOL DISTRICT
Assessed Value and Estimated 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
2009	21,015,300	1,259,679,700			206,474,350 e		10,749,700	1,497,919,050	99,999,200	4,245,574	1,393,674,276	3,677,445,352 d	2.0420
2010	39,584,500	2,956,937,600			418,356,910 e		27,301,500	3,442,180,510	167,502,200	4,341,758	3,270,336,552	3,679,626,057 d	0.9090
2011	40,101,500	2,937,797,800			417,173,610 e		27,010,000	3,422,082,910	166,699,300	3,868,500	3,251,515,110	3,512,959,381 d	0.9400
2012	39,556,600	2,929,105,600			418,417,910 e		26,624,300	3,413,704,410	168,540,500	3,790,128	3,241,373,782	3,310,307,759 d	0.9600
2013	35,320,300	2,908,460,800			412,094,610 e		23,838,400	3,379,714,110	170,961,600	2,639,560	3,206,112,950	3,252,011,585 d	0.9840
2014	35,320,300	2,908,460,800			412,094,610 e		23,838,400	3,379,714,110	170,961,600	2,639,560	3,206,112,950	3,285,250,823 d	1.0330
2015	37,746,200	2,909,611,100			412,727,910 e		23,838,400	3,211,176,410	172,747,200	-	3,038,429,210	3,292,501,189 d	1.0580
2016	31,578,300	2,933,192,900			414,361,900 e		23,838,400	3,229,232,500	173,739,000	-	3,055,493,500	3,295,135,214 d	1.0710
2017	29,891,100	2,948,184,100			410,686,610 e		23,838,400	3,238,516,710	174,083,500	-	3,064,433,210	3,380,144,776 d	1.0860
2018	27,272,800	2,970,370,000			410,710,310 e		23,838,400	3,432,191,510	173,762,900	-	3,258,428,610	3,400,831,343 c	1.1204

Source: Municipal Tax Assessor

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

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

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100 and for year following calendar year end as shown
- c Based on county abstract of ratables column 11 net valuation for county tax apportionment
- d Table of Equalized Valuations per the NJ Dept of Treasury
- e Commercial values include tax exempt property

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	
2009	1.9017	0.1407	2.0424	0.8530	0.8410	3.7364
2010	0.8606	0.0484	0.9090	0.3660	0.3690	1.6440
2011	0.8909	0.0486	0.9395	0.3820	0.3810	1.7025
2012	0.9133	0.0472	0.9605	0.4060	0.3910	1.7575
2013	0.9480	0.0380	0.9860	0.4200	0.3970	1.8030
2014	0.9745	0.0586	1.0331	0.4260	0.4120	1.8711
2015	0.9985	0.0593	1.0578	0.4320	0.4250	1.9148
2016	1.0129	0.0584	1.0713	0.4380	0.4290	1.9383
2017	1.0411	0.0445	1.0856	0.4430	0.4240	1.9526
2018	1.0758	0.0446	1.1204	0.4460	0.4310	1.9974

Source: Municipal Tax Collector

Note:

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

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

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

	2018				2009		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Clark's Landing	13,944,900		0.43%	Point 88 Realty	5,782,600		0.41%
Point 88 Realty	8,007,300		0.25%	Pulte Homes	5,423,000		0.39%
Johnson Bros Boat Works, LLC	6,126,300		0.19%	Clark's Landing	4,221,600		0.30%
Canal Point Marine Inc.	4,703,800		0.14%	MGM Homes LLC	2,500,000		0.18%
Robelander Realty Inc.	4,468,800		0.14%	Johnson Bros Boat Works, LLC	2,150,000		0.15%
1501 Richmond Ave LLC	4,043,200		0.12%	Taxpayer 1	1,984,700		0.14%
Taxpayer 1	3,800,000		0.12%	Crystal-Manasquan, LLC	1,889,500		0.14%
SHM Crystal Point LLC	3,706,000		0.11%	Robelander Realty Inc.	1,800,300		0.13%
Dad Realty, Inc.	3,444,200		0.11%	Verizon	1,723,000		0.12%
Taxpayer 2	3,312,400		0.10%	Dad Realty, Inc.	1,600,800		0.11%
Total	\$ 55,556,900		1.71%	Total	\$ 29,075,500		2.09%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	52,352,741	50,799,422	97.03%	N/A
2010	53,913,656	50,796,681	94.24%	N/A
2011	55,635,545	53,822,115	96.74%	N/A
2012	57,901,688	55,828,445	96.42%	N/A
2013	57,972,061	55,828,445	96.30%	N/A
2014	60,085,149	58,694,307	97.69%	N/A
2015	61,853,741	60,862,639	98.40%	N/A
2016	62,582,526	61,974,964	98.73%	N/A
2017	63,248,235	63,126,593	99.37%	N/A
2018	64,903,984	N/A	N/A	N/A

Source: Municipal Chief Financial Officer

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

Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2009	14,088,000	-	-	-	-	14,088,000	0.29%	692.76
2010	12,358,000	-	-	-	-	12,358,000	0.33%	671.01
2011	11,053,000	-	-	-	-	11,053,000	0.38%	600.09
2012	9,270,000	-	-	-	-	9,270,000	0.46%	502.60
2013	7,860,000	-	-	-	-	7,860,000	0.55%	424.41
2014	22,803,000	-	-	-	-	22,803,000	0.02%	1,221.70
2015	21,238,000	-	-	-	-	21,238,000	0.02%	1,146.57
2016	19,658,000	-	-	-	-	19,658,000	N/A	1,060.01
2017	18,048,000	-	-	-	-	18,048,000	N/A	966.94
2018	16,883,000	-	-	-	-	16,883,000	N/A	N/A

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2009	14,088,000	-	14,088,000	0.37%	692.76
2010	12,358,000	-	12,358,000	0.33%	670.68
2011	11,053,000	-	11,053,000	0.34%	598.07
2012	9,270,000	-	9,270,000	0.28%	502.46
2013	7,860,000	-	7,860,000	0.24%	424.38
2014	22,803,000	-	22,803,000	0.70%	1,231.20
2015	21,238,000	-	21,238,000	0.65%	1,137.85
2016	19,658,000	-	19,658,000	0.61%	1,053.20
2017	18,048,000	-	18,048,000	0.56%	966.94
2018	16,883,000	-	16,883,000	0.51%	N/A

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, 2018**

<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%)	\$ 16,883,000	100.00% d	\$ 16,883,000
Other debt	-	-	-
County of Ocean - Borough's Share (XXX%)	a \$ 468,706,376	3.45%	\$ 16,170,370
Ocean County Utility Authority	b 139,349,304	3.65%	<u>5,082,953</u>
Subtotal, overlapping debt			38,136,323
Point Pleasant School District Direct Debt			<u>16,883,000</u>
Total direct and overlapping debt			<u><u>\$ 55,019,323</u></u>

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

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

Equalized valuation basis

2018	\$ 3,400,831,343	c
2017	3,380,144,776	c
2016	3,295,135,214	c
[A]	\$ 10,076,111,333	

Average equalized valuation of taxable property **[A/3]** \$ 3,358,703,778

Debt limit (4 % of average equalization value) **[B]** 134,348,151 **a**

[C]	\$ 16,883,000
[B-C]	\$ 117,465,151

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 146,726,968	\$ 150,832,416	\$ 150,633,503	\$ 144,364,034	\$ 134,372,959	\$ 134,337,050	\$ 131,250,565	\$ 131,638,496	\$ 132,035,924	\$ 134,348,151
Total net debt applicable to limit	<u>14,088,000</u>	<u>12,358,000</u>	<u>11,053,000</u>	<u>9,270,000</u>	<u>7,860,000</u>	<u>22,803,000</u>	<u>21,238,000</u>	<u>19,658,000</u>	<u>18,048,000</u>	<u>16,883,000</u>
Legal debt margin	<u>\$ 132,638,968</u>	<u>\$ 138,474,416</u>	<u>\$ 139,580,503</u>	<u>\$ 135,094,034</u>	<u>\$ 126,512,959</u>	<u>\$ 111,534,050</u>	<u>\$ 110,012,565</u>	<u>\$ 11,980,496</u>	<u>\$ 113,987,924</u>	<u>\$ 117,465,151</u>
Total net debt applicable to the limit as a percentage of debt limit	9.60%	8.19%	7.34%	6.42%	5.85%	16.97%	16.18%	14.93%	13.67%	12.57%

Source:

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

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2009	20,336	808,274,656	39,746	7.50%
2010	18,417	734,559,000	39,900	8.20%
2011	18,419	762,698,160	41,460	8.40%
2012	18,444	780,961,624	42,499	8.20%
2013	18,520	784,620,390	42,573	6.30%
2014	18,665	821,226,024	44,381	6.30%
2015	18,523	859,189,355	46,385	6.20%
2016	18,545	879,274,085	47,413	5.20%
2017	18,651	N/A	N/A	4.80%
2018	N/A	N/A	N/A	N/A

Source:

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

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

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

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

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

<u>Employer</u>	<u>2018</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Point Pleasant Board of Education	-		0%	-		0.00%
Point Pleasant Hospital	-		-	-		0.00%
Borough of Point Pleasant	-		0%	-		0.00%
Claremont Nursing Home	-		0%	-		0.00%
Stop and Shop(formerly Grand Union)	-		0%	-		0.00%
Weisleder	-		0%	-		0.00%
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source: Municipal Tax Collector

Municipality didn't have the information available at the time of 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction										
Regular	188.0	189.5	182.0	204.0	185.5	185.5	185.5	180.0	181.0	178.5
Special education	40.5	40.5	41.0	41.0	39.5	41.5	42.0	43.0	43.0	45.5
Other special education										
Vocational										
Other instruction	36.5	41.0	38.0	23.0	24.5	21.5	21.5	23.0	29.0	30.0 a
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	52.0	54.0	56.0	56.0	63.5	68.0	78.0	74.0	73.0	75.5
General administration	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
School administrative services	11.5	11.5	11.0	11.0	20.0	21.0	21.5	20.5	20.5	20.5
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	5.0	5.0	6.0	6.0	6.5	6.5	6.5	6.5	6.5	6.5
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Plant operations and maintenance	7.5	7.5	5.0	5.0	7.5	8.5	8.0	8.5	9.0	9.5
Pupil transportation	11.0	10.0	11.0	11.0	13.0	13.5	13.5	11.0	12.5	15.5
Other support services	17.0	17.0	14.0	14.0	13.0	14.0	14.0	14.0	14.0	13.0
Special Schools										
Food Service	14.5	13.5	14.0	14.0	14.0	15.0	15.0	11.5	10.5	9.5
Child Care										
Total	<u>388.5</u>	<u>394.5</u>	<u>383.0</u>	<u>390.0</u>	<u>393.0</u>	<u>401.0</u>	<u>411.5</u>	<u>399.0</u>	<u>406.0</u>	<u>411.0</u>

Source: District Personnel Records

a - This figure includes special education aides.

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				
2009	3,124	31,888,418	10,208	-0.11%	248	12	11	12	3116	2,956	-0.15%	94.87%
2010	3,037	32,249,703	10,384	1.73%	231	13	11	11	3048	2,888	-0.22%	94.77%
2011	3,008	32,847,824	10,817	4.17%	232	13	12	11	2998	2,839	-0.16%	94.70%
2012	2,952	33,474,068	11,280 d	8.63%	245	13 e	11 e	11 e	2951	2,805	-0.16%	95.05%
2013	2,919	34,311,286	11,754 d	8.67%	250	13.5 e	11 e	11 e	2918	2,489	-0.11%	85.30%
2014	2,880	35,674,045	12,342 d	14.68%	267	13 e	11 e	10 e	2878	2,752	-0.14%	95.62%
2015	2,801	37,124,407	12,920 d	4.68%	249	13 e	12 e	11 e	2785	2,664	-0.32%	95.66%
2016	2,739	37,178,728	12,988 d	5.23%	246	12.5 e	11 e	11 e	2739	2,627	-0.17%	95.91%
2017	2,776 f	38,752,135	13,960 d	-100.00%	241 e	12 e	10 e	10 e	2704	2,583	-0.29%	95.53%
2018	2,783 f	39,542,452	14,209 d	15.13%	- e	12 e	10 e	11 e	2733	2,603	-0.19%	95.24%

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 contributions 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
- f ASSA total enrollment (count sent and shared time as 1.0)

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
District Building										
<u>Elementary</u>										
Nellie Bennet										
Square Feet	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497
Capacity (students)	674	674	674	674	674	674	674	674	674	674
Enrollment	800	800	800	732	741	727	725	765	753	745
Ocean Road										
Square Feet	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406
Capacity (students)	556	556	556	556	556	556	556	556	556	556
Enrollment	568	568	568	550	577	575	535	554	540	493
<u>Middle School</u>										
Memorial Middle School										
Square Feet	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002
Capacity (students)	742	742	742	742	742	742	742	742	742	742
Enrollment	716	716	716	720	663	673	641	644	674	656
<u>High School</u>										
Point Pleasant High School										
Square Feet	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636
Capacity (students)	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Enrollment	1,030	1,030	1,030	919	959	901	914	952	888	855
<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, 2018
 Elementary = 2
 Middle School = 1
 Senior High School = 1
 Other = 2

Source: District Facilities Office

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

* School Facilities Project # (s)	Point Pleasant High School	Memorial Middle School	Nellie F. Bennett Elementary	Ocean Road Elementary School	Administrative and Maintenance Building	Total
2009	406,115	243,411	177,295	162,915	48,237	1,037,973
2010	387,354	183,925	189,144	132,512	49,742	942,677
2011	292,612	236,600	164,496	169,884	55,465	919,057
2012	307,978	173,789	128,555	141,960	58,448	810,730
2013	465,527	240,109	197,539	162,631	37,783	1,103,589
2014	453,069	303,768	224,011	148,760	38,407	1,168,015
2015	298,946	151,837	145,466	129,625	100,191	826,065
2016	269,033	150,613	150,072	102,623	88,163	760,504
2017	330,673	142,265	175,442	101,004	72,918	822,302
2018	254,021	172,709	141,590	123,916	81,064	773,300
Total School Facilities	<u>\$ 3,465,328</u>	<u>\$ 1,999,026</u>	<u>\$ 1,693,610</u>	<u>\$ 1,375,830</u>	<u>\$ 630,418</u>	<u>\$ 9,164,212</u>

* 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, 2018

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

SINGLE AUDIT SECTION

INDEPENDENT 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 Board of Education
County of Ocean
Point Pleasant Borough, New Jersey 08533

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Point Pleasant Borough Board of Education basic financial statements, and have issued our report thereon dated January 31, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

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



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

January 31, 2019

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Point Pleasant Borough School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Point Pleasant Borough Board of Education's major federal programs for the year ended June 30, 2018. Point Pleasant Borough Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, Point Pleasant Borough Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

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

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

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

January 31, 2019

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2017	Cash Received	Budgetary Expenditures	Balance at June 30, 2018		
							Deferred Revenue	Accounts Receivable	Due to Grantor
General Fund									
U.S. Department of Education									
Hazard Mitigation	97.039	7/1/17-6/30/18	324,590	\$ -	\$ 324,590	\$ (324,590)	\$ -	\$ -	\$ -
Medical Assistance Program	93.778	9/1/16-8/31/17	42,798	(3,096)	3,096	-	-	-	-
Medical Assistance Program	93.778	9/1/17-8/31/18	48,845	-	48,845	(48,845)	-	-	-
Total General Fund				(3,096)	376,531	(373,435)	-	-	-
U.S. Department of Education									
Passed-through State Department of Education:									
Title I, Basic Allocation	84.010	7/1/17-6/30/18	296,430		144,493	(278,889)	-	(134,396)	-
Title I, Basic Allocation	84.010	7/1/16-6/30/17	255,476	(58,950)	58,950	-	-	-	-
Title II - Part A	84.367	7/1/17-6/30/18	69,213		46,032	(69,213)	-	(23,181)	-
Title II - Part A	84.367	7/1/16-6/30/17	52,716	(15,011)	15,011	-	-	-	-
Title III	84.365	7/1/16-6/30/17	10,384	(950)	950	-	-	-	-
Title III	84.365	7/1/17-6/30/18	10,061	-	4,102	(4,366)	-	(264)	-
Title IV - Part A	84.424	7/1/17-6/30/18	10,000	-	9,447	(9,447)	-	-	-
Special Education Cluster:									
I.D.E.A. Part B Basic	84.027	7/1/17-6/30/18	599,723	-	599,723	(599,723)	-	-	-
I.D.E.A. Part B Basic	84.027	7/1/16-6/30/17	602,684	(14,552)	14,552	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/17-6/30/18	25,907	-	25,812	(25,907)	-	(95)	-
Subtotal of Special Education Cluster				(14,552)	640,087	(625,630)	-	(95)	-
Total Special Revenue Fund				(89,463)	919,072	(987,545)	-	(157,936)	-
U.S. Department of Agriculture									
Passed-through State Department of Education:									
Food Distribution Program	10.550	7/1/17-6/30/18	31,090	-	-	(31,090)	-	-	-
Child Nutrition Cluster:									
School Breakfast Program	10.553	7/1/17-6/30/18	11,051	-	10,505	(11,051)	-	(546)	-
National School Lunch Program	10.555	7/1/16-6/30/17	142,558	(7,410)	7,410	-	-	-	-
National School Lunch Program	10.555	7/1/17-6/30/18	133,007	-	127,002	(133,007)	-	(6,005)	-
Subtotal of Child Nutrition Cluster				(7,410)	144,917	(144,058)	-	(6,551)	-
Total Enterprise (Food Service) Fund				(7,410)	144,917	(175,148)	-	(6,551)	-
Total Expenditures of Federal Awards				\$ (99,969)	\$ 1,440,520	\$ (1,536,128)	\$ -	\$ (164,487)	\$ -

See accompanying notes to schedules of expenditures.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year ended June 30, 2018

										<u>MEMO</u>	
<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2017</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Deferred Revenue at June 30, 2018</u>	<u>(Accounts Receivable) at June 30, 2018</u>	<u>Due to Grantor at June 30, 2018</u>	<u>Budgetary Receivable</u>	<u>Cumulative Total Expenditures</u>
New Jersey Department of Education											
General Fund:											
Extraordinary Aid	17-100-034-5120-473	7/1/16-6/30/17	\$ 342,946	\$ (342,946)	\$ 342,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extraordinary Aid	18-100-034-5120-473	7/1/17-6/30/18	314,603	-	-	(314,603)	-	(314,603)	-	-	(314,603)
Special Education Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	1,663,733	-	1,663,733	(1,663,733)	-	-	-	-	(1,663,733)
Nonpublic Transportation Aid	17-495-034-5120-045	7/1/16-6/30/17	2,602	(2,602)	2,602	-	-	-	-	-	-
Nonpublic Transportation Aid	18-495-034-5120-045	7/1/17-6/30/18	2,590	-	-	(2,590)	-	(2,590)	-	-	(2,590)
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	3,924,507	-	3,924,507	(3,924,507)	-	-	-	-	(3,924,507)
Categorical Security Aid	18-495-034-5120-084	7/1/17-6/30/18	184,043	-	184,043	(184,043)	-	-	-	-	(184,043)
Categorical Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	85,308	-	85,308	(85,308)	-	-	-	-	(85,308)
Under Adequacy Aid	18-495-034-5120-083	7/1/17-6/30/18	26,399	-	26,399	(26,399)	-	-	-	-	(26,399)
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	28,360	-	28,360	(28,360)	-	-	-	-	(28,360)
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	28,360	-	28,360	(28,360)	-	-	-	-	(28,360)
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	26,910	-	26,910	(26,910)	-	-	-	-	(26,910)
On-Behalf TPAF Pension Contribution	18-100-034-5095-002	7/1/17-6/30/18	2,721,892	-	2,721,892	(2,721,892)	-	-	-	-	(2,721,892)
On-Behalf TPAF Post-Retirement Medical	18-100-034-5095-001	7/1/17-6/30/18	1,758,013	-	1,758,013	(1,758,013)	-	-	-	-	(1,758,013)
On-Behalf TPAF Long-Term Disability Insurance	18-100-034-5095-004	7/1/17-6/30/18	3,445	-	3,445	(3,445)	-	-	-	-	(3,445)
Reimbursed TPAF Social Security Tax Contribution	17-495-034-5094-003	7/1/16-6/30/17	1,357,845	(66,572)	66,572	-	-	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	18-495-034-5094-003	7/1/17-6/30/18	1,440,832	-	1,440,832	(1,440,832)	-	-	-	-	(1,440,832)
Total General Fund				<u>(412,120)</u>	<u>12,303,922</u>	<u>(12,208,995)</u>	<u>-</u>	<u>(317,193)</u>	<u>-</u>	<u>-</u>	<u>(12,208,995)</u>
Debt Service Fund:											
Debt service aid	18-495-034-5120-017	7/1/17-6/30/18	369,194	-	369,194	(369,194)	-	-	-	-	-
Total Debt service Aid				<u>-</u>	<u>369,194</u>	<u>(369,194)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Enterprise Fund:											
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	-	(244)	244	-	-	-	-	-	-
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	-	-	5,778	(6,038)	-	(260)	-	-	-
Total Enterprise Fund				<u>(244)</u>	<u>6,022</u>	<u>(6,038)</u>	<u>-</u>	<u>(260)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures of State Awards				<u>\$ (412,364)</u>	<u>\$ 12,679,138</u>	<u>\$ (12,584,227)</u>	<u>\$ -</u>	<u>\$ (317,453)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,208,995)</u>
State Financial Assistance Not Subject to Single Audit Determination											
				<u>-</u>	<u>(4,483,350)</u>	<u>4,483,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,483,350</u>
Total Expenditures of State Awards Subject to Single Audit Determination				<u>\$ (412,364)</u>	<u>\$ 8,195,788</u>	<u>\$ (8,100,877)</u>	<u>\$ -</u>	<u>\$ (317,453)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,725,645)</u>

See accompanying notes to schedules of expenditures.

Point Pleasant Borough Board of Education

Notes to the Schedules of Awards and Financial Assistance

June 30, 2018

1. General

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

2. Basis of Accounting

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

3. Relationship to General Purpose Financial Statements

Relationship to Basic Financial Statements

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

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

Point Pleasant Borough Board of Education

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

June 30, 2018

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(2,709,894) for the general fund and \$849 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 373,435	9,499,101	\$ 9,872,536
Special Revenue Fund	988,394	-	988,394
Capital Projects Fund	-	-	-
Debt Service Fund	-	369,194	369,194
Food Service Fund	<u>175,148</u>	<u>6,038</u>	<u>181,186</u>
Total awards and financial assistance	<u>\$ 1,536,977</u>	<u>9,874,333</u>	<u>\$ 11,411,310</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2018.

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

6. Indirect Costs

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Point Pleasant Borough Board of Education
Schedule of Findings and Questioned Costs
June 30, 2018

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? X yes _____no

Point Pleasant Borough Board of Education
Schedule of Findings and Questioned Costs (continued)
June 30, 2018

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

State Awards Section

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

Auditee qualified as low-risk auditee? X yes _____ none reported

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

Internal Control over major programs:

1) Material weakness(es) identified? _____ yes 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 15-08? _____ yes X no

Identification of major programs:

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

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2018.

Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2018.

Point Pleasant Borough Board of Education

Summary Schedule of Prior Audit Findings

June 30, 2018

There were no prior year findings for the period ended June 30, 2017.