

SCHOOL DISTRICT  
OF  
POINT PLEASANT BEACH  
OF OCEAN COUNTY

Point Pleasant Beach School District Board Of Education  
Point Pleasant Beach, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2018

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Of the

Point Pleasant Beach School District  
of Ocean County

Point Pleasant Beach, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

Point Pleasant Beach Board of Education  
Finance Department

# OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
Official Depository	8
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	10-12
<b>Required Supplementary Information - Part I</b>	
<b>Management's Discussion and Analysis</b>	14-23
<b>Basic Financial Statements</b>	
A. District Wide Financial Statements	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	28
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	29
Proprietary Funds	
B-4 Statement of Net Position	30
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	31
B-6 Statement of Cash Flows	32
Fiduciary Funds	
B-7 Statement of Fiduciary Net Position	33
B-8 Statement of Changes in Fiduciary Net Position	34
Notes to the Financial Statements	35-73

## OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

### Required Supplementary Information - Part II

C.	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	75-79
	C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
	C-1b Community Development Block Grant - Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	80

### Notes to the Required Supplementary Information

	C-3 Budget-to-GAAP Reconciliation	81
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### Required Supplementary Information - Part III

L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
	L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	83
	L-2 Schedule of District Contributions - PERS	84
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	85
M.	Schedules Related to Accounting and Reporting for Postemployment Benefits and Other Than Pensions	
	M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	86

	Notes to the Required Supplementary Information - Part III	87
--	--	----

### Other Supplementary Information

D.	School Based Budget Schedules	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A
E.	Special Revenue Fund	
	E-1 Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund - Budgetary Basis	91-92
	E-2 Preschool Education Aid Schedule of Expenditures - All Programs - Budgetary Basis	N/A

## OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

F.	Capital Projects Fund	
	F-1 Summary Schedule of Project Expenditures	94
	F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis,	95
	F-2a Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis, High School Renovation	96
	F-2b Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis, Elementary School Reno	N/A
	F-2c Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis, Roofing & Parking Lot	N/A
G.	Proprietary Funds	
	Enterprise Fund	
	G-1 Combining Schedule of Net Position	98
	G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	99
	G-3 Combining Schedule of Cash Flows	100
H.	Fiduciary Funds	
	H-1 Combining Statement of Fiduciary Net Position	102
	H-2 Combining Statement of Changes in Fiduciary Net Position	103
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	104
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	105
I.	Long-Term Debt	
	I-1 Schedule of Serial Bonds	107
	I-2 Schedule of Obligations Under Capital Leases	108
	I-3 Debt Service Fund Budgetary Comparison Schedule	109

### STATISTICAL SECTION (Unaudited)

#### Introduction to the Statistical Section

	Financial Trends	
	J-1 Net Assets/Position by Component	112
	J-2 Changes in Net Assets/Net Position	113
	J-3 Fund Balances - Governmental Funds	114
	J-4 Changes in Fund Balances - Governmental Funds	115
	J-5 General Fund Other Local Revenue by Source	116
	Revenue Capacity	
	J-6 Assessed Value and Estimated Actual Value of Taxable Property	117
	J-7 Direct and Overlapping Property Tax Rates	118
	J-8 Principal Property Taxpayers	119
	J-9 Property Tax Levies and Collections	120

## OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

### Introduction to the Statistical Section (continued)

Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	121
J-11 Ratios of General Bonded Debt Outstanding	122
J-12 Direct and Overlapping Governmental Activities Debt	123
J-13 Legal Debt Margin Information	124
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	125
J-15 Principal Employers	126
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	127
J-17 Operating Statistics	128
J-18 School Building Information	129
J-19 Schedule of Required Maintenance Expenditures by School Facility	130
J-20 Insurance Schedule	131

### SINGLE AUDIT SECTION

K-1 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 <i>Government Auditing Standards</i>	133-134
K-2 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 Letter 15-08	135-137
K-3 Schedule of Expenditures of Federal Awards, Schedule A	138
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	139
K-5 Notes to the Schedules of Awards and Financial Assistance	140-141
K-6 Summary of Findings and Questioned Costs	142-143
K-7 Summary Schedule of Prior Audit Findings	144

## INTRODUCTORY SECTION

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the 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 in conformity with the provisions of the 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 the NJOMB Circular Letter 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:** Point Pleasant Beach School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and account groups of the District are included in this report. The Point Pleasant Beach Board of Education and both district schools constitute the District's reporting entity. The Point Pleasant Beach School District provides a comprehensive full range of educational services appropriate to grade levels Pre-School through 12. Additionally, community groups such as Point Pleasant Beach Recreation, Scouts, and Baseball Leagues regularly use the facilities.





The programs are provided at two locations: Point Pleasant Beach High School on Bay and Trenton Avenues and the G. Harold Antrim Elementary School on Niblick Street. There are 55 employees at the high school, 76 at the elementary school and an additional 21 serving in other district positions. School enrollment during 2017-2018 was 441 high school, 418 elementary school, which is an increase in the number of students compared to the 2016-2017 student enrollment. The School District receives students from three other communities in the grades indicated: Bay Head (9-12), Lavallette (9-12) and Mantoloking (PKH-12). Additionally, some parents in nearby communities pay tuition to send their children to the district schools. During 2017-2018 there were 101 private tuition students. The following details the changes in the student enrollment in the District over the last ten years.

Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2017-18	859	2.9%
2016-17	835	0.06%
2015-16	830	(2.12%)
2014-15	848	(0.47%)
2013-14	843	(3.21%)
2012-13	871	(4.91%)
2011-12	916	2.46%
2010-11	894	(0.33%)
2009-10	897	1.90%
2008-09	880	3.30%

2) ECONOMIC CONDITION AND OUTLOOK: Point Pleasant Beach is a shore community; tourism and fishing are the biggest industries. The larger state and national economic picture as well as weather, ocean conditions, etc. influence these industries. In recent years, the town has been having good summers. The Point Pleasant Beach area has reached a point at which there is very limited land to be built on. With limited land available for future housing developments, there is a constraint on population growth. A 1999 Long-Range Enrollment and Facility Use Study predicted that the population of the Point Pleasant Beach area would remain at or near the current figures. The inability for any significant growth will result in a stable tax base in the years to come. The ratables were \$2,005,614,200 in 2017-2018.

3) MAJOR INITIATIVES: Students from Point Pleasant Beach generally continue to score at or above state averages and cutoffs on all measures. High school SAT scores averaged 573 Critical Reading/Writing and 570 Mathematics. 93% of the Class of 2018 went to college, 0% to vocational training, 0% to the military, 0% to work, and 7% other. Students from our school attend the Ocean County Vocational Technical High School for Vocational Training. The District is a member of the Monmouth-Ocean Educational Services Commission, the New Jersey State Inter Scholastic Athletic Association, The Shore Conference of High Schools and the New Jersey School Boards Association. It is accredited by the Middle States Association of College and Schools and certified by the State of New Jersey.

The School District has focused on physical plant needs and academic technology in recent years. Multi-year plans have been developed for both schools and there has been a sizable financial commitment as well. The voters of Point Pleasant Beach have approved the financing of numerous renovation projects to the G. Harold Antrim Elementary School and Point Pleasant Beach High School and the overall district facilities.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open purchase encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2018.

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

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

8) DEBT ADMINISTRATION: The 2010 Bonds were paid off in the 2016-17 school year. The new bonds for \$9,900,000 were issued in July 2016 to fund the voter-approved school renovations. The \$2,500,000 short-term note was paid off in July 2016. The proceeds of this issue were placed in the District's capital projects fund for use to provide funds for capital improvements to the District' buildings and grounds. The monies from the 2016 Referendum Bonds were used to fund the costs of such expenses as the work done at the G. Harold Antrim Elementary School and the Point Pleasant Beach High School. The projects consisted of parking lot expansion and paving, sidewalk repair/replacement, fencing, masonry restoration, roofing, and repairs and replacement of various HVAC systems throughout the district.

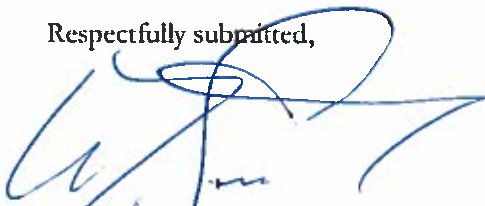
9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the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

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

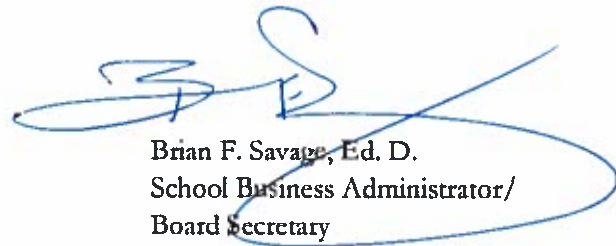
11) OTHER INFORMATION: Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, LLP, was selected by the Board of Education to complete this audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report, basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

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

Respectfully submitted,



William T. Smith  
Superintendent of Schools

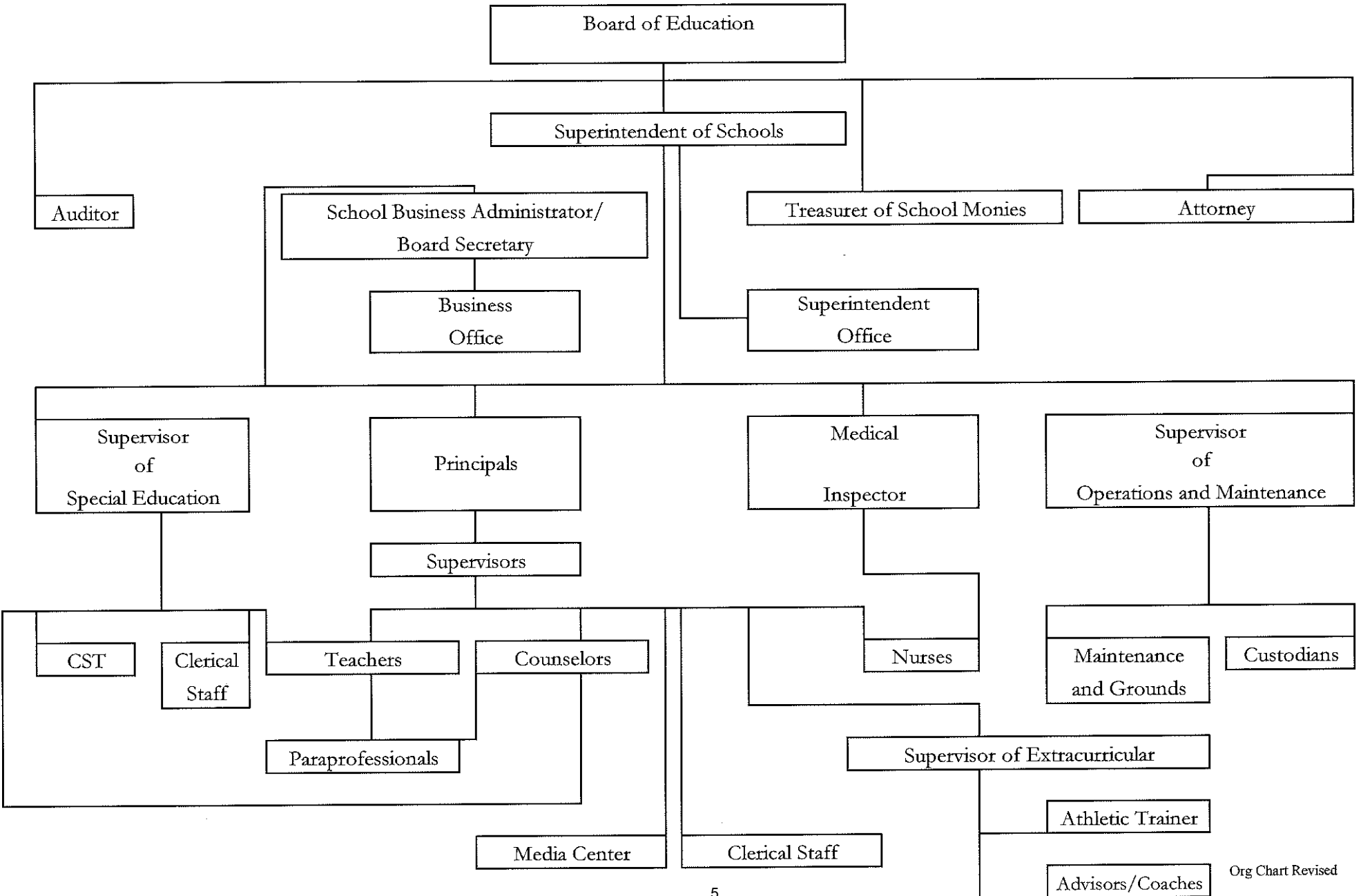


Brian F. Savage, Ed. D.  
School Business Administrator/  
Board Secretary

Point Pleasant Beach Board of Education

Organizational Chart

(Unit Control)



Point Pleasant Beach School District  
Point Pleasant Beach, New Jersey

Roster of Officials  
June 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
James Ireland, President	2018
Michael Ramos, Vice President	2020
Joyce Papaca	2019
Michael Spader	2018
Eileen Laterza	2019
Steve Shohfi, Lavallette Representative	2018

Other Officials

William T. Smith, Superintendent of Schools

Dr. Brian F. Savage, School Business Administrator/Board Secretary

Barbara Scharmann, Treasurer

Frank Campbell, Esq., Solicitor

Point Pleasant Beach School District  
Consultants and Advisors

Architect

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

Audit Firm

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

Attorney

Campbell & Pruchnik, LLC  
43 West Front Street, Suite 10  
Red Bank, New Jersey 07701

Fiscal Agent

N/A

Official Depository

Ocean First Bank  
Hooper Avenue  
Toms River, NJ 08754

NJ Cash Management  
2 Montgomery Street  
Jersey City, NJ 07302

NJARM  
224 Strawbridge Drive  
Suite 104  
Moorestown, NJ 08057

Bank of America  
Arnold Avenue  
Point Pleasant Beach, NJ 08742

## FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

Honorable President and  
Members of the Board of Education  
Point Pleasant Beach:  
County of Ocean  
Point Pleasant Beach, 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 the Board of Education of Point Pleasant Beach 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 and 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 judgement, 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 the Board of Education of the Point Pleasant Beach School District 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 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 Beach School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical sections, 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 is 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.

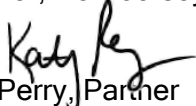
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Point Pleasant Beach School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018

Unaudited

The discussion and analysis of Point Pleasant Beach School District'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 \$18,748,847, which represents a 1.39 percent increase from June 30, 2017.

General revenues accounted for \$14,288,672 in revenue or 80.06 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 \$3,559,420 or 19.94 percent of total revenues of \$17,848,092.

Total assets increased by \$3,361 as current assets decreased by \$473,153 and capital assets, net increased by \$476,514.

The School Board had \$17,591,570 in expenses; only \$3,559,420 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$14,288,672 were adequate to provide for these programs.

Among major funds, the General Fund had \$16,155,657 in revenues and \$15,959,103 in expenditures and transfers. The General Fund's balance decreased \$196,554 over June 30, 2017. The General Fund's balance is \$1,790,657.

**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 Beach School District 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 Beach School District, 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 Funds are reported as a business activity.

## **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
<b>Assets:</b>						
Current and other assets	\$ 2,603,535	\$ 327,893	\$ 2,931,428	\$ 3,129,592	\$ 274,989	\$ 3,404,581
Capital assets, net	32,324,843	257,352	32,582,195	31,955,476	150,205	32,105,681
Total assets	34,928,378	585,245	35,513,623	35,085,068	425,194	35,510,262
Deferred outflow of resources	1,375,527	-	1,375,527	2,078,533	-	2,078,533
<b>Liabilities:</b>						
Current liabilities	197,559	8,900	206,459	221,307	8,900	230,207
Long-term liabilities outstanding	16,251,344	231,446	16,482,790	18,690,665	101,730	18,792,395
Total liabilities	16,448,903	240,346	16,689,249	18,911,972	110,630	19,022,602
Deferred inflow of resources	1,451,054	-	1,451,054	73,868	-	73,868
<b>Net position:</b>						
Net investment in capital assets	14,601,816	25,906	14,627,722	11,905,964	48,475	11,954,439
Restricted	8,705,557	-	8,705,557	11,210,876	-	11,210,876
Unrestricted	(4,903,425)	318,993	(4,584,432)	(4,939,079)	266,089	(4,672,990)
Total Net Position	\$ 18,403,948	\$ 344,899	\$ 18,748,847	\$ 18,177,761	\$ 314,564	\$ 18,492,325

The School Board's combined net position was \$18,748,847 on June 30, 2018. This is a change of 1.39% 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
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,071,131	\$ 296,596	\$ 2,367,727	\$ 1,756,591	\$ 285,589	\$ 2,042,180
Operating and capital grants and contributions	1,113,377	78,316	1,191,693	906,685	77,248	983,933
General revenues:						
Property taxes	13,104,655	-	13,104,655	13,142,471	-	13,142,471
Federal and state aid	1,154,051	-	1,154,051	1,010,242	-	1,010,242
Investment earnings	10,040	398	10,438	4,525	169	4,694
Miscellaneous	19,528	-	19,528	24,228	-	24,228
<b>Total revenues</b>	<b>17,472,782</b>	<b>375,310</b>	<b>17,848,092</b>	<b>16,844,742</b>	<b>363,006</b>	<b>17,207,748</b>
<b>Expenses</b>						
Instructional services	7,322,187	-	7,322,187	7,248,215	-	7,248,215
Support services	9,633,941	344,975	9,978,916	9,236,380	343,180	9,579,560
Interest on long-term liabilities	290,467	-	290,467	310,508	-	310,508
<b>Total expenses</b>	<b>17,246,595</b>	<b>344,975</b>	<b>17,591,570</b>	<b>16,795,103</b>	<b>343,180</b>	<b>17,138,283</b>
Change in net position	226,187	30,335	256,522	49,639	19,826	69,465
Net position - beginning	18,177,761	314,564	18,492,325	18,128,122	294,738	18,422,860
Net position (deficit) - ending	\$ 18,403,948	\$ 344,899	\$ 18,748,847	\$ 18,177,761	\$ 314,564	\$ 18,492,325

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 EBS Technology) were comprised of charges for services and royalties.

Total Enterprise Fund revenues exceeded expenses by \$30,335.

Charges for services represent \$296,596 of revenue. This represents the amount paid by patrons for daily food service, catering and royalties.

Federal and state reimbursements for meals, payments for free and reduced lunches and donated commodities was \$78,316.

### 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	\$ 7,322,187	\$ 5,251,056	\$ 7,248,215	\$ 5,491,624
Support Services:				
Pupils and Instructional Staff	3,320,408	2,207,031	3,097,570	2,190,885
General Administration, School Administration, Business Operation and Maintenance of Facilities	5,914,707	5,914,707	5,788,659	5,788,659
Pupil Transportation	398,826	398,826	350,151	350,151
Interest and Fiscal Charges	290,467	290,467	310,508	310,508
Total Expenses	\$ 17,246,595	\$ 14,062,087	\$ 16,795,103	\$ 14,131,827

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in 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 Beach, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2018, it reported a combined fund balance of 2,518,187, which is an increase of \$611,404. The Reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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	\$ 15,205,354	87.03 %	\$ 277,539	1.86 %
State Sources	1,882,920	10.78	320,553	20.52
Federal Sources	<u>384,508</u>	<u>2.20</u>	<u>29,948</u>	<u>8.45</u>
Total	<u>\$ 17,472,782</u>	<u>100.01 %</u>	<u>\$ 628,040</u>	<u>3.73 %</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	\$ 7,322,187	40.49 %	\$ 73,972	1.02 %
Undistributed Expenditures	8,993,435	49.73	259,417	2.97
Capital Outlay	949,002	5.25	(6,617,505)	(87.46)
Debt Service:				
Principal	420,000	2.32	(2,970,000)	(87.61)
Interest	<u>399,562</u>	<u>2.21</u>	<u>293,511</u>	<u>276.76</u>
Total	<u>\$ 18,084,186</u>	<u>100.00 %</u>	<u>\$ (8,960,605)</u>	<u>(33.13)%</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 \$468,154 less than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$(30,262) less 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 \$400,000, Maintenance Reserve \$830,000 and Tuition Reserve \$130,000. 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 were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increase students on district owned vehicles the district transportation costs were lowered for special needs students.

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

The excesses will be carried forward into the beginning fund balance from the 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 \$32,582,195 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	\$ 10,518,100	\$ 10,518,100	\$ -	\$ -	\$ 10,518,100	\$ 10,518,100
Construction in Progress	6,458,027	8,364,512	-	-	6,458,027	8,364,512
Building and Improvements	15,184,294	12,966,183	-	-	15,184,294	12,966,183
Machinery and Equipment	164,422	106,681	257,352	150,205	421,774	256,886
<b>Total</b>	<b>\$ 32,324,843</b>	<b>\$ 31,955,476</b>	<b>\$ 257,352</b>	<b>\$ 150,205</b>	<b>\$ 32,582,195</b>	<b>\$ 32,105,681</b>

During the current fiscal year, \$895,783 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)	\$ 11,265,000	\$ 11,685,000
Capital Leases payable	231,446	101,730
Pension Liability-PERS	4,559,700	6,602,753
Compensated Absences payable	<u>426,644</u>	<u>402,912</u>
<b>Total long-term liabilities</b>	<b>\$ <u>16,482,790</u></b>	<b>\$ <u>18,792,395</u></b>

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 12.97% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 87.03% of total revenue is from local sources.

The \$(4,903,425) 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 have that much in value.

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 Point Pleasant Beach 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 Beach School District, 299 Cooks Lane, Point Pleasant Beach, NJ, 08742.

## BASIC FINANCIAL STATEMENTS

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,324,007	\$ 256,164	\$ 2,580,171
Receivables - state	39,194	111	39,305
Receivables - federal government	12,136	3,651	15,787
Receivables-other	88,908	-	88,908
Interfund receivables	139,290	62,192	201,482
Inventory	-	5,775	5,775
Capital assets, non-depreciable	16,976,127	-	16,976,127
Capital assets, depreciable, net:	15,348,716	257,352	15,606,068
Total assets	<u>34,928,378</u>	<u>585,245</u>	<u>35,513,623</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - PERS	1,375,527	-	1,375,527
Total deferred outflows of resources	<u>1,375,527</u>	<u>-</u>	<u>1,375,527</u>
<b>LIABILITIES</b>			
Accounts payable	-	8,900	8,900
Other current liabilities	112,211	-	112,211
Interfund payable	62,192	-	62,192
Payable to state government	23,156	-	23,156
Noncurrent liabilities:			
Due within one year	848,110	74,275	922,385
Due beyond one year	15,403,234	157,171	15,560,405
Total liabilities	<u>16,448,903</u>	<u>240,346</u>	<u>16,689,249</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	1,451,054	-	1,451,054
Total deferred inflows of resources	<u>1,451,054</u>	<u>-</u>	<u>1,451,054</u>
<b>NET POSITION</b>			
Net Investment in capital assets	14,601,816	25,906	14,627,722
Restricted for:			
Capital projects	7,585,557	-	7,585,557
Debt service	-	-	-
Other purposes	1,120,000	-	1,120,000
Unassigned	(4,903,425)	318,993	(4,584,432)
Total net position	<u>\$ 18,403,948</u>	<u>\$ 344,899</u>	<u>\$ 18,748,847</u>



**POINT PLEASANT BEACH 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
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 5,207,200	\$ 2,071,131	\$ -	\$ -	\$ (3,136,069)	\$ -	\$ (3,136,069)
Special schools instruction	1,293,534	-	-	-	(1,293,534)	-	(1,293,534)
Other special instruction	821,453	-	-	-	(821,453)	-	(821,453)
Support services and undistributed costs:							
Instruction	329,373	-	-	-	(329,373)	-	(329,373)
Attendance	225,428	-	-	-	(225,428)	-	(225,428)
Health services	420,438	-	-	-	(420,438)	-	(420,438)
Other support services	1,058,514	-	-	-	(1,058,514)	-	(1,058,514)
Educational media services	173,278	-	-	-	(173,278)	-	(173,278)
General administrative services	353,047	-	-	-	(353,047)	-	(353,047)
School administrative services	442,497	-	-	-	(442,497)	-	(442,497)
Information technology	256,908	-	-	-	(256,908)	-	(256,908)
Allowed maintenance for school facilities	117,946	-	-	-	(117,946)	-	(117,946)
Other operation & maintenance of plant	1,940,265	-	-	-	(1,940,265)	-	(1,940,265)
Student transportation services	398,826	-	-	-	(398,826)	-	(398,826)
Business and other support services	-	-	-	-	-	-	-
Unallocated employee benefits	2,804,044	-	-	-	(2,804,044)	-	(2,804,044)
Non-budgeted expenditures	1,113,377	-	1,113,377	-	-	-	-
Interest on long-term debt	290,467	-	-	-	(290,467)	-	(290,467)
<b>Total governmental activities</b>	<b>17,246,595</b>	<b>2,071,131</b>	<b>1,113,377</b>	<b>-</b>	<b>(14,062,087)</b>	<b>-</b>	<b>(14,062,087)</b>
Business-type activities:							
Food Service program	262,499	174,449	78,316	-	-	(9,734)	(9,734)
EBS Technology Program	82,476	122,147	-	-	-	39,671	39,671
<b>Total business-type activities</b>	<b>344,975</b>	<b>296,596</b>	<b>78,316</b>	<b>-</b>	<b>-</b>	<b>29,937</b>	<b>29,937</b>
<b>Total primary government</b>	<b>\$ 17,591,570</b>	<b>\$ 2,367,727</b>	<b>\$ 1,191,693</b>	<b>\$ -</b>	<b>\$ (14,062,087)</b>	<b>\$ 29,937</b>	<b>\$ (14,032,150)</b>
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					12,397,109	-	12,397,109
Taxes levied for debt service					707,546	-	707,546
Federal and state aid not restricted					544,472	-	544,472
Federal and state aid restricted					609,579	-	609,579
Miscellaneous income					19,528	-	19,528
Investment earnings					10,040	398	10,438
<b>Total general revenues</b>					<b>14,288,274</b>	<b>398</b>	<b>14,288,672</b>
<b>Change in net position</b>					<b>226,187</b>	<b>30,335</b>	<b>256,522</b>
<b>Net position—beginning</b>					<b>18,177,761</b>	<b>314,564</b>	<b>18,492,325</b>
<b>Net position—ending</b>					<b>\$ 18,403,948</b>	<b>\$ 344,899</b>	<b>\$ 18,748,847</b>

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,145,326	\$ (8,849)	\$ 727,530	\$ -	\$ 1,864,007
Capital reserve	460,000	-	-	-	460,000
Due from other funds	139,290	-	-	-	139,290
Receivables from state	39,194	-	-	-	39,194
Receivables from Federal government	-	12,136	-	-	12,136
Other receivables	69,039	19,869	-	-	88,908
Restricted cash and cash equivalents	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,852,849</b>	<b>\$ 23,156</b>	<b>\$ 727,530</b>	<b>\$ -</b>	<b>\$ 2,603,535</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-	-
Due to other funds	62,192	-	-	-	62,192
Payable to federal government	-	-	-	-	-
Payable to state government	-	23,156	-	-	23,156
Deferred revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>62,192</b>	<b>23,156</b>	<b>-</b>	<b>-</b>	<b>85,348</b>
Fund Balances:					
Restricted for:					
Excess surplus - current year	-	-	-	-	-
Excess surplus - prior year- designated for	-	-	-	-	-
Subsequent year's expenditures	-	-	-	-	-
Capital reserve account	400,000	-	-	-	400,000
Maintenance reserve account	830,000	-	-	-	830,000
Tuition reserve account	130,000	-	-	-	130,000
Capital projects	-	-	727,530	-	727,530
Debt services	-	-	-	-	-
Assigned to:					
Other purposes	-	-	-	-	-
Designated by the BOE for subsequent	-	-	-	-	-
year's expenditures	160,000	-	-	-	160,000
Unassigned:					
General fund	270,657	-	-	-	270,657
<b>Total Fund balances</b>	<b>1,790,657</b>	<b>-</b>	<b>727,530</b>	<b>-</b>	<b>2,518,187</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,852,849</b>	<b>\$ 23,156</b>	<b>\$ 727,530</b>	<b>\$ -</b>	<b>\$ 2,603,535</b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$39,443,996 and the accumulated depreciation is \$7,119,153.	32,324,843
Deferred outflows related to the PERS pension plan	1,375,527
Deferred inflows related to the PERS pension plan	(1,451,054)
Accrued Interest Payable	(112,211)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 9)	(16,251,344)
<b>Net assets of governmental activities</b>	<b>\$ 18,403,948</b>

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 12,397,109	\$ -	\$ -	\$ 707,546	\$ 13,104,655
Tuition charges	2,071,131	-	-	-	2,071,131
Interest on investments	10,040	-	-	-	10,040
Miscellaneous	19,528	-	-	-	19,528
Total - Local sources	14,497,808	-	-	707,546	15,205,354
State sources	1,657,849	113,055	-	112,016	1,882,920
Federal sources	-	384,508	-	-	384,508
Total revenues	16,155,657	497,563	-	819,562	17,472,782
<b>EXPENDITURES</b>					
Current:					
Regular instruction	4,801,736	405,464	-	-	5,207,200
Special education instruction	1,293,534	-	-	-	1,293,534
Other special instruction	821,453	-	-	-	821,453
Undistributed - current:					
Instruction	329,373	-	-	-	329,373
Attendance	225,428	-	-	-	225,428
Health services	420,438	-	-	-	420,438
Other support services	966,415	92,099	-	-	1,058,514
Educational media services	173,278	-	-	-	173,278
Instruction staff training	-	-	-	-	-
General administrative services	353,047	-	-	-	353,047
School administrative services	442,497	-	-	-	442,497
Information technology	256,908	-	-	-	256,908
Allowed maintenance for school facilities	117,946	-	-	-	117,946
Other operation & maintenance of plant	1,360,630	-	-	-	1,360,630
Student transportation services	398,826	-	-	-	398,826
Business and other support services	-	-	-	-	-
Unallocated employee benefits	2,743,173	-	-	-	2,743,173
Non-budgeted expenditures	1,113,377	-	-	-	1,113,377
Debt service:					
Principal	-	-	-	420,000	420,000
Interest and other charges	-	-	-	399,562	399,562
Capital outlay	141,044	-	807,958	-	949,002
Total expenditures	15,959,103	497,563	807,958	819,562	18,084,186
Excess of revenues over expenditures	196,554	-	(807,958)	-	(611,404)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Bonds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	196,554	-	(807,958)	-	(611,404)
Fund balance—July 1	1,594,103	-	1,535,488	-	3,129,591
Fund balance—June 30	\$ 1,790,657	\$ -	\$ 727,530	\$ -	\$ 2,518,187

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

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$</b>	<b>(611,404)</b>
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>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.</p>		
Depreciation expense	\$ (526,416)	
Capital outlays	<u>895,783</u>	369,367
<p>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</p>		
		(37,139)
<p>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.</p>		
		420,000
<p>In the statement of activities, interest expense is recorded when paid. In the governmental funds, the interest is expensed when due and shown as payable at year end.</p>		
		109,095
<p>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.</p>		
		<u>(23,732)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>226,187</u></b>

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**as of June 30, 2018**

	Business-type Activities - Enterprise Fund		
	Food Service	EBS Technology	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 5,545	\$ 250,619	\$ 256,164
Accounts receivable:			
Local	-	-	-
State	111	-	111
Federal	3,651	-	3,651
Interfunds	8,059	54,133	62,192
Inventories	5,775	-	5,775
Total current assets	23,141	304,752	327,893
Fixed assets:			
Equipment	-	926,738	926,738
Accumulated depreciation	-	(669,386)	(669,386)
Total fixed assets	-	257,352	257,352
Total assets	\$ 23,141	\$ 562,104	\$ 585,245
Liabilities and Net Position:			
Liabilities:			
Accounts payable	8,900	-	8,900
Lease payable	-	231,446	231,446
Total liabilities	8,900	231,446	240,346
Net position:			
Net investment in capital assets	-	25,906	25,906
Restricted for other purposes	-	-	-
Unassigned	14,241	304,752	318,993
Total net position	14,241	330,658	344,899
Total liabilities and net position	\$ 23,141	\$ 562,104	\$ 585,245

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

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service</b>	<b>EBS Technology</b>	<b>Total Enterprise</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 116,972	\$ -	\$ 116,972
Daily sales - non-reimbursable programs	57,477	-	57,477
Miscellaneous	-	114,279	114,279
Total operating revenues	<u>174,449</u>	<u>114,279</u>	<u>288,728</u>
Operating expenses:			
Cost of sales - reimbursable programs	215,559	-	215,559
Cost of sales - non-reimbursable programs	38,040	-	38,040
Salaries	-	-	-
Miscellaneous	-	2,294	2,294
Interest expense	-	2,493	2,493
Management fees	8,900	-	8,900
Depreciation	-	77,689	77,689
Total operating expenses	<u>262,499</u>	<u>82,476</u>	<u>344,975</u>
Operating income (loss)	<u>(88,050)</u>	<u>31,803</u>	<u>(56,247)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	1,929	-	1,929
Federal sources:			
National school lunch program	61,589	-	61,589
Special milk program	-	-	-
Food distribution program	14,798	-	14,798
Loss on sale of computers	-	7,868	7,868
Interest and investment revenue	20	378	398
Total nonoperating revenues (expenses)	<u>78,336</u>	<u>8,246</u>	<u>86,582</u>
Income (loss) before contributions & transfers	<u>(9,714)</u>	<u>40,049</u>	<u>30,335</u>
Capital contributions	-	-	-
Transfers in (out)	-	-	-
Change in net position	<u>(9,714)</u>	<u>40,049</u>	<u>30,335</u>
Total net position—beginning	23,955	290,609	314,564
Total net position—ending	<u>\$ 14,241</u>	<u>\$ 330,658</u>	<u>\$ 344,899</u>

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>EBS Technology</b>	<b>Total Enterprise</b>
Cash Flows from Operating Activities:			
Operating income (loss)	\$ (88,050)	\$ 31,803	\$ (56,247)
Adjustments to reconcile operating loss to cash (used in) provided by operating activities:			
Depreciation	-	77,689	77,689
Loss on disposal of fixed assets	-	-	-
Federal commodities	14,798	-	14,798
Change in assets and liabilities:			
Decrease (increase) in interfund receivable	(8,059)	75	(7,984)
Decrease (increase) in local receivable	-	-	-
Decrease (increase) in inventory	3,247	-	3,247
Decrease (increase) in accounts payable	-	-	-
Net cash provided by (used in) operating activities	<u>(78,064)</u>	<u>109,567</u>	<u>31,503</u>
Cash Flows from Noncapital Financing Activities:			
Transfers out	-	30,000	30,000
Interest	20	378	398
Cash received from state and federal reimbursements	<u>64,149</u>	<u>-</u>	<u>64,149</u>
Net cash provided by noncapital financing activities	<u>64,169</u>	<u>30,378</u>	<u>94,547</u>
Cash flows from Capital Activities:			
Payments on lease payable	-	(191,972)	(191,972)
Sale of equipment	-	144,720	144,720
Purchase of equipment	-	-	-
Net cash used in capital activities	<u>-</u>	<u>(47,252)</u>	<u>(47,252)</u>
Net increase (decrease) in cash and cash equivalents	(13,895)	92,693	78,798
Cash and cash equivalents, July 1	<u>19,440</u>	<u>157,926</u>	<u>177,366</u>
Cash and cash equivalents, June 30	<u>\$ 5,545</u>	<u>\$ 250,619</u>	<u>\$ 256,164</u>
Non cash transactions			
Equipment purchased through lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 45,560	\$ 819,721	\$ 865,281
Intergovernmental accounts receivable	-	-	-
Interfund receivable	-	-	-
Total assets	<u>45,560</u>	<u>819,721</u>	<u>865,281</u>
<b>LIABILITIES</b>			
Accrued wages and salaries	-	414,261	414,261
Interfund payable	-	139,290	139,290
Payroll deductions and withholdings	-	71,862	71,862
Payable to student groups	-	194,308	194,308
Other current liabilities	-	-	-
Total liabilities	<u>-</u>	<u>819,721</u>	<u>819,721</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	45,560	-	45,560
Reserved for scholarships	-	-	-
Total net position	<u>45,560</u>	<u>-</u>	<u>45,560</u>
Total liabilities and net position	<u>\$ 45,560</u>	<u>\$ 819,721</u>	<u>\$ 865,281</u>



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

	<b>Unemployment Compensation Trust</b>
<b>ADDITIONS</b>	
Contributions:	
Plan member	\$ -
Other	-
Total Contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	84
Dividends	-
Less investment expense	-
Net investment earnings	84
Total additions	84
<b>DEDUCTIONS</b>	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	-
Change in net position	84
Net position—beginning of the year	45,476
Net position—end of the year	\$ 45,560

Point Pleasant Beach School District

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

**A. Reporting Entity**

Point Pleasant Beach School District is a Type II district located in the county of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members elected to three year terms and one member appointed by the Lavallette Board of Education for a one year term. The purpose of the District is to educate students in grades Pre-K-12. The District has an approximate enrollment at June 30, 2018 of 830 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is 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 an elementary school and a senior high school located in Point Pleasant Beach. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**B. Basis of Presentation**

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information.

The School District adopted the newly implemented Governmental Accounting Standard requiring the reporting of deferred outflows, deferred inflows, and net position. The term Net Assets will no longer be used and will be replaced with Net Position. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

1. **Summary of Significant Accounting Policies (continued)**

**B. Basis of Presentation (continued)**

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 11.

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 School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

1. **Summary of Significant Accounting Policies (continued)**

**B. Basis of Presentation, Basis of Accounting (continued)**

The District reports the following governmental funds:

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

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

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

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

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

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

1. **Summary of Significant Accounting Policies (continued)**

**B. Basis of Presentation, Basis of Accounting (continued)**

The District reports the following proprietary funds:

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

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

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

Equipment	5-20 Years
-----------	------------

Additionally, the District reports the following fund type:

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

**C. Basis of Accounting**

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

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

1. **Summary of Significant Accounting Policies (continued)**

**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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**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. Budgets are prepared using the modified accrual basis of accounting except for the special reserve fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6:20-2A.2(m)1.

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

**1. Summary of Significant Accounting Policies (continued)**

**E. Budgets/Budgetary Control (cont'd)**

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

**F. Encumbrances**

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

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

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

**G. Cash, Cash Equivalents and Investments**

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

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

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

1. **Summary of Significant Accounting Policies (continued)**

**H. Tuition Receivable**

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

**I. Tuition Payable**

Tuition charges for the fiscal years 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.

**K. Short-Term Interfund Receivables/Payables**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

**L. Capital Assets:**

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



Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (continued)

L. Capital Assets: (cont'd)

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. Compensated Absences

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

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

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

1. **Summary of Significant Accounting Policies (continued)**

**N. Unearned/Deferred Revenue**

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

**O. 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.

**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 represents 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 School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

**1. Summary of Significant Accounting Policies (continued)**

**R. Fund Balance Resources**

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

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

**S. Revenues - Exchange and Non-exchange Transactions**

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

Non-exchange Transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

**1. Summary of Significant Accounting Policies (continued)**

**S. Revenues - Exchange and Non-exchange Transactions (continued)**

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

**T. Operating Revenues and Expenses**

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

**U. Management Estimates**

The preparation of financial statements in conformity with 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.

**V. 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 \$414,261.

**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 (including Fiduciary funds) was \$3,445,452 and the bank and investment balances were \$4,333,159 of the bank balance, \$250,000 was insured with Federal Deposit Insurance and the investments of \$4,083,159 were exempt from credit risk.

Pursuant to Governmental Accounting Standards, 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 the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 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.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

**2. Cash, Cash Equivalents and Investments (continued)**

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

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

**3. Investments**

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

**3. Investments (cont'd)**

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

New Jersey Cash Management Fund ("NJCMF"): The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

As of June 30, 2018, the District had \$180,158 on deposit with the New Jersey Asset and Rebate Management Program and \$206,201 with the New Jersey Cash Management Fund.

**Custodial Credit Risk:** Pursuant to GASB 40, NJARM and NJCMF, which are pooled investments, are exempt from custodial credit risk disclosure.

**Credit Risk:** The District does not have an investment policy regarding the management of credit risk. Governmental Accounting Standards requires that disclosure be made as to the credit rating of all debt security investments except for obligations of U.S. government or investments guaranteed by the U.S. government. The NJARM is not rated by a rating agency.

**Interest Rate Risk:** The District does not have a policy to limit interest rate risk. The average maturity of the District's investments with the NJARM and NJCMF is less than one year.

**4. Capital Reserve Account**

A Capital Reserve Account was established by the Point Pleasant Beach School District 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.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

**4. Capital Reserve Account (cont'd)**

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan (LRFP) and updated in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department, a District may deposit funds into the capital reserve at any time upon Board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C 6A:23A-14.1(g), the balance in the account cannot exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

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

Balance, July 01, 2017	\$	200,000
Add:		
Approved at June 2018 Meeting		<u>200,000</u>
Balance, June 30, 2018	\$	<u><u>400,000</u></u>

**5. Maintenance Reserve Account**

A Maintenance Reserve Account was established by the Point Pleasant Beach School District 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.

Point Pleasant Beach School District  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2018

**5. Maintenance Reserve Account (continued)**

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

Balance, July 01, 2017	\$	830,000
Add:		
Approved at June 2018 Meeting		-
Balance, June 30, 2018	\$	830,000

**6. Tuition Reserve Account**

A Tuition Reserve Account was established by the Point Pleasant Beach School District by inclusion of \$ 200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Tuition Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Tuition Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

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

Balance, July 01, 2017	\$	100,000
Add:		
Approved at June 2018 Meeting		90,000
Withdrawals		(60,000)
Balance, June 30, 2018	\$	130,000



Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

**7. Receivables**

Receivables at June 30, 2018, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$ 39,194	\$ 39,305
Federal Aid	12,136	15,787
Interfunds	139,290	201,482
Other	<u>88,908</u>	<u>88,908</u>
	279,528	345,482
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	\$ <u>279,528</u>	\$ <u>345,482</u>

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

8. Fixed 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	\$10,518,100	\$ -	\$ -	\$10,518,100
Construction in Progress	<u>8,364,512</u>	<u>807,958</u>	<u>(2,714,443)</u>	<u>6,458,027</u>
Total Capital Assets Not Being Depreciated	<u>18,882,612</u>	<u>807,958</u>	<u>(2,714,443)</u>	<u>16,976,127</u>
Building and Building Improvements	18,102,169	2,714,443	-	20,816,612
Machinery and Equipment	<u>1,563,432</u>	<u>87,825</u>	<u>-</u>	<u>1,651,257</u>
Totals at Historical Cost	<u>19,665,601</u>	<u>2,802,268</u>	<u>-</u>	<u>22,467,869</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(5,135,986)	(496,332)	-	(5,632,318)
Machinery and Equipment	<u>(1,456,751)</u>	<u>(30,084)</u>	<u>-</u>	<u>(1,486,835)</u>
Total Accumulated Depreciation	<u>(6,592,737)</u>	<u>(526,416)</u>	<u>-</u>	<u>(7,119,153)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>13,072,864</u>	<u>2,275,852</u>	<u>-</u>	<u>15,348,716</u>
Government Activity Capital Assets, Net	<u>\$31,955,476</u>	<u>3,083,810</u>	<u>(2,714,443)</u>	<u>\$32,324,843</u>
BUSINESS-TYPE ACTIVITIES:				
Equipment	1,005,594	321,668	(400,544)	926,718
Less: Accumulated Depreciation	<u>(855,389)</u>	<u>(77,689)</u>	<u>263,692</u>	<u>(669,386)</u>
Business-type Activities Capital Assets, Net	<u>\$ 150,205</u>	<u>\$ 243,979</u>	<u>\$ (136,852)</u>	<u>\$ 257,332</u>

Depreciation expense was charged to governmental functions as follows:

Operations and Maintenance	<u>\$526,416</u>
Total depreciation expense	<u>\$526,416</u>

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

**9. Non-current Liabilities**

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

	<u>Balance</u> <u>6-30-1</u>	<u>Increase/</u> <u>Decrease</u>	<u>Balance</u> <u>6-30-18</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Bonds payable	\$ 11,685,000	(420,000)	11,265,000	\$ 800,000
Obligations under capital lease	101,730	129,716	231,446	74,275
Compensated absences payable	402,912	23,732	426,644	48,110
Pension liability - PERS	<u>6,602,753</u>	<u>(2,043,053)</u>	<u>4,559,700</u>	<u>-</u>
	<u>\$ 18,792,395</u>	<u>(2,309,605)</u>	<u>16,482,790</u>	<u>\$ 922,385</u>

**A. Bonds Payable**

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

The 2006 bond originally totalling \$5,434,000 was used for renovations on the elementary school.

The 2016 bond originally totalling \$9,900,000 was used for high school renovations, roof on the administration building and elementary school renovations.

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

<u>Year ending</u> <u>June 30th:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 800,000	\$ 271,278	\$ 1,071,278
2020	835,000	247,733	1,082,733
2021	870,000	223,148	1,093,148
2022	410,000	197,523	607,523
2023	425,000	189,172	614,172
2024-2028	2,365,000	809,863	3,174,863
2029-2033	2,845,000	538,452	3,383,452
2034-2037	<u>2,715,000</u>	<u>152,181</u>	<u>2,867,181</u>
	<u>\$ 11,265,000</u>	<u>\$ 2,629,350</u>	<u>\$ 13,894,350</u>

Point Pleasant Beach School District  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2018

**9. Non-current Liabilities (continued)**

**B. Bonds Authorized but not Issued**

The District does not have authorized but not issued bonds at June 30, 2018.

**C. Obligations under Capital Lease**

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of varying years. The following is a schedule of the remaining future minimum lease payments at June 30, 2018:

	Year-ending June 30th:	
	2019	83,117
	2020	83,117
	2021	<u>83,117</u>
Total Minimum Lease Payment		249,351
Less: Amount representing Interest		<u>17,905</u>
Present Value of Lease payments		<u><u>231,446</u></u>

**10. Contingent Liabilities**

**Grant Programs**

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The 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 District is also 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 Board.

**11. 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](http://www.state.nj.us/treasury/pensions/financial-reports.shtml).

Point Pleasant Beach School District  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (continued)**

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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. 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 \$4,559,700 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 .0195876869%, which was a decrease of .0026416826% 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 \$- 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	\$ 107,365	\$ -
Changes of assumptions	918,623	915,255
Net difference between projected and actual earnings on pension plan investments	31,048	-
Changes in proportion and differences between District contributions and proportionate share of contributions	112,290	535,799
District contributions subsequent to the measurement date	<u>206,201</u>	<u>-</u>
Total	<u>\$ 1,375,527</u>	<u>\$ 1,451,054</u>

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

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

\$206,201 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	\$ (213,290)
2019	(321,860)
2020	(195,030)
2021	259,391
2022	189,061
Thereafter	-
Total	<u>\$ (281,728)</u>

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. 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 Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. 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 Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. 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 Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. 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:

	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
District's proportionate share of the net pension liability	5,656,618	4,559,700	3,645,832

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	.0195876869%	.0222293695%

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. 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](http://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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. 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 \$4,083,159. 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 .0649797613%, which was an increase of .00090029940% 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 \$948,646 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 Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. 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 Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. 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 Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

11. 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	52,240,044	43,971,940	37,160,640

**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.

**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. 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.



Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

**11. Pension Plans (cont'd)**

**Defined Contribution Retirement Plan (DCRP) (cont'd)**

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 Financial 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 \$0. There was no liability for unpaid contributions at June 30, 2018.

**Related Party Investments** - The Division of Pensions and Benefits does not invest in securities issued by the School District.

**12. 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.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

12. Post-Retirement Benefits (cont'd)

General Information about the OPEB Plan (cont'd)

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>

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

12. Post-Retirement Benefits (cont'd)

**Actuarial assumptions and other imputes (cont'd)**

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.

**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 in assumptions	(7,086,599,129)
Gross benefit payments by the state	(1,242,412,566)
Contributions from members	<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 3.58% 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.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

12. Post-Retirement Benefits (cont'd)

**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	\$43,145,218	\$36,345,912	\$30,952,637

**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 healthcare 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:

	1% <u>Decrease</u>	<u>Trend Rate</u>	1% <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	\$29,890,878	\$36,345,912	\$44,917,961

Point Pleasant Beach School District  
Notes to Financial Statements (continued)  
For the Year Ended June 30, 2018

12. Post-Retirement Benefits (cont'd)

**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 \$2,062,023 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 Beach School District'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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of 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>

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

**13. Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards where District employees are granted varying amounts of sick leave in accordance with the districts personnel policy. District employees who are employed for twelve months are entitled to fourteen paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

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

**14. 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:

AXA Equitable

Valic

**15. 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.

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 previous two years.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

15. Risk Management (cont'd)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017 / 2018	\$ 84	\$ -	\$ -	\$ 45,560
2016 / 2017	59	-	-	45,476
2015 / 2016	59	-	-	45,416

16. Interfund Receivables and Payables

The following inter-fund balances remained on the balance sheet at June 30, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 139,290	\$ 62,192
Enterprise Fund	62,192	-
Trust and Agency Fund	-	139,290
	<u>\$ 201,482</u>	<u>\$ 201,482</u>

The Agency Fund owes the General Fund for excess transfers.

The General Fund owes the Enterprise Fund for cash advances.

17. Inventory

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

Food & supplies	\$5,775
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18. Fund Balances

General Fund - Of the \$1,790,657 general fund balance at June 30, 2018, \$- is restricted for excess surplus for subsequent year expenditures, \$160,000 is designated for subsequent year's expenditures, \$830,000 is restricted for the maintenance reserve, \$130,000 is restricted for the tuition reserve, \$400,000 is restricted for the capital reserve, \$- is restricted for excess surplus and \$270,657 is unassigned.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2018

**19. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$-. The excess fund balance at June 30, 2017 was \$-.

**20. Uncertain Tax Positions**

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

**21. Subsequent Events**

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

**22. 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 BEACH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 12,397,109	\$ -	\$ 12,397,109	\$ 12,397,109	\$ -
Tuition from other LEA's within the state	1,537,322	(60,000)	1,477,322	1,446,530	(30,792)
Tuition-private	587,675	-	587,675	624,601	36,926
Interest on investments	-	-	-	10,040	10,040
Miscellaneous	54,500	-	54,500	19,528	(34,972)
<b>Total - local sources</b>	<b>14,576,606</b>	<b>(60,000)</b>	<b>14,516,606</b>	<b>14,497,808</b>	<b>(18,798)</b>
State sources:					
Transportation aid	12,489	-	12,489	12,489	-
Special education aid	400,732	-	400,732	410,598	9,866
Security Aid	63,340	-	63,340	63,340	-
Adjustment Aid	221	-	221	221	-
Add'l Adjustment Aid	167	-	167	167	-
Extraordinary aid	-	-	-	39,194	39,194
PARCC readiness aid	6,330	-	6,330	6,330	-
Per pupil growth aid	6,330	-	6,330	6,330	-
Professional learning community aid	6,790	-	6,790	6,790	-
TPAF-LTDI (on-behalf - Non-budgeted)	-	-	-	1,068	1,068
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	612,711	612,711
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	948,646	948,646
TPAF social security (reimbursed - Non-budgeted)	-	-	-	499,598	499,598
<b>Total state sources</b>	<b>496,399</b>	<b>-</b>	<b>496,399</b>	<b>2,607,482</b>	<b>2,111,083</b>
<b>Total revenues</b>	<b>15,073,005</b>	<b>(60,000)</b>	<b>15,013,005</b>	<b>17,105,290</b>	<b>2,092,285</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Preschool/Kindergarten - Salaries of teachers	197,354	5,900	203,254	201,574	1,680
Grades 1-5 - Salaries of teachers	1,214,245	(12,110)	1,202,135	1,177,884	24,251
Grades 6-8 - Salaries of teachers	1,043,452	(138,021)	905,431	845,017	60,414
Grades 9-12 - Salaries of teachers	1,962,334	31,750	1,994,084	1,989,894	4,190
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	10,000	5,010	15,010	14,125	885
<b>Regular Programs - Undistributed Instruction:</b>					
Other purchased services (400-500 series)	89,610	31,650	121,260	121,141	119
General supplies	200,020	214,980	415,000	405,920	9,080
Textbooks	28,558	18,050	46,608	46,181	427
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>4,745,573</b>	<b>157,209</b>	<b>4,902,782</b>	<b>4,801,736</b>	<b>101,046</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	993,447	51,800	1,045,247	1,045,007	240
Other salaries for instruction	262,396	(103,000)	159,396	159,394	2
General supplies	11,500	-	11,500	6,439	5,061
<b>Total Resource Room/Resource Center</b>	<b>1,267,343</b>	<b>(51,200)</b>	<b>1,216,143</b>	<b>1,210,840</b>	<b>5,303</b>
<b>Preschool Disabilities - Full Time</b>					
Salaries of teachers	77,484	-	77,484	76,565	919
Other salaries for instruction	19,600	-	19,600	5,979	13,621
General supplies	1,500	-	1,500	150	1,350
<b>Total Preschool Disabilities - Full Time</b>	<b>98,584</b>	<b>-</b>	<b>98,584</b>	<b>82,694</b>	<b>15,890</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>1,365,927</b>	<b>(51,200)</b>	<b>1,314,727</b>	<b>1,293,534</b>	<b>21,193</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Bilingual Education - Instruction</b>					
Salaries of teachers	\$ 67,084	\$ 3,000	\$ 70,084	\$ 69,297	\$ 787
General supplies	1,800	-	1,800	963	837
<b>Total Bilingual Education - Instruction</b>	<b>68,884</b>	<b>3,000</b>	<b>71,884</b>	<b>70,260</b>	<b>1,624</b>
<b>School-Spon. Cocurricular Activities - Instruction</b>					
Salaries	504,344	153,912	658,256	637,487	20,769
Purchased services	35,336	(35,300)	36	-	36
Supplies and materials	143,854	(90,682)	53,172	51,211	1,961
Other objects	16,700	-	16,700	16,495	205
Transfer to cover deficit (agency funds)	46,000	-	46,000	46,000	-
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<b>746,234</b>	<b>27,930</b>	<b>774,164</b>	<b>751,193</b>	<b>22,971</b>
<b>Total Instruction</b>	<b>6,926,618</b>	<b>136,939</b>	<b>7,063,557</b>	<b>6,916,723</b>	<b>146,834</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to private schools for the disabled - w/state	489,451	(44,500)	444,951	329,373	115,578
Tuition- Other	4,500	(4,500)	-	-	-
<b>Total Undistributed Expenditures - Instruction:</b>	<b>493,951</b>	<b>(49,000)</b>	<b>444,951</b>	<b>329,373</b>	<b>115,578</b>
<b>Undist. Expend. - Attendance and social work service</b>					
Salaries	206,483	25,160	231,643	225,428	6,215
<b>Total Undistributed Expenditures - Attendance</b>	<b>206,483</b>	<b>25,160</b>	<b>231,643</b>	<b>225,428</b>	<b>6,215</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	139,229	7,500	146,729	146,656	73
Other purchased services (400-500 series)	275,000	650	275,650	270,293	5,357
Supplies and materials	4,150	(650)	3,500	3,489	11
<b>Total Undistributed Expenditures - Health Services</b>	<b>418,379</b>	<b>7,500</b>	<b>425,879</b>	<b>420,438</b>	<b>5,441</b>
<b>Undist. Expend. - Other Support Serv - Speech OT / PT</b>					
Salaries	87,884	(50)	87,834	86,030	1,804
Other objects	2,000	50	2,050	2,046	4
<b>Total Undist. Expend. - Other Support Serv - Speech OT/PT</b>	<b>89,884</b>	<b>-</b>	<b>89,884</b>	<b>88,076</b>	<b>1,808</b>
<b>Undist. Expend. - Other Support Serv Students-Guidance</b>					
Salaries of other professional staff	221,352	11,100	232,452	232,269	183
Other purchased services (400-500 series)	4,000	(250)	3,750	3,657	93
<b>Total Undist. Expend. - Other Support Serv - Students-Guidance</b>	<b>225,352</b>	<b>10,850</b>	<b>236,202</b>	<b>235,926</b>	<b>276</b>
<b>Undist. Expend. - Other Support Serv - Child Study</b>					
Salaries of other professional staff	250,589	14,200	264,789	264,776	13
Salaries of secretarial and clerical assistants	40,867	50	40,917	40,912	5
Supplies and materials	11,500	(2,900)	8,600	8,269	331
Other objects	7,800	(1,300)	6,500	6,332	168
<b>Total Undist. Expend. - Other Supp Services - Child Study</b>	<b>310,756</b>	<b>10,050</b>	<b>320,806</b>	<b>320,289</b>	<b>517</b>
<b>Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr</b>					
Salaries of supervisor of instruction	326,151	(19,370)	306,781	294,186	12,595
Other salaries	5,000	1,500	6,500	4,350	2,150
Other purchased services (400-500)	-	30,790	30,790	23,588	7,202
<b>Total Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Ins</b>	<b>331,151</b>	<b>12,920</b>	<b>344,071</b>	<b>322,124</b>	<b>21,947</b>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	163,434	(5,085)	158,349	158,335	14
Supplies and materials	12,253	3,550	15,803	14,943	860
<b>Total Undist. Expend. - Educational Media Services/School Library</b>	<b>175,687</b>	<b>(1,535)</b>	<b>174,152</b>	<b>173,278</b>	<b>874</b>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Salaries of other professional staff	4,039	(4,039)	-	-	-
Other purchased services (400-500 series)	22,350	(22,350)	-	-	-
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<b>26,389</b>	<b>(26,389)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	\$ 255,876	\$ 20,348	\$ 276,224	\$ 276,198	\$ 26
Legal services	2,500	8,360	10,860	10,500	360
Audit Fees	17,000	(17,000)	-	-	-
Other purchased professional services	2,500	12,400	14,900	14,850	50
Communications/Telephone	2,000	-	2,000	2,000	-
General supplies	7,100	(3,960)	3,140	3,111	29
BOE membership dues and fees	7,000	100	7,100	7,083	17
Miscellaneous expenditures	27,500	11,810	39,310	39,305	5
<b>Total Undist. Expend. - Support Service - General Administration</b>	<b>321,476</b>	<b>32,058</b>	<b>353,534</b>	<b>353,047</b>	<b>487</b>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of principals/Assistant principals	250,074	40,187	290,261	267,794	22,467
Salaries of secretarial and clerical assistants	119,597	2,069	121,666	120,813	853
Supplies and materials	35,586	-	35,586	34,294	1,292
Other objects	20,420	-	20,420	19,596	824
<b>Total Undist. Expend. - Support Service - School Administration</b>	<b>425,677</b>	<b>42,256</b>	<b>467,933</b>	<b>442,497</b>	<b>25,436</b>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	237,314	(20,134)	217,180	194,589	22,591
Purchased professional services	2,500	35,000	37,500	37,481	19
Supplies and materials	7,100	615	7,715	7,713	2
<b>Total Undist. Expend. - Central Services</b>	<b>246,914</b>	<b>15,481</b>	<b>262,395</b>	<b>239,783</b>	<b>22,612</b>
<b>Undist.- Admin. Info. Technology</b>					
Salaries	4,039	14,046	18,085	17,125	960
<b>Total Undist. Expend - Admin. Info. Technology</b>	<b>4,039</b>	<b>14,046</b>	<b>18,085</b>	<b>17,125</b>	<b>960</b>
<b>Undist. Expend. - Allowed Maintenance for School Facilities</b>					
Salaries	169,550	(169,550)	-	-	-
Cleaning, repair and maintenance services	114,760	(42,450)	72,310	72,248	62
General supplies	102,533	(56,835)	45,698	45,698	-
Other objects	21,375	(21,375)	-	-	-
<b>Total Undist. Expend. - Allowed Maintenance for School Facilities</b>	<b>408,218</b>	<b>(290,210)</b>	<b>118,008</b>	<b>117,946</b>	<b>62</b>
<b>Undist. Expend. - Other Operation &amp; Maintenance of Plant</b>					
Salaries	493,849	161,599	655,448	652,008	3,440
Salaries of Non-Instructional Aides	82,261	16,850	99,111	99,108	3
Purchased professional and technical services	26,000	-	26,000	24,000	2,000
Cleaning, repair and maintenance services	-	66,020	66,020	60,531	5,489
Other purchased property services	2,000	-	2,000	1,747	253
Insurance	196,277	(33,450)	162,827	161,931	896
General supplies	-	84,666	84,666	79,717	4,949
Energy (natural gas)	133,000	(40,400)	92,600	85,755	6,845
Energy (electricity)	280,000	(98,787)	181,213	170,624	10,589
Other objects	-	26,375	26,375	25,209	1,166
<b>Total Undist. Expend. - Other Operation &amp; Maintenance Of Plant</b>	<b>1,213,387</b>	<b>182,873</b>	<b>1,396,260</b>	<b>1,360,630</b>	<b>35,630</b>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries for pupil transportation (bet. home and school) - Special	142,162	(30,300)	111,862	111,834	28
Cleaning, repair and maintenance services	14,000	4,800	18,800	18,754	46
Contract services (between home & school) - Vendors	106,000	55,700	161,700	161,475	225
Contract services - (oth than between home and school) - Vendors	121,342	(28,200)	93,142	92,889	253
Transportation Supplies	7,000	5,680	12,680	12,419	261
Miscellaneous expenditures	-	1,470	1,470	1,455	15
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>390,504</b>	<b>9,150</b>	<b>399,654</b>	<b>398,826</b>	<b>828</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Social security contributions	\$ 225,127	\$ 9,001	\$ 234,128	\$ 216,439	\$ 17,689
Other retirement contributions - PERS	205,351	(3,500)	201,851	194,415	7,436
Other retirement contributions - regular	-	-	-	-	-
Unemployment compensation	20,000	(19,200)	800	779	21
Workmen's compensation	124,700	(124,700)	-	-	-
Health benefits	2,393,695	(2,393,695)	-	-	-
Tuition reimbursement	50,000	(24,000)	26,000	22,383	3,617
Other employee benefits	24,000	2,294,945	2,318,945	2,309,157	9,788
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<b>3,042,873</b>	<b>(261,149)</b>	<b>2,781,724</b>	<b>2,743,173</b>	<b>38,551</b>
<b>ON-BEHALF CONTRIBUTIONS</b>					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	1,068	(1,068)
On-behalf TPAFOPEB (post retirement med) (non-budgeted)	-	-	-	612,711	(612,711)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	948,646	(948,646)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	499,598	(499,598)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,062,023</b>	<b>(2,062,023)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>3,042,873</b>	<b>(261,149)</b>	<b>2,781,724</b>	<b>4,805,196</b>	<b>(2,023,472)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>8,331,120</b>	<b>(265,939)</b>	<b>8,065,181</b>	<b>9,849,982</b>	<b>(1,784,801)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>15,257,738</b>	<b>(129,000)</b>	<b>15,128,738</b>	<b>16,766,705</b>	<b>(1,637,967)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Operation & Maint. Of plant serv.	-	-	-	-	-
<b>Regular Programs - Instruction:</b>					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Grades 9-12	-	-	-	-	-
Non-instructional equipment	2,923	129,000	131,923	87,825	44,098
Support services-instruct. Staff	-	-	-	-	-
Undistributed Expend. - Required Maint	-	-	-	-	-
<b>Total Equipment</b>	<b>2,923</b>	<b>129,000</b>	<b>131,923</b>	<b>87,825</b>	<b>44,098</b>
<b>Facilities Acquisition and Construction Services</b>					
Assessment for debt service on SDA funding	53,219	-	53,219	53,219	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>53,219</b>	<b>-</b>	<b>53,219</b>	<b>53,219</b>	<b>-</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>56,142</b>	<b>129,000</b>	<b>185,142</b>	<b>141,044</b>	<b>44,098</b>
<b>TOTAL EXPENDITURES</b>	<b>15,313,880</b>	<b>-</b>	<b>15,313,880</b>	<b>16,907,749</b>	<b>(1,593,869)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(240,875)</b>	<b>(60,000)</b>	<b>(300,875)</b>	<b>197,541</b>	<b>(498,416)</b>
<b>Other Financing Sources/Uses:</b>					
Transfer to Debt Service Fund (Bridge interest)	-	-	-	-	-
<b>Total Other Financing Sources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures &amp; Other Financing Sources (Uses)</b>	<b>(240,875)</b>	<b>(60,000)</b>	<b>(300,875)</b>	<b>197,541</b>	<b>(498,416)</b>
<b>Fund Balance, July 1</b>	<b>1,636,521</b>		<b>1,636,521</b>	<b>1,636,521</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ 1,395,646</b>	<b>\$ (60,000)</b>	<b>\$ 1,335,646</b>	<b>\$ 1,834,062</b>	<b>\$ (498,416)</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				\$ 400,000	
Maintenance reserve				830,000	
Tuition reserve				130,000	
Excess surplus - Designated for subsequent year's expenditures				-	
Excess surplus - Current year				-	
Assigned Fund Balance:					
Year-end encumbrances				-	
Designated for subsequent year's expenditures				160,000	
Unassigned Fund Balance				314,062	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				(43,405)	
<b>Fund balance per governmental funds (GAAP)</b>				\$ 270,657	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	113,055	113,055
Federal sources	394,756	174,306	569,062	384,508	(184,554)
<b>Total Revenues</b>	<b>394,756</b>	<b>174,306</b>	<b>569,062</b>	<b>497,563</b>	<b>(71,499)</b>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of teachers	301,460	(183,497)	117,963	117,963	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	67,820	218,095	285,915	258,564	27,351
General supplies	-	10,000	10,000	7,617	2,383
Technology	-	7,474	7,474	7,474	-
Supplies NP	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	9,946	3,900	13,846	13,846	-
Miscellaneous expenses	-	-	-	-	-
<b>Total Instruction</b>	<b>379,226</b>	<b>55,972</b>	<b>435,198</b>	<b>405,464</b>	<b>29,734</b>
<b>Support services:</b>					
<b>Other support services</b>					
<b>students - special:</b>					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional development	-	22,052	22,052	22,052	-
Purchased professional services	-	25,329	25,329	-	25,329
Other purchased professional services	-	29,680	29,680	22,902	6,778
Purchased technical services	-	-	-	-	-
Employee benefits	-	31,113	31,113	31,113	-
Travel	-	-	-	-	-
Nursing services	15,530	10,160	25,690	16,032	9,658
Miscellaneous purchased services	-	-	-	-	-
Personal services	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
<b>Total other support services - students - special</b>	<b>15,530</b>	<b>118,334</b>	<b>133,864</b>	<b>92,099</b>	<b>41,765</b>
<b>Facilities acquisition and const. serv.:</b>					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>394,756</b>	<b>174,306</b>	<b>569,062</b>	<b>497,563</b>	<b>71,499</b>
<b>Other financing sources (uses)</b>					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
<b>Total outflows</b>	<b>394,756</b>	<b>174,306</b>	<b>569,062</b>	<b>497,563</b>	<b>71,499</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				-	
<b>Fund balance per governmental funds (GAAP)</b>				<b>\$ -</b>	

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to Required Supplementary Information  
 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
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 17,105,290	[C-2] \$ 497,563
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(948,646)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	42,418	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(43,405)	-
<b>Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.</b>	<b>[B-2] \$ 16,155,657</b>	<b>[B-2] \$ 497,563</b>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 16,907,749	[C-2] \$ 497,563
Differences - budget to GAAP		
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(948,646)	
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.	-	-
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>[B-2] \$ 15,959,103</b>	<b>[B-2] \$ 497,563</b>



REQUIRED SUPPLEMENTARY INFORMATION - PART III

**POINT PLEASANT BEACH 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	0.0211607293%	0.0223874468%	0.0222293695%	0.0195876869%
District's proportionate share of the net pension liability	\$ 4,154,339	\$ 5,223,587	\$ 6,602,753	\$ 4,559,700
District's covered-employee payroll	1,505,817	1,422,969	1,436,396	1,437,314
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	275.89%	367.09%	21.75%	31.52%
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 BEACH SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the 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	\$ 174,446	\$ 192,472	\$ 198,702	\$ 182,662
Contributions in relation to the contractually required contribution	<u>174,446</u>	<u>192,472</u>	<u>214,730</u>	<u>194,415</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,028)</u>	<u>\$ (11,753)</u>
District's covered-employee payroll	\$ -	\$ 1,505,817	\$ 1,422,969	\$ 1,436,396
Contributions as a percentage of covered-employee payroll	0.00%	12.78%	13.96%	12.72%

\* 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 BEACH 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	0.0660394279%	0.0641240344%	0.0640794619%	0.0649797613%
District's proportionate share of the net pension liability	\$ 35,295,925	\$ 40,529,128	\$ 50,408,985	\$ 43,811,698
District's covered-employee payroll	6,668,291	6,487,932	6,948,324	6,959,409
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	529.31%	624.68%	13.78%	15.88%
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 BEACH 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\*

	2018
Total OPEB liability	
Service cost	\$ 1,376,110
Interest cost	1,145,081
Changes in assumptions	(4,569,168)
Member contributions	30,999
Gross benefit payments	(841,848)
Net change in total OPEB liability	(2,858,826)
Total OPEB liability - beginning	39,204,738
Total OPEB liability - ending	\$ 36,345,912
District's covered employee payroll	\$ 9,832,412
Total OPEB liability as a percentage of covered employee payroll	370%

\* 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 Beach School District

Notes to 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 BEACH SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2018**

	Title I Part A 17/18	IDEA Part B -Preschool 17/18	Title II Part A/D 17/18	IDEA-Part B Basic 17/18	Title IV Part A 17/18
<b>Revenues:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	142,233	6,843	22,052	205,763	7,617
<b>Total revenues</b>	<u>142,233</u>	<u>6,843</u>	<u>22,052</u>	<u>205,763</u>	<u>7,617</u>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of teachers	111,120	6,843	-	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	182,861	-
General supplies	-	-	-	-	7,617
Technology	-	-	-	-	-
Supplies NP	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
<b>Total instruction</b>	<u>111,120</u>	<u>6,843</u>	<u>-</u>	<u>182,861</u>	<u>7,617</u>
<b>Support services:</b>					
<b>Other support services - students - special:</b>					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional Development	-	-	22,052	-	-
Purchased professional services	-	-	-	-	-
Other purchased professional services	-	-	-	22,902	-
Purchased technical services	-	-	-	-	-
Employee benefits	31,113	-	-	-	-
Travel	-	-	-	-	-
Nursing Svcs	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-
Personal Services	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
<b>Total other support services - students - special</b>	<u>31,113</u>	<u>-</u>	<u>22,052</u>	<u>22,902</u>	<u>-</u>
<b>Equipment:</b>					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 142,233</u>	<u>\$ 6,843</u>	<u>\$ 22,052</u>	<u>\$ 205,763</u>	<u>\$ 7,617</u>

(Continued on next page)

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

(Continued from prior page)

	Nonpublic Technology 17/18	Title 192 17/18	Nonpublic Textbooks 17/18	Nonpublic Nursing 17/18	Nonpublic Security 17/18	Total 2018
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	7,474	63,057	13,846	16,032	12,646	113,055
Federal sources	-	-	-	-	-	384,508
<b>Total revenues</b>	<u>7,474</u>	<u>63,057</u>	<u>13,846</u>	<u>16,032</u>	<u>12,646</u>	<u>497,563</u>
Expenditures:						
Instruction:						
Salaries of teachers	-	-	-	-	-	117,963
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	63,057	-	-	12,646	258,564
General supplies	-	-	-	-	-	7,617
Technology	7,474	-	-	-	-	7,474
Supplies NP	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Textbooks	-	-	13,846	-	-	13,846
Miscellaneous expenses	-	-	-	-	-	-
<b>Total instruction</b>	<u>7,474</u>	<u>63,057</u>	<u>13,846</u>	<u>-</u>	<u>12,646</u>	<u>405,464</u>
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-	-
Professional Development	-	-	-	-	-	22,052
Purchased professional services	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	22,902
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	31,113
Travel	-	-	-	-	-	-
Nursing Svcs	-	-	-	16,032	-	16,032
Miscellaneous purchased services	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
General supplies	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
<b>Total other support services - students - special</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,032</u>	<u>-</u>	<u>92,099</u>
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 7,474</u>	<u>\$ 63,057</u>	<u>\$ 13,846</u>	<u>\$ 16,032</u>	<u>\$ 12,646</u>	<u>\$ 497,563</u>

## F. Capital Projects Fund

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

<u>Project Title/Issue</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>	
High School Renovations	\$ 7,185,556	5,650,068	807,958	\$ 727,530
	<u>\$ 7,185,556</u>	<u>5,650,068</u>	<u>807,958</u>	<u>\$ 727,530</u>
		\$ 1,535,488		

**POINT PLEASANT BEACH 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**

Bond proceeds and transfers	\$ -
Total revenues	-

**Expenditures and Other Financing Uses**

Purchased professional and technical services	21,185
Construction services	786,773
Transfer to debt service fund(Bridge Funding payoff)	-
Total expenditures	807,958

Excess of revenues over expenditures	(807,958)
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Fund balance - beginning	1,535,488
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Fund balance - ending	\$ 727,530
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**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis**  
**High School Renovations**  
**From Inception and for the Year Ended June 30, 2018**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	7,185,556	-	7,185,556	-
Bridge Funding	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>7,185,556</u>	<u>-</u>	<u>7,185,556</u>	<u>-</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and tech. services	573,141	21,185	594,326	-
Land and improvements	-	-	-	-
Other Objects	-	-	-	-
Construction Services	5,076,927	786,773	5,863,700	-
Transfer to debt service fund	-	-	-	-
Total expenditures	<u>5,650,068</u>	<u>807,958</u>	<u>6,458,026</u>	<u>-</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 1,535,488</u>	<u>\$ (807,958)</u>	<u>\$ 727,530</u>	<u>\$ -</u>

## Additional project information:

Project Number	4220-050-15-1000
Grant Date	N/A
Bond Authorization Date	5/23/2016
Bonds Authorized	\$ 7,185,556
Bonds Issued	N/A
Original Authorized Cost	\$ 7,185,556
Additional Authorized Cost	-
Revised Authorized Cost	\$ 7,185,556
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	90%
Original target completion date	8/30/2017
Revised target completion date	8/30/2017

## G. Proprietary Funds



**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Enterprise Fund**  
**Combining Statement of Net Position**  
**as of June 30, 2018**

	<u>Food Services</u>	<u>EBS Technology</u>	<u>Total Enterprise</u>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 5,545	\$ 250,619	\$ 256,164
Accounts receivable:			
Local	-	-	-
State	111	-	111
Federal	3,651	-	3,651
Interfunds	8,059	54,133	62,192
Inventories	<u>5,775</u>	<u>-</u>	<u>5,775</u>
<b>Total current assets</b>	<u>23,141</u>	<u>304,752</u>	<u>327,893</u>
<b>Fixed assets:</b>			
Equipment	-	926,738	926,738
Accumulated depreciation	<u>-</u>	<u>(669,386)</u>	<u>(669,386)</u>
<b>Total fixed assets</b>	<u>-</u>	<u>257,352</u>	<u>257,352</u>
<b>Total assets</b>	<u>\$ 23,141</u>	<u>\$ 562,104</u>	<u>\$ 585,245</u>
<b>Liabilities and Net Position</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 8,900	\$ -	\$ 8,900
Lease payable	<u>-</u>	<u>231,446</u>	<u>231,446</u>
<b>Total liabilities</b>	<u>8,900</u>	<u>231,446</u>	<u>240,346</u>
<b>Net position:</b>			
Net investment in capital assets	-	25,906	25,906
Restricted for other purposes	-	-	-
Unassigned	<u>14,241</u>	<u>304,752</u>	<u>318,993</u>
<b>Total net position</b>	<u>14,241</u>	<u>330,658</u>	<u>344,899</u>
<b>Total liabilities and net position</b>	<u>\$ 23,141</u>	<u>\$ 562,104</u>	<u>\$ 585,245</u>

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Enterprise Fund**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**for the Fiscal Years ended June 30, 2018**

	<u>Food Services</u>	<u>EBS Technology</u>	<u>Total Enterprise</u>
Operating revenues:			
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	\$ 116,972	\$ -	\$ 116,972
Total-daily sales-reimbursable programs	116,972	-	116,972
Daily sales non-reimbursable programs	57,477	-	57,477
Technology fee	-	-	-
EBS licensing revenue	-	114,279	114,279
Total operating revenues	<u>174,449</u>	<u>114,279</u>	<u>288,728</u>
Operating expenses:			
Salaries	-	-	-
Management fee	8,900	-	8,900
Cost of sales - reimbursable programs	215,559	-	215,559
Cost of sales - non-reimbursable programs	38,040	-	38,040
Depreciation	-	77,689	77,689
Miscellaneous	-	2,294	2,294
Interest expense	-	2,493	2,493
Total operating expenses	<u>262,499</u>	<u>82,476</u>	<u>344,975</u>
Operating income (loss)	<u>(88,050)</u>	<u>31,803</u>	<u>(56,247)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	1,929	-	1,929
Federal sources:			
National school lunch program	61,589	-	61,589
Food distribution program	14,798	-	14,798
Special milk program	-	-	-
Gain on sale of computers	-	7,868	7,868
Interest income	20	378	398
Total nonoperating revenues	<u>78,336</u>	<u>8,246</u>	<u>86,582</u>
Change in net position	(9,714)	40,049	30,335
Transfer in	-	-	-
Total net position beginning	<u>23,955</u>	<u>290,609</u>	<u>314,564</u>
Total net position ending	<u>\$ 14,241</u>	<u>\$ 330,658</u>	<u>\$ 344,899</u>

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Enterprise Fund**  
**Combining Schedule of Cash Flows**  
**for the Fiscal Years ended June 30, 2018**

	<u>Food Services</u>	<u>EBS Technology</u>	<u>Total Enterprise</u>
Cash Flows from Operating Activities:			
Operating loss	\$ (88,050)	\$ 31,803	\$ (56,247)
Adjustments to reconcile operating loss to cash provided by (used in) operating activities:			
Depreciation expense	-	77,689	77,689
Loss on disposal of fixed assets	-	-	-
Food distribution program	14,798	-	14,798
Change in assets and liabilities:			
Decrease in inventory	3,247	-	3,247
(Increase)/decrease in local receivable	-	-	-
Decrease in interfund receivable	(8,059)	75	(7,984)
Decrease in accounts payable	-	-	-
Net cash provided by (used) in operating activities	<u>(78,064)</u>	<u>109,567</u>	<u>31,503</u>
Cash Flows from Noncapital Financing Activities:			
Transfer in	-	30,000	30,000
Interest income	20	378	398
Cash received from state and federal reimbursements	<u>64,149</u>	<u>-</u>	<u>64,149</u>
Net cash provided by noncapital financing activities	<u>64,169</u>	<u>30,378</u>	<u>94,547</u>
Cash flows from Capital Activities:			
Payments on lease payable	-	(191,972)	(191,972)
Sale of equipment	-	144,720	144,720
Purchase of equipment	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in capital activities	<u>-</u>	<u>(47,252)</u>	<u>(47,252)</u>
Net increase in cash and cash equivalents	(13,895)	92,693	78,798
Cash and cash equivalents, July 1	<u>19,440</u>	<u>157,926</u>	<u>177,366</u>
Cash and cash equivalents, June 30	<u>\$ 5,545</u>	<u>\$ 250,619</u>	<u>256,164</u>
Non-cash transaction:			
Equipment purchased through lease	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

## H. Fiduciary Funds

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	<u>Trust</u>		<u>Student Activity</u>	<u>Agency</u>	
	<u>Unemployment Compensation Trust</u>	<u>Total Trust</u>		<u>Payroll Agency</u>	<u>Total Agency</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 45,560	\$ 45,560	\$ 194,308	\$ 625,413	\$ 819,721
Intergovernmental accounts receivable	-	-	-	-	-
Interfund receivable	-	-	-	-	-
Total assets	<u>45,560</u>	<u>45,560</u>	<u>194,308</u>	<u>625,413</u>	<u>819,721</u>
<b>LIABILITIES</b>					
Accrued salaries and wages	-	-	-	414,261	414,261
Payroll deductions and withholdings	-	-	-	71,862	71,862
Payable to student groups	-	-	194,308	-	194,308
Interfund payable	-	-	-	139,290	139,290
Due to County Office	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>194,308</u>	<u>625,413</u>	<u>819,721</u>
<b>NET POSITION</b>					
Held in trust for unemployment claims and other purposes	45,560	45,560	-	-	-
Reserved for scholarships	-	-	-	-	-
Total net position	<u>45,560</u>	<u>45,560</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 45,560</u>	<u>\$ 45,560</u>	<u>\$ 194,308</u>	<u>\$ 625,413</u>	<u>\$ 819,721</u>

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

	<b>Unemployment Compensation Trust</b>
<b>ADDITIONS</b>	
Contributions:	
Plan member	\$ -
Other	-
Total Contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	84
Dividends	-
Less investment expense	-
Net investment earnings	84
Total additions	84
<b>DEDUCTIONS</b>	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	-
Change in net position	84
Net position—beginning of the year	45,476
Net position—end of the year	\$ 45,560

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Statement 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>
Elementary School	\$ 52,130	150,385	159,500	\$ 43,015
High School	<u>171,537</u>	<u>690,606</u>	<u>710,850</u>	<u>151,293</u>
Total all schools	<u>\$ 223,667</u>	<u>840,991</u>	<u>870,350</u>	<u>\$ 194,308</u>

POINT PLEASANT BEACH SCHOOL DISTRICT  
Payroll Agency Fund  
Statement 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	\$ 688,531	11,667,440	11,730,558	\$ 625,413
Total assets	<u>\$ 688,531</u>	<u>11,667,440</u>	<u>11,730,558</u>	<u>\$ 625,413</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 129,286	3,733,581	3,791,005	\$ 71,862
Accrued salaries and wages	419,955	7,933,859	7,939,553	414,261
Interfund payable	139,290	-	-	139,290
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 688,531</u>	<u>11,667,440</u>	<u>11,730,558</u>	<u>\$ 625,413</u>



## I. Long-Term Debt

**POINT PLEASANT BEACH SCHOOL DISTRICT  
Long-Term Debt  
Statement of Serial Bonds  
for the Fiscal Years ended June 30, 2018**

<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>Balance June 30, 2018</u>
Renovation of Elementary School	2/1/2006	\$ 5,434,000	1/13/2019	435,000	3.700%	1,785,000	-	420,000	1,365,000
			1/13/2020	455,000	3.700%				
			1/12/2021	475,000	3.700%				
2016 School Bond Series	7/20/2016	\$ 9,900,000	7/15/2018	365,000	2.000%	9,900,000	-	-	9,900,000
			7/15/2019	380,000	2.000%				
			7/15/2020	395,000	2.000%				
			7/15/2021	410,000	2.000%				
			7/15/2022	425,000	2.000%				
			7/15/2023	440,000	2.000%				
			7/15/2024	455,000	2.000%				
			7/15/2025	470,000	2.000%				
			7/15/2026	490,000	2.000%				
			7/15/2027	510,000	2.000%				
			7/15/2028	525,000	2.000%				
			7/15/2029	545,000	2.125%				
			7/15/2030	570,000	2.250%				
			7/15/2031	590,000	2.500%				
			7/15/2032	615,000	2.500%				
			7/15/2033	640,000	2.500%				
			7/15/2034	665,000	2.625%				
7/15/2035	690,000	2.750%							
7/15/2036	720,000	2.800%							
						<u>9,900,000</u>	<u>-</u>	<u>-</u>	<u>9,900,000</u>
						<u>\$ 11,685,000</u>	<u>\$ -</u>	<u>\$ 420,000</u>	<u>\$ 11,265,000</u>

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Long-Term Debt**  
**Statement of Obligations Under Capital Leases**  
**June 30, 2018**

<u>Date of Issue</u>	<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Principal Balance July 1, 2017</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Adjustment</u>	<u>Principal Balance Outstanding June 30, 2018</u>
7/15/18	Apple Lease	3.93%	288,423		288,423	81,567		206,856
7/15/18	IMAC Lease	2.89%	33,265		33,265	8,675		24,590
4/11/14	Apple computer lease	2.50%	400,544	101,730	-	101,730		-
				<u>\$ 101,730</u>	<u>\$ 321,688</u>	<u>\$ 191,972</u>	<u>\$ -</u>	<u>\$ 231,446</u>

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**for the Fiscal Years ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 707,546	\$ -	\$ 707,546	\$ 707,546	\$ -
State Sources:					
Debt Service Aid Type II	112,016	-	112,016	112,016	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	112,016	-	112,016	112,016	-
<b>Total Revenues</b>	<b>819,562</b>	<b>-</b>	<b>819,562</b>	<b>819,562</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	399,562	-	399,562	399,562	-
Redemption of Principal	420,000	-	420,000	420,000	-
Total Regular Debt Service	819,562	-	819,562	819,562	-
<b>Total expenditures</b>	<b>819,562</b>	<b>-</b>	<b>819,562</b>	<b>819,562</b>	<b>-</b>
Excess of Revenues Over Expenditures	-	-	-	-	-
Other Financing Uses:					
Transfer from general fund	-	-	-	-	-
Transfer from capital projects	-	-	-	-	-
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

Point Pleasant Beach School District  
Statistical Section

J series

Contents

Page

**Financial Trends**

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

112-116

**Revenue Capacity**

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

117-120

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue

121-124

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities

125-126

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

127-131

*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*

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Net Assets/Positions by Component**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Net investment in capital assets	\$ 18,934,134	\$ 19,188,686	\$ 19,367,640	\$ 19,676,060	\$ 20,018,320	\$ 20,446,090	\$ 20,850,502	\$ 21,268,526	\$ 11,905,964	\$ 14,601,816
Restricted	391,265	497,010	719,171	1,208,810	1,263,474	1,291,481	1,508,083	1,583,529	11,210,876	8,705,557
Unassigned	(346,331)	(345,565)	(216,098)	(244,506)	(227,733)	(211,627)	(4,544,492)	(4,723,933)	(4,939,079)	(4,903,425)
<b>Total governmental activities net position</b>	<u>\$ 18,979,068</u>	<u>\$ 19,340,131</u>	<u>\$ 19,870,713</u>	<u>\$ 20,640,364</u>	<u>\$ 21,054,061</u>	<u>\$ 21,525,944</u>	<u>\$ 17,814,093</u>	<u>\$ 18,128,122</u>	<u>\$ 18,177,761</u>	<u>\$ 18,403,948</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 196,279	\$ 191,799	\$ 150,097	\$ 98,367	\$ 46,576	\$ (110,178)	\$ 12,622	\$ 29,337	\$ 48,475	\$ 25,906
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	291,878	255,447	276,549	235,781	262,667	367,464	273,292	265,401	266,089	318,993
<b>Total business-type activities net position</b>	<u>\$ 488,157</u>	<u>\$ 447,246</u>	<u>\$ 426,646</u>	<u>\$ 334,148</u>	<u>\$ 309,243</u>	<u>\$ 257,286</u>	<u>\$ 285,914</u>	<u>\$ 294,738</u>	<u>\$ 314,564</u>	<u>\$ 344,899</u>
<b>District-wide</b>										
Net investment in capital assets	\$ 19,130,413	\$ 19,380,485	\$ 19,517,737	\$ 19,774,427	\$ 20,064,896	\$ 20,335,912	\$ 20,863,124	\$ 21,297,863	\$ 11,954,439	\$ 14,627,722
Restricted	391,265	497,010	719,171	1,208,810	1,263,474	1,291,481	1,508,083	1,583,529	11,210,876	8,705,557
Unassigned	(54,453)	(90,118)	60,451	(8,725)	34,934	155,837	(4,271,200)	(4,458,532)	(4,672,990)	(4,584,432)
<b>Total district net position</b>	<u>\$ 19,467,225</u>	<u>\$ 19,787,377</u>	<u>\$ 20,297,359</u>	<u>\$ 20,974,512</u>	<u>\$ 21,363,304</u>	<u>\$ 21,783,230</u>	<u>\$ 18,100,007</u>	<u>\$ 18,422,860</u>	<u>\$ 18,492,325</u>	<u>\$ 18,748,847</u>

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

Exhibit J-2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities										
Current:										
Regular instruction	\$ (4,383,688)	\$ (4,536,753)	\$ (4,602,596)	\$ (4,774,063)	\$ (4,589,635)	\$ (4,641,838)	\$ (4,921,786)	\$ (4,942,891)	\$ (3,308,202)	\$ (5,207,200)
Special schools instruction	(1,002,427)	(988,846)	(1,067,875)	(1,089,601)	(1,150,223)	(1,331,698)	(1,318,468)	(1,228,211)	(1,320,697)	(1,293,534)
Other special instruction	(715,317)	(741,070)	(702,175)	(759,124)	(776,108)	(802,664)	(837,216)	(839,782)	(862,725)	(821,453)
Support services and undistributed costs:										
Instruction	(315,766)	(360,499)	(339,214)	(363,618)	(386,703)	(355,828)	(319,859)	(462,618)	(361,319)	(329,373)
Attendance	(124,999)	(141,526)	(170,134)	(174,248)	(179,947)	(216,904)	(222,074)	(254,817)	(215,401)	(225,428)
Health services	(224,486)	(284,491)	(309,749)	(340,220)	(348,477)	(373,503)	(423,584)	(426,868)	(404,279)	(420,438)
Other support services	(978,258)	(1,187,339)	(882,517)	(648,252)	(981,075)	(825,300)	(754,145)	(917,724)	(1,040,358)	(1,058,514)
Educational media services	(139,382)	(184,759)	(197,853)	(206,286)	(213,633)	(217,794)	(216,829)	(233,983)	(169,528)	(173,278)
Instruction staff training	-	-	-	-	-	-	-	-	-	-
General administrative services	(324,326)	(339,506)	(297,585)	(286,281)	(304,334)	(327,909)	(331,203)	(304,192)	(339,284)	(353,047)
Central services	(398,941)	(421,889)	(410,715)	(386,592)	(399,959)	(411,485)	(422,098)	(406,054)	(390,582)	(442,497)
School administrative services	(290,637)	(294,694)	(293,716)	(273,850)	(290,501)	(272,808)	(263,147)	(261,994)	(269,955)	(256,908)
Admin info technology	(94,094)	(144,108)	(86,822)	(245,482)	(252,489)	(180,034)	(90,838)	(113,265)	(119,593)	(117,946)
Allowed maintenance for school facilities	(1,741,295)	(1,696,834)	(1,789,325)	(1,536,035)	(1,559,996)	(1,613,088)	(1,711,983)	(1,723,088)	(1,923,262)	(1,940,265)
Other operation & maintenance of plant	(241,352)	(161,806)	(200,706)	(252,871)	(305,212)	(319,328)	(322,118)	(302,133)	(350,151)	(398,826)
Student transportation services	-	-	-	-	-	-	-	-	-	-
Business and other support services	(2,055,789)	(2,031,232)	(1,967,115)	(2,160,115)	(2,215,597)	(2,313,007)	(2,502,584)	(2,842,191)	(2,745,983)	(2,804,044)
Unallocated employee benefits	-	-	-	-	-	-	-	-	-	-
Non-budgeted expenditures	(838,697)	(880,468)	(900,956)	(1,080,324)	(1,364,798)	(1,173,008)	(1,035,989)	(1,078,099)	(906,685)	(1,113,377)
Special schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	(328,301)	(303,737)	(315,560)	(213,870)	(188,127)	(167,980)	(145,948)	(139,170)	(310,508)	(290,467)
Total governmental activities expenses	<u>(14,197,755)</u>	<u>(14,699,557)</u>	<u>(14,534,613)</u>	<u>(14,790,832)</u>	<u>(15,506,814)</u>	<u>(15,544,176)</u>	<u>(15,839,869)</u>	<u>(16,497,080)</u>	<u>(15,038,512)</u>	<u>(17,246,595)</u>
Business-type activities:										
Food service	\$ (458,143)	\$ (433,153)	\$ (410,391)	\$ (510,370)	\$ (413,087)	\$ (439,319)	\$ (354,213)	\$ (345,027)	\$ (343,180)	\$ (262,499)
EBS Technology Program	-	-	-	-	-	-	-	-	-	(82,476)
Total business-type activities expense	<u>(458,143)</u>	<u>(433,153)</u>	<u>(410,391)</u>	<u>(510,370)</u>	<u>(413,087)</u>	<u>(439,319)</u>	<u>(354,213)</u>	<u>(345,027)</u>	<u>(343,180)</u>	<u>(344,975)</u>
Total district expenses	<u>\$ (14,655,898)</u>	<u>\$ (15,132,710)</u>	<u>\$ (14,945,004)</u>	<u>\$ (15,301,202)</u>	<u>\$ (15,919,901)</u>	<u>\$ (15,983,495.00)</u>	<u>\$ (16,194,082.00)</u>	<u>\$ (16,842,107.00)</u>	<u>\$ (15,381,692)</u>	<u>\$ (17,591,570)</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,071,131
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	838,697	880,468	900,956	1,080,324	1,364,798	1,173,008	1,035,989	1,078,099	906,685	1,113,377
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>838,697</u>	<u>880,468</u>	<u>900,956</u>	<u>1,080,324</u>	<u>1,364,798</u>	<u>1,173,008</u>	<u>1,035,989</u>	<u>1,078,099</u>	<u>906,685</u>	<u>3,184,508</u>
Business-type activities:										
Charges for services:										
Food service	\$ 350,255	\$ 339,654	\$ 331,601	\$ 334,958	\$ 273,076	\$ 295,027	\$ 292,720	\$ 268,355	\$ 285,589	\$ 174,449
EBS Technology Program	-	-	-	-	-	-	-	-	-	122,147
Operating grants and contributions	39,547	52,022	56,766	82,842	114,933	92,153	89,944	85,320	77,248	78,316
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>389,802</u>	<u>391,676</u>	<u>388,367</u>	<u>417,800</u>	<u>388,009</u>	<u>387,180</u>	<u>382,664</u>	<u>353,675</u>	<u>362,837</u>	<u>374,912</u>
Total district program revenues	<u>\$ 1,228,499</u>	<u>\$ 1,272,144</u>	<u>\$ 1,289,323</u>	<u>\$ 1,498,124</u>	<u>\$ 1,752,807</u>	<u>\$ 1,560,188</u>	<u>\$ 1,418,653</u>	<u>\$ 1,431,774</u>	<u>\$ 1,269,522</u>	<u>\$ 3,559,420</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (13,359,058)	\$ (13,819,089)	\$ (13,633,657)	\$ (13,710,508)	\$ (14,142,016)	\$ (14,371,168)	\$ (14,803,880)	\$ (15,418,981)	\$ (14,131,827)	\$ (14,062,087)
Business-type activities	(68,341)	(41,477)	(22,024)	(92,570)	(25,078)	(52,139)	28,451	8,648	19,657	29,937
Total district-wide net expense	<u>\$ (13,427,399)</u>	<u>\$ (13,860,566)</u>	<u>\$ (13,655,681)</u>	<u>\$ (13,803,078)</u>	<u>\$ (14,167,094)</u>	<u>\$ (14,423,307)</u>	<u>\$ (14,775,429)</u>	<u>\$ (15,410,333)</u>	<u>\$ (14,112,170)</u>	<u>\$ (14,032,150)</u>
<b>General Revenue and Other Changes in Net Assets/Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,293,558	\$ 9,665,300	\$ 10,483,546	\$ 10,595,936	\$ 10,807,855	\$ 11,065,070	\$ 11,556,952	\$ 11,915,714	\$ 12,154,028	\$ 12,397,109
Taxes levied for debt service	965,047	965,472	969,946	965,974	955,738	965,083	971,315	967,688	988,443	907,546
Unrestricted grants and contributions	735,300	709,920	316,096	439,214	526,150	504,787	518,062	532,370	525,811	544,572
Restricted grants and contributions	406,784	583,342	387,056	382,798	416,570	424,870	424,856	473,187	484,431	609,579
Tuition revenue	2,010,352	2,037,167	1,967,368	1,748,922	1,799,385	1,736,084	1,736,539	1,766,266	-	-
Miscellaneous income	30,341	202,749	35,814	346,472	43,513	144,141	222,184	69,477	24,228	19,528
Investment earnings	17,339	6,202	10,010	843	905	3,016	2,340	8,578	4,525	10,040
Total governmental activities	<u>13,458,721</u>	<u>14,170,152</u>	<u>14,169,836</u>	<u>14,480,159</u>	<u>14,550,116</u>	<u>14,843,051</u>	<u>15,432,248</u>	<u>15,733,280</u>	<u>14,181,466</u>	<u>14,288,274</u>
Business-type activities:										
Investment earnings	\$ 198	\$ 566	\$ 1,424	\$ 70	\$ 173	\$ 182	\$ 177	\$ 176	\$ 169	\$ 398
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>198</u>	<u>566</u>	<u>1,424</u>	<u>70</u>	<u>173</u>	<u>182</u>	<u>177</u>	<u>176</u>	<u>169</u>	<u>398</u>
Total district-wide	<u>\$ 13,458,919</u>	<u>\$ 14,170,718</u>	<u>\$ 14,171,260</u>	<u>\$ 14,480,229</u>	<u>\$ 14,550,289</u>	<u>\$ 14,843,233</u>	<u>\$ 15,432,425</u>	<u>\$ 15,733,456</u>	<u>\$ 14,181,635</u>	<u>\$ 14,288,672</u>
<b>Change in Net Assets/Position</b>										
Governmental activities	\$ 99,663	\$ 351,063	\$ 536,179	\$ 769,651	\$ 408,100	\$ 471,883	\$ 628,368	\$ 314,299	\$ 49,639	\$ 226,187
Business-type activities	(68,143)	(40,911)	(20,600)	(92,500)	(24,905)	(51,957)	28,628	8,824	19,826	30,335
Total district	<u>\$ 31,520</u>	<u>\$ 310,152</u>	<u>\$ 515,579</u>	<u>\$ 677,151</u>	<u>\$ 383,195</u>	<u>\$ 419,926</u>	<u>\$ 656,996</u>	<u>\$ 323,123</u>	<u>\$ 69,465</u>	<u>\$ 256,522</u>



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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,274,142	\$ 1,360,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	36,734	160,000
Unassigned	-	-	-	-	-	-	-	-	283,227	270,657
Reserved	127,905	106,755	719,171	1,208,810	1,263,474	1,291,481	1,508,083	1,583,529	-	-
Unreserved	183,729	205,290	291,047	255,219	248,511	265,976	273,036	294,245	-	-
Total general fund	<u>\$ 311,634</u>	<u>\$ 312,045</u>	<u>\$ 1,010,218</u>	<u>\$ 1,464,029</u>	<u>\$ 1,511,985</u>	<u>\$ 1,557,457</u>	<u>\$ 1,781,119</u>	<u>\$ 1,877,774</u>	<u>\$ 1,594,103</u>	<u>\$ 1,790,657</u>
All Other Governmental Funds										
Reserved	\$ 3,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Debt service fund										
Capital projects fund									1,535,488	727,530
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	1,551,866	-	-
Debt service fund	-	-	5,597	5,597	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,069</u>	<u>\$ -</u>	<u>\$ 5,597</u>	<u>\$ 5,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,551,866</u>	<u>\$ 1,535,488</u>	<u>\$ 727,530</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Tax levy	\$ 10,258,605	\$ 10,630,772	\$ 11,453,492	\$ 11,561,910	\$ 11,763,593	\$ 12,030,153	\$ 12,528,267	\$ 12,883,402	\$ 13,142,471	\$ 13,104,655
Tuition charges	2,010,352	2,037,167	1,967,368	1,748,922	1,799,385	1,736,084	1,736,539	1,766,266	1,756,591	2,071,131
Interest earnings	17,339	6,202	10,010	843	905	3,016	2,340	8,578	4,525	10,040
Miscellaneous	30,341	202,749	35,814	346,472	43,513	144,141	222,184	69,477	24,228	19,528
State sources	1,704,145	1,726,630	1,268,955	1,614,273	1,945,389	1,787,067	1,671,555	1,718,818	1,562,367	1,882,920
Federal sources	276,636	457,100	335,153	288,063	319,964	315,598	307,352	364,838	354,560	384,508
<b>Total revenue</b>	<b>14,297,418</b>	<b>15,060,620</b>	<b>15,070,792</b>	<b>15,560,483</b>	<b>15,872,749</b>	<b>16,016,059</b>	<b>16,468,237</b>	<b>16,811,379</b>	<b>16,844,742</b>	<b>17,472,782</b>
<b>Expenditures</b>										
<b>Current:</b>										
Regular instruction	4,383,688	4,536,753	4,602,596	4,774,063	4,589,635	4,641,838	4,921,786	4,942,891	5,064,793	5,207,200
Special education instruction	1,002,427	988,846	1,067,875	1,089,601	1,150,223	1,331,698	1,318,468	1,228,211	1,320,697	1,293,534
Other special instruction	715,317	741,070	702,175	759,124	776,108	802,664	837,216	839,782	862,725	821,453
Support services and undistributed costs:										
Instruction	315,766	360,499	339,214	363,618	386,703	355,828	319,859	462,618	361,319	329,373
Attendance	124,999	141,526	170,134	174,248	179,947	216,904	222,074	254,817	215,401	225,428
Health services	224,486	284,491	309,749	340,220	348,477	373,503	423,584	426,868	404,279	420,438
Other support services	978,258	1,187,339	882,517	648,252	981,075	825,300	754,145	917,724	1,040,358	1,058,514
Educational media services	139,382	184,759	197,853	206,286	213,633	217,794	216,829	233,983	169,528	173,278
Instruction staff training	-	-	-	-	-	-	-	-	-	-
General administrative services	324,326	339,506	297,585	286,281	304,334	327,909	331,203	304,192	339,284	353,047
School administrative services	398,941	421,889	410,715	386,592	399,959	411,485	422,098	406,054	390,582	442,497
Information technology	290,637	294,694	293,716	273,850	290,501	272,808	263,147	261,994	269,955	256,908
Allowed maintenance for school facilit	94,094	144,108	86,822	245,482	252,489	180,034	90,838	113,265	119,593	117,946
Other operation & maintenance of plai	1,279,282	1,283,694	1,212,713	1,037,227	1,065,051	1,161,637	1,201,740	1,208,724	1,420,571	1,360,630
Student transportation services	241,352	161,806	200,706	252,871	305,212	319,328	322,118	322,133	350,151	398,826
Business and other support services	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	2,035,950	2,010,437	2,010,834	2,167,535	2,210,179	2,340,547	2,502,878	2,658,660	2,746,312	2,743,173
Non-budgeted expenditures	838,697	880,468	900,956	1,080,324	1,364,798	1,173,008	1,035,989	1,078,099	906,685	1,113,377
Special schools	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	636,737	661,735	691,737	761,737	781,737	806,736	835,000	855,000	3,390,000	420,000
Interest and other charges	328,301	303,737	235,602	204,237	179,598	158,347	136,315	112,688	106,051	399,562
Capital outlay	180,138	5,957	106,768	55,124	50,731	53,219	89,288	1,035,155	7,566,507	949,002
<b>Total expenditures</b>	<b>14,532,778</b>	<b>14,933,314</b>	<b>14,720,267</b>	<b>15,106,672</b>	<b>15,830,390</b>	<b>15,970,587</b>	<b>16,244,575</b>	<b>17,662,858</b>	<b>27,044,791</b>	<b>18,084,186</b>
Excess (Deficiency) of revenues over (under) expenditures	(235,360)	127,306	350,525	453,811	42,359	45,472	223,662	(851,479)	(10,200,049)	(611,404)
<b>Other Financing sources (uses)</b>										
FEMA Aid	-	-	-	-	42,165	-	-	-	-	-
Sale of bonds	-	-	-	-	-	-	-	2,500,000	9,900,000	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	2,345,000	-	-	-	-	-	-	-
Payments to escrow agent	-	-	(2,382,019)	-	(42,165)	-	-	-	-	-
Transfers in	5,839	928	-	-	-	-	-	4,525	7,608	-
Transfers out	(5,839)	(928)	-	-	-	-	-	(4,525)	(7,608)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(37,019)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500,000</b>	<b>9,900,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(235,360)</b>	<b>127,306</b>	<b>313,506</b>	<b>453,811</b>	<b>42,359</b>	<b>45,472</b>	<b>223,662</b>	<b>1,648,521</b>	<b>(300,049)</b>	<b>(611,404)</b>
Debt service as a percentage of noncapital expenditures	4.44%	4.43%	4.73%	5.06%	4.95%	5.07%	5.17%	5.14%	17.40%	2.45%

Source: District records

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

Fiscal Year Ending June 30,	Tuition	Transportation	Interest on Investments	Prior Year Refunds	Rentals	Miscellaneous	Annual Totals
2009	2,010,352	-	11,500	-	-	30,341	2,052,193
2010	2,037,167	-	5,274	-	-	202,749	2,245,190
2011	-	-	525	-	-	85,000	85,525
2012	1,748,922	-	843	-	-	346,472	2,096,237
2013	1,799,385	-	905	-	-	43,513	1,843,803
2014	465,418	-	905	-	-	144,141	610,464
2015	595,363	-	2,517	-	-	222,184	820,064
2016	619,553	-	8,754	-	-	69,477	697,784
2017	619,553	-	4,694	-	-	24,228	648,475
2018	624,601	-	10,438	-	-	19,528	654,567

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2009	88,482,500	1,948,969,850	-	-	491,688,300	-	15,202,900	2,544,343,550	131,215,700	684,138	2,413,811,988	2,450,702,000	0.418
2010	95,255,000	1,942,089,980	-	-	481,993,000	14,195,300	496,188,300	3,029,721,580	130,642,900	667,244	2,899,745,924	2,363,907,845	0.448
2011	85,367,400	1,936,501,300	-	-	437,524,700	-	14,195,250	2,473,588,650	130,642,900	1,629,103	2,344,574,853	2,532,643,224	0.464
2012	78,410,100	1,933,842,500	-	-	439,209,200	-	14,195,200	2,465,657,000	130,642,900	525,153	2,335,539,253	2,303,771,826	0.475
2013	56,034,800	1,480,160,500	-	-	327,543,200	-	12,110,700	1,875,849,200	113,658,000	210,914	1,762,402,114	2,061,599,297	0.637
2014	94,330,400	1,485,734,900	-	-	335,788,000	-	12,655,900	1,928,509,200	113,491,300	363,997	1,815,381,897	2,127,374,246	0.646
2015	95,046,200	1,504,470,600	-	-	338,044,400	-	12,779,100	1,950,340,300	114,340,300	363,997	1,836,363,997	2,065,287,933	0.657
2016	87,840,600	1,535,585,500	-	-	338,309,800	-	12,779,100	1,974,515,000	113,721,000	363,997	1,860,794,000	2,095,085,265	0.659
2017	87,996,100	1,548,780,600	-	-	337,182,100	-	12,710,100	1,986,668,900	114,535,800	-	1,872,133,100	2,056,358,050	0.653
2018	75,781,100	1,583,146,300	-	-	333,976,700	-	12,710,700	2,005,614,200	114,649,400	-	1,890,964,800	2,127,521,163	0.668

Source: Municipal Tax Assessor

\* A revaluation was enacted for 2007

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

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

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

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

<b>Assessment Year</b>	<b>Pt. Pleasant Beach School District</b>	<b>Pt. Pleasant Beach Township</b>	<b>Ocean County</b>	<b>Total</b>
2009	0.418	0.226	0.292	0.936
2010	0.448	0.242	0.315	1.005
2011	0.464	0.262	0.318	1.044
2012	0.475	0.292	0.331	1.098
2013	0.637	0.393	0.414	1.444
2014	0.646	0.404	0.449	1.499
2015	0.657	0.409	0.440	1.506
2016	0.659	0.417	0.442	1.518
2017	0.653	0.424	0.434	1.511
2018	0.668	0.429	0.438	1.535

Source: Tax Collector

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

	2018				2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Jenkinson's	\$ -		0.00%	Jenkinson's	\$ -	0	0.00%
Chef's International, Inc.	-		0.00%	Chef's International, Inc.	-	0	0.00%
1106 Ocean Ave Inc.	-		0.00%	1106 Ocean Ave Inc.	-	0	0.00%
Cameryn & Dalton	-		0.00%	Cameryn & Dalton	-	0	0.00%
Tower Beacon Gardens	-		0.00%	Tower Beacon Gardens	-	0	0.00%
Senkle Corporation	-		0.00%	Senkle Corporation	-	0	0.00%
Risden's Beach Corp.	-		0.00%	Risden's Beach Corp.	-	0	0.00%
Lammers, William	-		0.00%	Lammers, William	-	0	0.00%
Lombardi Residential	-		0.00%	Lombardi Residential	-	-	0.00%
Daniel Cohen	-		0.00%	Daniel Cohen	-	0	0.00%
Total	<u>\$ -</u>		<u>0.00%</u>	Total	<u>\$ -</u>		<u>0.00%</u>

Source: Municipal Tax Assessor

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

<u>Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of tax Levy Collected</u>
2009	23,890,944	23,167,721	96.97%
2010	25,519,529	24,779,817	97.10%
2011	25,930,644	25,336,851	97.71%
2012	27,125,914	26,239,124	96.73%
2013	27,126,805	26,739,057	98.57%
2014	29,051,282	28,613,337	98.49%
2015	29,366,244	29,179,615	98.68%
2016	29,956,331	29,672,370	99.05%
2017	30,217,293	29,792,797	98.60%
2018	30,783,954	-	0.00%

Source: Ocean County Board of Taxation

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

Year Ended June 30,	Governmental Activities		Business- Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Capital Leases			
2009	7,978,682	-	240,348	8,219,030	0.49412157%	40,612
2010	7,316,947	-	164,240	7,481,187	0.54388428%	40,689
2011	5,171,736	-	197,430	5,369,166	0.78449800%	42,121
2012	5,953,473	-	290,236	6,243,709	0.68894947%	43,016
2013	5,171,736	-	197,430	5,369,166	0.80485498%	43,214
2014	4,365,000	-	500,710	4,865,710	0.91156275%	44,354
2015	3,530,000	-	297,801	3,827,801	1.21179236%	46,385
2016	5,175,000	-	200,977	5,375,977	0.88194202%	47,413
2017	11,685,000	-	101,730	11,786,730	0.00000000%	-
2018	11,265,000	-	231,446	11,496,446	0.00000000%	-

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

## NOTE:

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

- <sup>a</sup> 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
- <sup>b</sup> Includes Early Retirement Incentive Plan (ERIP) refunding



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

<b>Fiscal Year Ended June 30,</b>	<b>School District Population</b>	<b>Net Assessed Valuation Taxable</b>	<b>Net Bonded Debt</b>	<b>Ratio of Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
2009	5,445	2,149,149,181	7,978,682	0.37%	1,465
2010	4,670	2,149,149,181	7,316,947	0.34%	1,567
2011	4,677	2,532,643,224	6,715,210	0.27%	1,436
2012	4,680	2,303,771,826	5,953,473	0.26%	1,272
2013	4,646	1,875,849,200	5,953,473	0.32%	1,281
2014	4,640	1,928,553,100	11,640,000	0.60%	2,509
2015	4,640	1,928,553,100	11,640,000	0.60%	2,509
2016	4,665	1,974,515,000	9,640,000	0.49%	2,066
2017	4,665	1,986,668,900	11,685,000	0.59%	2,505
2018	4,665	2,005,614,200	11,265,000	0.56%	2,415

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

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2018**  
**UNAUDITED**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
General Debt	\$ 24,398,587	0.000%	\$ -
Water, Sewer and Utility	5,907,876	0.000%	\$ -
Subtotal, overlapping debt			30,306,463
<b>District Direct Debt</b>			<u>11,265,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 41,571,463</u></u>

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

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

	Equalized valuation basis	
	2018	2,005,614,200
	2017	1,986,668,900
	2016	1,974,515,000
	<b>[A]</b>	<b>\$ 5,966,798,100</b>
	<b>[A/3]</b>	<b>\$ 1,988,932,700</b>
Debt limit (4 % of ave)	<b>[B]</b>	79,557,308 <b>a</b>
Total Net Debt Applic:	<b>[C]</b>	-
Legal debt margin	<b>[B-C]</b>	<b>\$ 79,557,308</b>

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	46467378	46467378	33,346,580	96,004,305	31,297,302	30,490,459	35,076,819	37,072,884	78,529,827	79,557,308
Total net debt applicable to limit	<u>7,316,947</u>	<u>7,316,947</u>	<u>6,715,210</u>	<u>5,953,473</u>	<u>5,171,736</u>	<u>4,365,000</u>	<u>3,530,000</u>	<u>5,175,000</u>	<u>11,685,000</u>	<u>11,265,000</u>
Legal debt margin	<u>\$ 39,150,431</u>	<u>\$ 39,150,431</u>	<u>26,631,370</u>	<u>\$ 90,050,832</u>	<u>\$ 26,125,566</u>	<u>\$ 26,125,459</u>	<u>\$ 31,546,819</u>	<u>\$ 31,897,884</u>	<u>\$ 66,844,827</u>	<u>\$ 68,292,308</u>
Total net debt applicable to the limit as a percentage of debt limit	15.75%	15.75%	20.14%	6.20%	16.52%	14.32%	10.06%	13.96%	14.88%	14.16%

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

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

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

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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2009	5,445	216,525,870	39,746	7.10%
2010	4,685	186,420,835	39,791	9.60%
2011	4,673	193,775,291	41,467	9.30%
2012	4,660	198,497,360	42,596	8.00%
2013	4,623	198,576,342	42,954	6.30%
2014	4,586	203,072,220	44,354	5.90%
2015	4,572	212,072,220	46,385	4.60%
2016	4,549	215,681,737	47,413	4.20%
2017	4,544	-	-	4.00%
2018	-	-	-	0.00%

**Source:**

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

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

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

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

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

<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>
N/A		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
			-			-
			-			-
			-			-
	-		<u>0.00%</u>	-		<u>0.00%</u>

Source:

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

<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	69.5	70	66	67	64	64	65	63	64	64
Special education teachers	14.0	14	16	18.5	18	18	17	18.6	20	20
Other special education										
Vocational										
Other instruction	22.0	19	16	17.5	24	25	27	25.5	20	20
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	7.0	9	7	7	7	7	7	7	7	7
General administration	1.0	1	1	1	1	1	1	1	1	1
School administrative services	4.0	4	4	3	3	3	3.5	4	5	5.5
Other administrative services	6.5	6.5	6.5	4	3	3	3	3	3	3
Central services										
Administrative Information Technology	1.0	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	12.0	12	10	10.5	11	10	10.5	9	10	10.5
Pupil transportation	2.0	3	3	2	2	2	2	2	2	2
Other support services	8.0	8	8	8	13.5	13.5	13.5	13.5	13.5	13.5
Special Schools										
Food Service										
Child Care										
Total	<u>147.0</u>	<u>147.5</u>	<u>138.5</u>	<u>139.5</u>	<u>147.5</u>	<u>147.5</u>	<u>150.5</u>	<u>147.6</u>	<u>146.5</u>	<u>147.5</u>

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures <sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff <sup>b</sup></u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) <sup>c</sup></u>	<u>Average Daily Attendance (ADA) <sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2009	800.0	12,981,613	16,227	6.52%	83.50	9.6:1	872.2	826.7	4.06%	94.78%
2010	897.0	13,371,431	14,907	-8.14%	84.00	10.7:1	885.9	837.9	1.57%	94.58%
2011	894.0	13,405,872	14,995	0.59%	82.00	10.9:1	894.7	843.7	0.99%	94.30%
2012	916.0	13,757,900	15,020	0.16%	85.50	10.7:1	877.3	833.4	-1.94%	95.00%
2013	871.0	14,452,485	16,593	10.48%	82.00	10.6:1	812.1	809.7	-7.43%	99.70%
2014	843.0	14,580,634	17,296	4.24%	82.00	10.3:1	824.6	774.9	1.54%	93.97%
2015	848.0	15,195,082	17,919	3.60%	82.00	10.3:1	847.0	800.1	2.72%	94.46%
2016	830.0	15,786,894	19,020	6.15%	81.60	10.2:1	822.3	773.9	-2.92%	94.12%
2017	835.0	16,378,825	19,734	10.13%	84.00	9:9:1	798.8	752.0	-5.69%	94.14%
2018	859.0	14,845,726	17,283	-3.22%	84.00	10.2:1	806.3	766.5	0.94%	95.06%

**Sources:** District records

**Note:** Enrollment based on annual October district count.

- <sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.
- <sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.
- <sup>c</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	<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>
<b>District Building</b>										
<u>Elementary</u>										
G. Harold Antrim Elementary School										
Square Feet	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200
Capacity (students)	615	615	615	615	615	615	615	615	615	615
Enrollment	478	500	500	494	482	473	450	431	417	441
<u>High School</u>										
Point Pleasant Beach High School										
Square Feet	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000
Capacity (students)	580	580	580	580	580	580	580	580	580	580
Enrollment	397	417	416	422	389	370	398	399	413	418

Number of Schools at June 30, 2015  
 Elementary = 1  
 Middle School = 0  
 Senior High School = 1

**Source:** District Facilities Office



POINT PLEASANT BEACH SCHOOL DISTRICT  
 Schedule of Required Maintenance  
 For the Fiscal Year Ended June 30, 2018  
 Undistributed Expenditures - required  
 Maintenance For School Facilities  
 11-000-261-XXX  
 UNAUDITED

		<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>
<b>School Facilities:</b>	<b>Project # (s)</b>										
G. Harold Antrim Elementary School	N/A	81,600	34,861	46,016	43,903	60,526	78,498	36,335	45,306	71,884	64,870
Point Pleasant Beach High School	N/A	12,676	52,290	40,806	65,854	53,674	117,748	54,503	67,959	47,709	53,076
		-	-								
Total School Facilities		<u>94,276</u>	<u>87,151</u>	<u>86,822</u>	<u>109,757</u>	<u>114,200</u>	<u>196,246</u>	<u>90,838</u>	<u>113,265</u>	<u>119,593</u>	<u>117,946</u>
Other Facilities		-	-								
<b>Grand Total</b>		<u>\$ 94,276</u>	<u>\$ 87,151</u>	<u>\$ 86,822</u>	<u>\$ 109,757</u>	<u>\$ 114,200</u>	<u>\$ 196,246</u>	<u>\$ 90,838</u>	<u>\$ 113,265</u>	<u>\$ 119,593</u>	<u>\$ 117,946</u>

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

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2018**  
**Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
<b>Multi Peril Package Policy</b>		
<b>Property - NJ School Board Insurance</b>		
Blanket Building and Contents	\$ 450,000,000	5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers and Records	10,000,000	5,000
Demolition & Increased Costs of Construction	25,000,000	5,000
Fire Department Service Charge/Arson Reward	10,000	5,000
<b>Flood Zones A &amp; V</b>	25,000,000	500,000
Flood Zone B	75,000,000	10,000
<b>Earthquake</b>	50,000,000	-
<b>Terrorism</b>	1,000,000	-
<b>General Liability - New Jersey School Boards</b>		
Comprehensive General Liability	16,000,000	-
Bodily Injury, Property Damage, Sexual Abuse Each Occurrence	16,000,000	-
Sexual Abuse	16,000,000	-
Medical Expense	10,000	100
Employee Benefits Programs	16,000,000	1,000
<b>Crime - NJ School Boards</b>		
Employee Dishonesty	250,000	1,000
Forgery or Alteration	250,000	1,000
Money and Securities	25,000	500
Money Orders/Counterfeit	25,000	500
Computer Fraud	250,000	1,000
<b>Automobile - NJSBAIG</b>		
Comprehensive Automobile Liability	16,000,000	-
Uninsured/Underinsured Motorist	1,000,000	-
Personal Injury Protection	250,000	-
Garage keepers Liability	1,000,000	-
Comprehensive & Collision Deductibles		1,000
<b>Inland Marine</b>		
Blanket Hardware/Software	1,000,000	1,000
Flood	1,000,000	500,000
<b>Errors and Omissions - N.J. School Boards</b>		
Association Insurance Group	16,000,000	5,000
Boiler and Machinery - N.J. School Boards Association Insurance Group	100,000,000	-
Umbrella Liability - N.J. School Boards Association Insurance Group		5,000
<b>CAP - Fireman's Fund</b>		
Limit of Liability	50,000,000	-
<b>Workers Compensation - NJ School Boards</b>		
Section A	Statutory	
Section B	2,000,000	Each Accident
	2,000,000	Each Employee
	2,000,000	Aggregate Limit
<b>Student Accident Insurance</b>		
Maximum Benefit Blanket Athletic Coverage Including Football	5,000,000	
<b>Public Official Bonds - Selective Insurance Co.</b>		
Barbara Lane Scharmann, Treasurer	200,000	
Brian Savage, Business Administrator/ Board Secretary	200,000	
<b>Flood Insurance</b>		
299 Cooks Lane	Buildings 500,000	5,000
	Contents 500,000	5,000
Cooks Lane & Niblick Ave	Buildings 500,000	5,000
	Contents 500,000	5,000

Source: District Records

SINGLE AUDIT SECTION

**INDEPENDENT AUDITORS' 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 Beach  
County of Ocean  
Pt. Pleasant Beach, New Jersey

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 Board of Education of the Point Pleasant Beach 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 Board of Education of the Point Pleasant Beach 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 Board of Education of the Point Pleasant Beach 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 Board of Education of the Point Pleasant Beach in the County of Ocean, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of Board of Education of the Point Pleasant Beach 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 Board of Education of Point Pleasant Beach 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, LLP  
Toms River, New Jersey



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

Toms River, New Jersey  
January 31, 2019

**INDEPENDENT AUDITORS' 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 Beach  
County of Ocean  
Pt. Pleasant Beach, New Jersey

**Report on Compliance for Each Major Federal and State Program**

We have audited Point Pleasant Beach 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 Beach's major federal programs for the year ended June 30, 2018. Point Pleasant Beach'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 Beach'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 Beach'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 Beach's compliance.

## Opinion on Each Major Federal and State Program

In our opinion, Point Pleasant Beach 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 Beach 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 Beach's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state programs 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 the 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 Beach'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.

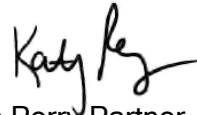
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

**Purpose of Report**

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 the 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



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

Toms River, New Jersey  
January 31, 2019



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

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2017</u>	<u>Carryover Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior years' Balances</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.S. Department of Agriculture											
Passed-through State Department of Education:											
Enterprise Fund:											
Food Distribution Program	10.565	7/1/17-6/30/18	\$ 14,798	\$ -	\$ -	\$ 14,798	\$ (14,798)	\$ -	\$ -	\$ -	\$ -
Child Nutrition Cluster:											
National School Lunch Program	10.555	7/1/17-6/30/18	61,589	-	-	57,938	(61,589)	-	-	(3,651)	-
National School Lunch Program	10.555	7/1/16-6/30/17	57,919	(4,269)	-	4,269	-	-	-	-	-
Subtotal of Child Nutrition Cluster				(4,269)	-	62,207	(61,589)	-	-	(3,651)	-
Total Enterprise Fund				(4,269)	-	77,005	(76,387)	-	-	(3,651)	-
U.S. Department of Education											
Passed-through State Department of Education:											
Special Revenue Fund:											
Special Education Cluster:											
I.D.E.A. Part B Basic Regular	84.027	7/1/16-6/30/17	218,145	(20,786)	-	20,786	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	7/1/17-6/30/18	210,171	-	-	198,797	(205,763)	-	-	(6,966)	-
I.D.E.A. Part B Preschool	84.173	7/1/16-6/30/17	6,933	(6,933)	-	4,662	-	-	-	(2,271)	-
I.D.E.A. Part B Preschool	84.173	7/1/17-6/30/18	6,843	-	-	6,843	(6,843)	-	-	-	-
Subtotal of Special Education Cluster				(27,719)	-	231,088	(212,606)	-	-	(9,237)	-
Title I	84.010	7/1/17-6/30/18	142,233	-	-	142,233	(142,233)	-	-	-	-
Title I	84.010	7/1/16-6/30/17	112,771	(59,084)	-	59,084	-	-	-	-	-
Title II	84.365	7/1/16-6/30/17	19,081	(19,081)	-	19,081	-	-	-	-	-
Title II	84.365	7/1/17-6/30/18	20,709	-	-	19,153	(22,052)	-	-	(2,899)	-
Title IV	84.424	7/1/17-6/30/18	10,000	-	-	7,617	(7,617)	-	-	-	-
Total Special Revenue Fund				(105,884)	-	470,639	(384,508)	-	-	(12,136)	-
Total Expenditures of Federal Financial Awards				\$ (110,153)	\$ -	\$ 547,644	\$ (460,895)	\$ -	\$ -	\$ (15,787)	\$ -

See accompanying notes to schedules of expenditures.

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

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017				Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2018	(Accounts Receivable) at June 30, 2018	Due to Grantor at June 30, 2018	MEMO Budgetary Receivable	MEMO Total Expenditures
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover Amount									
State Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program (State Share)	17-100-010-3350-023	7/1/16-6/30/17	\$ 1,752	\$ (124)	\$ -	\$ -	\$ 124	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
National School Lunch Program (State Share)	18-100-010-3350-023	7/1/17-6/30/18	1,929	-	-	-	1,818	(1,929)	-	-	(111)	-	-	1,929	
<b>Total Enterprise Fund</b>				<b>(124)</b>	<b>-</b>	<b>-</b>	<b>1,942</b>	<b>(1,929)</b>	<b>-</b>	<b>-</b>	<b>(111)</b>	<b>-</b>	<b>-</b>	<b>1,929</b>	
State Department of Education:															
General Fund:															
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	410,598	-	-	-	375,396	(410,598)	-	-	-	-	35,202	410,598	
Extraordinary Aid	18-495-034-5120-011	7/1/17-6/30/18	39,194	-	-	-	-	(39,194)	-	-	(39,194)	-	-	39,194	
Extraordinary Aid	17-495-034-5120-011	7/1/16-6/30/17	30,905	(30,905)	-	-	30,905	-	-	-	-	-	-	-	
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	63,340	-	-	-	57,909	(63,340)	-	-	-	-	5,431	63,340	
Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	388	-	-	-	355	(388)	-	-	-	-	33	388	
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	12,489	-	-	-	11,418	(12,489)	-	-	-	-	1,071	12,489	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	6,330	-	-	-	5,787	(6,330)	-	-	-	-	543	6,330	
PARCC Readiness	18-495-034-5120-098	7/1/17-6/30/18	6,330	-	-	-	5,787	(6,330)	-	-	-	-	543	6,330	
Professional learning community aid	18-495-034-5120-101	7/1/17-6/30/18	6,790	-	-	-	6,208	(6,790)	-	-	-	-	582	6,790	
On-behalf TPAF Pension Contribution	18-100-034-5095-002	7/1/17-6/30/18	948,646	-	-	-	948,646	(948,646)	-	-	-	-	-	948,646	
On-Behalf TPAF Post-Retirement Medic	18-100-034-5095-001	7/1/17-6/30/18	612,711	-	-	-	612,711	(612,711)	-	-	-	-	-	612,711	
On-Behalf TPAF Long-Term Disability Ir	18-100-034-5095-004	7/1/17-6/30/18	1,068	-	-	-	1,068	(1,068)	-	-	-	-	-	1,068	
Reimbursed TPAF Social															
Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	499,598	-	-	-	499,598	(499,598)	-	-	-	-	-	499,598	
<b>Total General Fund</b>				<b>(30,905)</b>	<b>-</b>	<b>-</b>	<b>2,555,788</b>	<b>(2,607,482)</b>	<b>-</b>	<b>-</b>	<b>(39,194)</b>	<b>-</b>	<b>43,405</b>	<b>2,607,482</b>	
Special Revenue Fund:															
Chapter 192/193	18-100-034-5120-067	7/1/17-6/30/18	82,926	-	-	-	82,926	(63,057)	-	-	-	19,869	-	63,057	
Security	18-100-034-5120-068	7/1/17-6/30/18	15,150	-	-	-	15,150	(12,646)	-	-	-	2,504	-	12,646	
Technology	18-100-034-5120-373	7/1/17-6/30/18	7,474	-	1	-	7,474	(7,474)	(1)	-	-	-	-	7,474	
Textbooks	18-100-034-5120-064	7/1/17-6/30/18	11,066	-	-	-	11,067	(11,067)	-	-	-	-	-	11,067	
Nursing	18-100-034-5120-070	7/1/17-6/30/18	19,594	-	-	-	19,594	(18,811)	-	-	-	783	-	18,811	
<b>Total Special Revenue Fund</b>		<b>2</b>		<b>-</b>	<b>1</b>	<b>-</b>	<b>136,211</b>	<b>(113,055)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>23,156</b>	<b>-</b>	<b>113,055</b>	
Debt Service Fund:															
Debt Service Aid Type II	18-495-034-5120-075	7/1/17-6/30/18	112,016	-	-	-	112,016	(112,016)	-	-	-	-	-	112,016	
<b>Total Debt Service Fund</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>112,016</b>	<b>(112,016)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,016</b>	
<b>Total State Financial Assistance for testing</b>				<b>\$ (31,029)</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 2,805,957</b>	<b>\$ (2,834,482)</b>	<b>\$ (1)</b>	<b>\$ -</b>	<b>\$ (39,305)</b>	<b>\$ 23,156</b>	<b>\$ 43,405</b>	<b>\$ 2,834,482</b>	
State Financial Assistance Not Subject to Single Audit Determination															
				-	-	-	1,562,425	(1,562,425)	-	-	-	-	-	1,562,425	
<b>Total State Financial Assistance</b>				<b>\$ (31,029)</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 1,243,532</b>	<b>\$ (1,272,057)</b>	<b>\$ (1)</b>	<b>\$ -</b>	<b>\$ (39,305)</b>	<b>\$ 23,156</b>	<b>\$ 43,405</b>	<b>\$ 4,396,907</b>	

See accompanying notes to schedules of expenditures.

## Point Pleasant Beach School District

## Notes to Schedules of Expenditures 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, Point Pleasant Beach 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 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 Beach School District

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

## 3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(949,633) for the general fund and \$- 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	\$ -	1,657,849	\$ 1,657,849
Special Revenue Fund	384,508	113,055	497,563
Debt Service Fund	<u>-</u>	<u>112,016</u>	<u>112,016</u>
Food Service Fund	<u>76,387</u>	<u>1,929</u>	<u>78,316</u>
Total awards and financial assistance	<u>\$ 460,895</u>	<u>1,884,849</u>	<u>\$ 2,345,744</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 Beach School District  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended 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 - N/A

Internal Control over major programs: N/A

1) Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

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

Type of auditor’s report issued on compliance for major programs: N/A

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____

Dollar threshold used to distinguish between type A and type B programs: N/A

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

Point Pleasant Beach School District  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended 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	
495-034-5094-003	Reimbursed TPAF

**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 Beach School District  
Summary Schedule of Prior-Year Audit Findings  
For the Fiscal Year Ended June 30, 2018

Status of pPrior Years Findings

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