

SCHOOL DISTRICT
OF
POINT PLEASANT BOROUGH
OF OCEAN COUNTY

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

OF

Point Pleasant Borough Board of Education
of Ocean County

Point Pleasant Borough, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

Point Pleasant Borough Board of Education
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

	Page
INTRODUCTORY SECTION	
Letter of Introduction	1-4
Organizational Chart	5
Roster of Officials	6
Consultants, and Advisors	7
FINANCIAL SECTION	
Independent Auditor's Report	9-11
Required Supplementary Information - Part I	
Management's Discussion and Analysis	13-22
Basic Financial Statements	
A. District Wide Financial Statements	
A-1 Statement of Net Position	24
A-2 Statement of Activities	25
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	26
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	27
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	28
Proprietary Funds	
B-4 Statement of Net Position	29
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	30
B-6 Statement of Cash Flows	31
Fiduciary Funds	
B-7 Statement of Fiduciary Net Position	32
B-8 Statement of Changes in Fiduciary Net Position	33
Notes to the Financial Statements	34-71

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information - Part II

C.	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	73-77
	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	78

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	79
-----	-------------------------------	----

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	81
	L-2 Schedule of District Contributions - PERS	82
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	83
M.	Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
	M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	84

Notes to the Required Supplementary Information - Part III

85

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 Schedules of Program Revenues and Expenditures - Budgetary Basis	89-90
	E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

F.	Capital Projects Fund	
	F-1 Summary Schedule of Project Expenditures	92
	F-2 Summary Schedule of Revenue, Expenditures and Changes in Fund Balance - Budgetary Basis	93
	F-2(x) Schedule(s) of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis	94-97
G.	Proprietary Funds	
	Enterprise Fund	
	G-1 Combining Schedule of Net Position	99
	G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	100
	G-3 Combining Schedule of Cash Flows	101
H.	Fiduciary Funds	
	H-1 Combining Statement of Fiduciary Net Position	103
	H-2 Combining Statement of Changes in Fiduciary Net Position	104
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	105
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	106
I.	Long-Term Debt	
	I-1 Schedule of Serial Bonds	108
	I-2 Schedule of Obligations Under Capital Leases	109
	I-3 Debt Service Fund Budgetary Comparison Schedule	110

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends	
J-1 Net Assets/Position by Component	113
J-2 Changes in Net Asset/Net Position	114-115
J-3 Fund Balances - Governmental Funds	116
J-4 Changes in Fund Balances - Governmental Funds	117
J-5 General Fund - Other Local Revenue by Source	118
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	119
J-7 Direct and Overlapping Property Tax Rates	120
J-8 Principal Property Taxpayers	121
J-9 Property Tax Levies and Collections	122
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	123
J-11 Ratios of General Bonded Debt Outstanding	124
J-12 Direct and Overlapping Governmental Activities Debt	125
J-13 Legal Debt Margin Information	126

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

Demographic and Economic Information	
J-14 Demographic and Economic Statistics	127
J-15 Principal Employers	128
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	129
J-17 Operating Statistics	130
J-18 School Building Information	131
J-19 Schedule of Required Maintenance Expenditures by School Facility	132
J-20 Insurance Schedule	133

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 Government Auditing Standards	135-136
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	137-139
K-3 Schedule of Expenditures of Federal Awards, Schedule A	140
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	141
K-5 Notes to the Schedules of Awards and Financial Assistance	142-143
K-6 Schedule of Findings and Questioned Costs	144-145
K-7 Summary Schedule of Prior Audit Findings	146

INTRODUCTORY SECTION

POINT PLEASANT SCHOOLS

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

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

September 10, 2019

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Point Pleasant Schools Board of Education (Board) for the fiscal year ended June 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped children. The District had on October 15, 2018 resident enrollment of 2,766 students, which is 41 students higher than the previous year's enrollment. The following details the changes in the enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2018-19	2,766	1.50%
2017-18	2,725	.03%
2016-17	2,717	(.83%)
2015-16	2,740	(4.00%)
2014-15	2,845	(1.00%)
2013-14	2,880	(1.34) %
2012-13	2,919	(.01) %
2011-12	2,952	(1.83) %
2010-11	3,007	(.96) %
2009-10	3,036	(2.8) %

2. ECONOMIC CONDITION AND OUTLOOK: The Point Pleasant area sees a slight increase in its school age population, as more families are moving into the area. Enrollment has fluctuated slightly over the last few years.

3. PROFESSIONAL DEVELOPMENT ACTIVITIES – 2018-2019

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

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

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

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

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

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

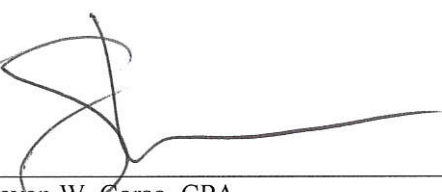
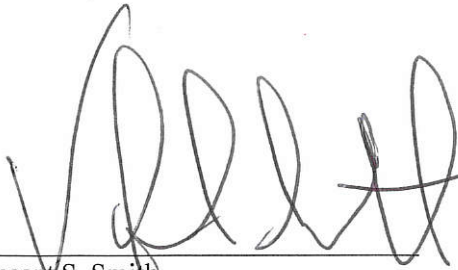
6. ACCOUNTING SYSTEM AND REPORTS: The Board's accounting records reflect generally accepted principles, as promulgated by the governmental accounting standards board (GASB). The accounting system of the Board is organized on the basis of funds and account groups. These funds and account groups are explained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

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

8. DEBT ADMINISTRATION: On January 29, 2014, the Board issued \$15,948,000 in additional school bonds. The purpose of this bond issuance was to make needed repairs to all four schools. As of June 30, 2019, the Board's outstanding debt issues included \$15,668,000 of general obligation bonds.
9. CASH MANAGEMENT: The investment policy of the Board is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The Board has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUPDA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
11. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the general purpose financial statement and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,

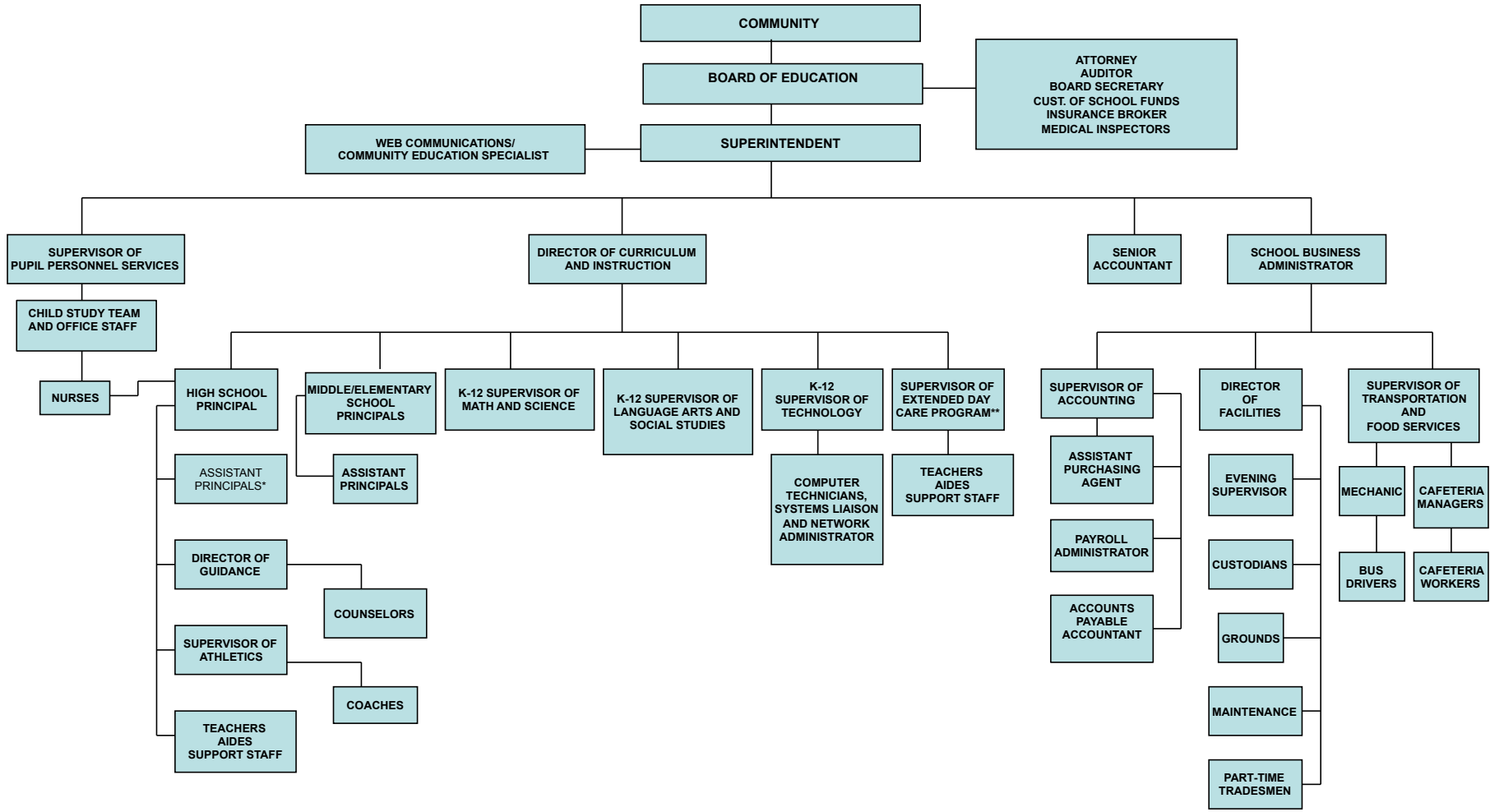


Vincent S. Smith
Superintendent of Schools

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

VS:SWC:lt

POINT PLEASANT SCHOOL DISTRICT TABLE OF ORGANIZATION



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

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

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

Roster of Officials
June 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
William Munn, President	2021
Joan Speroni, Vice President	2020
Larry Williams	2021
Jacquelyn Wieland	2019
John Florio	2021
Diane Peterson	2019
Cheryl Salway	2020

Other Officials

Vincent S. Smith, Superintendent of Schools

Susan Ladd, Director of Curriculum & Instruction

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

Laurie Considine, Treasurer of School Monies

Point Pleasant Borough Board of Education
Consultants and Advisors

Architect

Netta Architects
1084 Route 22 West
Mountainside, New Jersey 07092

Audit Firm

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

Attorney

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

Official Depositories

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Board of Education of Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey as of June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended is in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

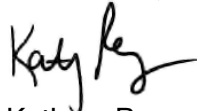
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 10, 2019 on our consideration of the Board of Education of the Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,

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



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

September 10, 2019

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Point Pleasant Borough Board of Education

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2019

Unaudited

The discussion and analysis of Point Pleasant Borough Board of Education's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2019. 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, 2019 are as follows:

Net position totaled \$17,366,637, which represents a 3.15 percent increase from June 30, 2018.

General revenues accounted for \$44,233,126 in revenue or 89.35 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,271,639 or 10.65 percent of total revenues of \$49,504,765.

Total assets decreased by \$1,056,332 as current assets increased by \$905,167 and capital assets, net decreased by \$1,961,499.

The School Board had \$48,974,119 in expenses; only \$5,271,639 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$44,233,126 were adequate to provide for these programs.

Among major funds, the General Fund had \$45,397,452 in revenues and \$44,420,906 in expenditures and transfers. The General Fund's balance increased \$976,546 over June 30, 2018. The General Fund's balance is \$6,321,012.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statement

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

Governmental Funds

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

Enterprise Fund

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

The School Board as a Whole

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

Table 1 provides a summary comparison of the School Board's net position for June 30, 2019 and 2018.

Table 1

Net Position as of June 30, 2019 and June 30, 2018

	June 30, 2019			June 30, 2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 6,719,145	\$ 435,123	\$ 7,154,268	\$ 5,912,520	\$ 336,581	\$ 6,249,101
Capital assets, net	<u>35,460,917</u>	<u>1,193,713</u>	<u>36,654,630</u>	<u>37,423,053</u>	<u>1,193,076</u>	<u>38,616,129</u>
Total assets	<u>42,180,062</u>	<u>1,628,836</u>	<u>43,808,898</u>	<u>43,335,573</u>	<u>1,529,657</u>	<u>44,865,230</u>
Deferred outflow of resources	<u>1,744,249</u>	<u>-</u>	<u>1,744,249</u>	<u>2,542,380</u>	<u>-</u>	<u>2,542,380</u>
Liabilities:						
Current liabilities	308,881	18,989	327,870	411,260	19,229	430,489
Long-term liabilities outstanding	<u>24,581,949</u>	<u>-</u>	<u>24,581,949</u>	<u>27,663,839</u>	<u>15,524</u>	<u>27,679,363</u>
Total liabilities	<u>24,890,830</u>	<u>18,989</u>	<u>24,909,819</u>	<u>28,075,099</u>	<u>34,753</u>	<u>28,109,852</u>
Deferred inflow of resources	<u>3,276,691</u>	<u>-</u>	<u>3,276,691</u>	<u>2,461,767</u>	<u>-</u>	<u>2,461,767</u>
Net position:						
Net investment in capital assets	19,471,452	1,193,713	20,665,165	20,159,519	1,193,076	21,352,595
Restricted	5,010,429	-	5,010,429	4,310,817	-	4,310,817
Unrestricted	<u>(8,725,091)</u>	<u>416,134</u>	<u>(8,308,957)</u>	<u>(9,129,249)</u>	<u>301,828</u>	<u>(8,827,421)</u>
Total Net Position	<u>\$ 15,756,790</u>	<u>\$ 1,609,847</u>	<u>\$ 17,366,637</u>	<u>\$ 15,341,087</u>	<u>\$ 1,494,904</u>	<u>\$ 16,835,991</u>

The School Board's combined net position was \$17,366,637 on June 30, 2019. This is a change of 3.15% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2019 and 2018.

Table 2

Changes in Net Position

	June 30, 2019			June 30, 2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ -	\$ 1,022,484	\$ 1,022,484	\$ -	\$ 965,466	\$ 965,466
Operating and capital grants and contributions	4,065,252	183,903	4,249,155	4,190,684	181,627	4,372,311
General revenues:						
Property taxes	36,705,165	-	36,705,165	35,163,615	-	35,163,615
Federal and state aid	6,674,092	-	6,674,092	7,039,440	-	7,039,440
Earnings on reserves	46,904	684	47,588	-	-	-
Miscellaneous	806,281	-	806,281	654,085	-	654,085
Total revenues	<u>48,297,694</u>	<u>1,207,071</u>	<u>49,504,765</u>	<u>47,047,824</u>	<u>1,147,093</u>	<u>48,194,917</u>
Expenses						
Instructional services	21,312,246	-	21,312,246	20,705,405	-	20,705,405
Support services	26,018,449	1,092,128	27,110,577	25,794,148	1,117,139	26,911,287
Interest on long-term liabilities	551,296	-	551,296	591,163	-	591,163
Total expenses	<u>47,881,991</u>	<u>1,092,128</u>	<u>48,974,119</u>	<u>47,090,716</u>	<u>1,117,139</u>	<u>48,207,855</u>
Change in net position	415,703	114,943	530,646	(42,892)	29,954	(12,938)
Net position - beginning	<u>15,341,087</u>	<u>1,494,904</u>	<u>16,835,991</u>	<u>15,383,979</u>	<u>1,464,950</u>	<u>16,848,929</u>
Net position (deficit) - ending	<u>\$ 15,756,790</u>	<u>\$ 1,609,847</u>	<u>\$ 17,366,637</u>	<u>\$ 15,341,087</u>	<u>\$ 1,494,904</u>	<u>\$ 16,835,991</u>

The tax levy increase was due to improve security within the district and in general to cover increased costs in salaries and benefits, utilities and the debt service and . 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, 2019

Business-Type Activities

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

Total Enterprise Fund revenues exceeded expenses by \$114,943.

Charges for services represent \$1,022,484 of revenue. This represents the amount paid by patrons for daily food service and child care.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$183,903.

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

	2019		2018	
	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	\$ 21,312,246	\$ 20,435,098	\$ 20,705,405	\$ 19,829,128
Support Services:				
Pupils and Instructional Staff	10,352,106	7,164,002	10,402,319	7,094,512
General Administration, School Administration, Business Operation and Maintenance of Facilities	14,246,626	14,246,626	13,966,955	13,960,355
Pupil Transportation	1,419,717	1,419,717	1,424,874	1,424,874
Interest and Fiscal Charges	<u>551,296</u>	<u>551,296</u>	<u>591,163</u>	<u>591,163</u>
Total Expenses	<u>\$ 47,881,991</u>	<u>\$ 43,816,739</u>	<u>\$ 47,090,716</u>	<u>\$ 42,900,032</u>

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

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

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

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

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

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

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2019, it reported a combined fund balance of \$6,321,012, which is an increase of \$953,989. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, 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, 2019.

<u>Revenue</u>	<u>2019 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 37,547,370	77.76 %	\$ 1,739,103	4.86 %
State Sources	9,645,409	19.97	(222,886)	(2.26)
Federal Sources	1,093,935	2.27	(267,894)	(19.67)
Other Financing Sources	1,418	-	(10,647)	(88.25)
Total	\$ <u>48,288,132</u>	<u>100.00</u> %	\$ <u>1,237,676</u>	<u>2.63</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, 2019.

<u>Expenditures</u>	<u>2019 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 18,787,271	39.69 %	\$ 545,359	2.99 %
Undistributed Expenditures	25,771,596	54.45	283,009	1.11
Capital Outlay	949,911	2.01	(910,331)	(48.94)
Debt Service:				
Principal	1,215,000	2.57	50,000	4.29
Interest	<u>610,365</u>	<u>1.29</u>	<u>(40,600)</u>	<u>(6.24)</u>
Total	\$ <u>47,334,143</u>	<u>100.01</u> %	\$ <u>(72,563)</u>	<u>(0.15)</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 \$3,083,898 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$263,471 more than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 97,486
Capital Reserve	845,008
Maintenance Reserve	1,305,016
Emergency Reserve	444,785
Excess Surplus - Current Year	465,620

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.

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

Revenues were primarily affected by an additional tax levy that was assessed to improve the security of students within the district and additional transportation reimbursements from other districts.

The excesses will be carried forward into the beginning fund balance from the 2018-2019 fiscal year and will be used to reduce the local tax levy for the 2020-2021 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2019, the School Board had \$36,654,630 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2019 and June 30, 2018

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 275,324	\$ 275,324	\$ -	\$ -	\$ 275,324	\$ 275,324
Construction in Progress	-	-	-	-	-	-
Building and Improvements	30,825,518	32,916,283	1,173,439	1,173,439	31,998,957	34,089,722
Machinery and Equipment	4,360,075	4,231,446	20,274	19,637	4,380,349	4,251,083
Total	\$ 35,460,917	\$ 37,423,053	\$ 1,193,713	\$ 1,193,076	\$ 36,654,630	\$ 38,616,129

During the current fiscal year, \$896,599 of capital 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:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Bonds Payable (net)	\$ 15,668,000	\$ 16,883,000
Capital Leases payable	224,572	296,272
Pension Liability-PERS	7,100,737	8,852,592
Compensated Absences payable	<u>1,588,640</u>	<u>1,631,975</u>
Total long-term liabilities	<u>\$ 24,581,949</u>	<u>\$ 27,663,839</u>

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

Economic Factors and Next Year's Budget

For the 2018-2019 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 22.24% of the School Board's revenue is from federal, state and other aid (restricted and not restricted), while 77.76% of total revenue is from local sources.

The \$(8,725,091) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would owe this value to debtors.

The 2018-2019 budget was adopted in March 2018 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Point Pleasant for increased aid.

The School Board anticipates a slight increase in enrollment for the 2019-2020 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

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

BASIC FINANCIAL STATEMENTS

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,494,339	\$ 407,103	\$ 3,901,442
Reserve accounts	2,594,809	-	2,594,809
Receivables - other	20,240	1,842	22,082
Receivables - state	486,516	356	486,872
Receivables - federal	123,241	8,716	131,957
Inventory	-	17,106	17,106
Capital assets, non-depreciable	275,324	-	275,324
Capital assets, depreciable, net	35,185,593	1,193,713	36,379,306
Total assets	<u>42,180,062</u>	<u>1,628,836</u>	<u>43,808,898</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	1,714,250	-	1,714,250
Deferred charge on refunding	29,999	-	29,999
Total deferred outflows of resources	<u>1,744,249</u>	<u>-</u>	<u>1,744,249</u>
LIABILITIES			
Accounts payable	165,828	-	165,828
Accrued payroll	30,647	-	30,647
Other liabilities	71,932	-	71,932
Unearned revenue	40,474	18,989	59,463
Noncurrent liabilities:			
Due within one year	1,432,508	-	1,432,508
Due beyond one year	23,149,441	-	23,149,441
Total liabilities	<u>24,890,830</u>	<u>18,989</u>	<u>24,909,819</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	2,925,227	-	2,925,227
Deferred premium on refunding	351,464	-	351,464
Total deferred inflows of resources	<u>3,276,691</u>	<u>-</u>	<u>3,276,691</u>
NET POSITION			
Net Investment in capital assets	19,471,452	1,193,713	20,665,165
Restricted for:			
Capital projects	845,008	-	845,008
Other purposes	4,165,421	-	4,165,421
Unrestricted	(8,725,091)	416,134	(8,308,957)
Total net position	<u>\$ 15,756,790</u>	<u>\$ 1,609,847</u>	<u>\$ 17,366,637</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 16,696,984	\$ -	\$ 877,148	\$ -	\$ (15,819,836)	\$ -	\$ (15,819,836)
Special education instruction	3,364,389	-	-	-	(3,364,389)	-	(3,364,389)
Other special instruction	1,250,873	-	-	-	(1,250,873)	-	(1,250,873)
Support services and undistributed costs:							
Instruction	2,270,969	-	41,640	-	(2,229,329)	-	(2,229,329)
Attendance and social work	139,933	-	-	-	(139,933)	-	(139,933)
Health services	466,052	-	28,498	-	(437,554)	-	(437,554)
Other support services	3,653,278	-	83,886	-	(3,569,392)	-	(3,569,392)
Improvement of instruction	120,806	-	7,778	-	(113,028)	-	(113,028)
Educational media services	400,734	-	-	-	(400,734)	-	(400,734)
Instruction staff training	274,032	-	-	-	(274,032)	-	(274,032)
General administrative services	718,518	-	-	-	(718,518)	-	(718,518)
School administrative services	2,018,978	-	-	-	(2,018,978)	-	(2,018,978)
School central services	592,961	-	-	-	(592,961)	-	(592,961)
School admin info technology	125,403	-	-	-	(125,403)	-	(125,403)
Allowed maintenance for school facilities	878,718	-	-	-	(878,718)	-	(878,718)
Other operation & maintenance of plant	2,406,092	-	-	-	(2,406,092)	-	(2,406,092)
Care & upkeep of grounds	272,188	-	-	-	(272,188)	-	(272,188)
Security	116,296	-	-	-	(116,296)	-	(116,296)
Student transportation services	1,419,717	-	-	-	(1,419,717)	-	(1,419,717)
Unallocated employee benefits	7,117,472	-	-	-	(7,117,472)	-	(7,117,472)
Non-budgeted expenditures	3,026,302	-	3,026,302	-	-	-	-
Interest expense	551,296	-	-	-	(551,296)	-	(551,296)
Total governmental activities	47,881,991	-	4,065,252	-	(43,816,739)	-	(43,816,739)
Business-type activities:							
Food Service	729,825	607,688	183,903	-	-	61,766	61,766
Child Care	362,303	414,796	-	-	-	52,493	52,493
Total business-type activities	1,092,128	1,022,484	183,903	-	-	114,259	114,259
Total primary government	\$ 48,974,119	\$ 1,022,484	\$ 4,249,155	\$ -	\$ (43,816,739)	\$ 114,259	\$ (43,702,480)

General revenues:

Taxes:			
Property taxes levied for general purpose		\$ 35,251,375	\$ 35,251,375
Taxes levied for debt service		1,453,790	1,453,790
Federal and state aid not restricted		6,674,092	6,674,092
Miscellaneous income		853,623	854,307
Loss on disposal of fixed assets		(438)	(438)
Total general revenues		44,232,442	44,233,126
Change in net position		415,703	530,646
Net position – beginning		15,341,087	16,835,991
Net position – ending		\$ 15,756,790	\$ 17,366,637

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,519,943	\$ (25,604)	\$ -	\$ -	\$ 3,494,339
Reserve accounts	2,594,809	-	-	-	2,594,809
Receivables from state	486,516	-	-	-	486,516
Receivables from federal	-	123,241	-	-	123,241
Other receivables	20,240	-	-	-	20,240
Total assets	<u>\$ 6,621,508</u>	<u>\$ 97,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,719,145</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 108,665	\$ 57,163	\$ -	\$ -	\$ 165,828
Accrued salaries and benefits	30,647	-	-	-	30,647
Other current liabilities	161,184	-	-	-	161,184
Unearned revenue	-	40,474	-	-	40,474
Total liabilities	<u>300,496</u>	<u>97,637</u>	<u>-</u>	<u>-</u>	<u>398,133</u>
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal					
Capital reserve account	845,008	-	-	-	845,008
Maintenance reserve account	1,305,016	-	-	-	1,305,016
Emergency reserve account	444,785	-	-	-	444,785
Excess surplus - current year	465,620	-	-	-	465,620
Excess surplus -- designated for subsequent year's expenditures	97,486	-	-	-	97,486
Assigned to:					
Other purposes	629,272	-	-	-	629,272
Designated by the BOE for subsequent year's expenditures	1,852,514	-	-	-	1,852,514
Unassigned to:					
General fund	681,311	-	-	-	681,311
Total fund balances	<u>6,321,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,321,012</u>
Total liabilities and fund balances	<u>\$ 6,621,508</u>	<u>\$ 97,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,719,145</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$71,806,174 and the accumulated depreciation is \$36,345,257.	35,460,917
Deferred outflows related to PERS pension plan	1,714,250
Deferred inflows related to the PERS plan	(2,925,227)
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$348,570.	29,999
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$756,570.	(351,464)
Long-term liabilities, including bonds payable but not including current portion of compensated absences of \$89,252 are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 12).	<u>(24,492,697)</u>
Net position of governmental activities	<u>\$ 15,756,790</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 35,251,375	\$ -	\$ -	\$ 1,453,790	\$ 36,705,165
Tuition charges	194,618	-	-	-	194,618
Interest earned on reserve funds	46,904	-	-	-	46,904
Transportation fees	113,415	-	-	-	113,415
Miscellaneous	460,903	26,365	-	-	487,268
Total - Local sources	36,067,215	26,365	-	1,453,790	37,547,370
State sources	9,273,834	-	-	371,575	9,645,409
Federal sources	54,985	1,038,950	-	-	1,093,935
Other financing sources	1,418	-	-	-	1,418
Total revenues	45,397,452	1,065,315	-	1,825,365	48,288,132
EXPENDITURES					
Current:					
Regular instruction	\$ 13,368,353	\$ 903,513	\$ -	\$ -	\$ 14,271,866
Special education instruction	3,278,797	-	-	-	3,278,797
Other special instruction	1,236,608	-	-	-	1,236,608
Undistributed - current:					
Instruction	1,986,817	41,640	-	-	2,028,457
Attendance and social work	139,933	-	-	-	139,933
Health services	437,554	28,498	-	-	466,052
Other support services	3,569,392	83,886	-	-	3,653,278
Improvement of instruction	113,028	7,778	-	-	120,806
Educational media services	400,734	-	-	-	400,734
Instruction staff training	274,032	-	-	-	274,032
General administrative services	718,518	-	-	-	718,518
School administrative services	1,931,736	-	-	-	1,931,736
School central services	592,961	-	-	-	592,961
School admin info technology	125,403	-	-	-	125,403
Required maintenance for school facilities	878,718	-	-	-	878,718
Other operation & maintenance of plant	2,409,262	-	-	-	2,409,262
Care & upkeep of grounds	272,188	-	-	-	272,188
Security	116,296	-	-	-	116,296
Student transportation services	1,419,717	-	-	-	1,419,717
Unallocated employee benefits	7,197,203	-	-	-	7,197,203
Non-budgeted expenditures	3,026,302	-	-	-	3,026,302
Debt service:					
Principal	-	-	-	1,215,000	1,215,000
Interest and other charges	-	-	-	610,365	610,365
Capital outlay	927,354	-	22,557	-	949,911
Total expenditures	44,420,906	1,065,315	22,557	1,825,365	47,334,143
Excess (Deficiency) of revenues over expenditures	976,546	-	(22,557)	-	953,989
Net change in fund balances	976,546	-	(22,557)	-	953,989
Fund balance—July 1	5,344,466	-	22,557	-	5,367,023
Fund balance—June 30	\$ 6,321,012	\$ -	\$ -	\$ -	\$ 6,321,012

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019

Total net change in fund balances - governmental funds (from B-2)		\$	953,989
<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	\$ (2,853,079)	
	Capital outlays	<u>891,381</u>	(1,961,698)
<p>In the statement of activities, only the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.</p>			
	Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2019	17,709	
	Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2019	<u>(18,147)</u>	(438)
<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>			
			79,731
<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>			
			1,215,000
<p>In the Statement of Activities, the amortization of bond premiums is recorded as interest expense. In the governmental funds, the amortization is not recorded and this change had no effect.</p>			
			66,570
<p>In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability. In the governmental funds, the payments is an expenditure.</p>			
			71,700
<p>In the Statement of Activities, the amortization of bond issuance costs is recorded as interest expense. In the governmental funds, the amortization is not recorded.</p>			
			(7,501)
<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>(1,650)</u>
Change in net position of governmental activities		\$	<u>415,703</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 127,596	\$ 279,507	\$ 407,103
Receivables from state	356	-	356
Receivables from federal	8,716	-	8,716
Other receivables	1,842	-	1,842
Inventories	17,106	-	17,106
Total current assets	<u>155,616</u>	<u>279,507</u>	<u>435,123</u>
Noncurrent assets:			
Furniture, machinery & equipment	1,533,391	3,487	1,536,878
Less accumulated depreciation	(340,428)	(2,737)	(343,165)
Total noncurrent assets	<u>1,192,963</u>	<u>750</u>	<u>1,193,713</u>
Total assets	<u>\$ 1,348,579</u>	<u>\$ 280,257</u>	<u>\$ 1,628,836</u>
LIABILITIES			
Current liabilities:			
Unearned revenue	\$ 18,989	\$ -	\$ 18,989
Total current liabilities	<u>18,989</u>	<u>-</u>	<u>18,989</u>
Noncurrent Liabilities:			
Compensated absences	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>18,989</u>	<u>-</u>	<u>18,989</u>
NET POSITION			
Net investment in capital assets	1,192,963	750	1,193,713
Restricted for:			
Other	-	-	-
Unrestricted	136,627	279,507	416,134
Total net position	<u>1,329,590</u>	<u>280,257</u>	<u>1,609,847</u>
Total liabilities and net position	<u>\$ 1,348,579</u>	<u>\$ 280,257</u>	<u>\$ 1,628,836</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Fund		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ 5,899	\$ -	\$ 5,899
School lunch	285,822	-	285,822
Total daily sales reimbursable programs	<u>291,721</u>	<u>-</u>	<u>291,721</u>
Daily sales non-reimbursable programs	226,997	-	226,997
Special functions	5,668	-	5,668
Miscellaneous	83,302	414,796	498,098
Total operating revenues	<u>607,688</u>	<u>414,796</u>	<u>1,022,484</u>
Operating expenses:			
Salaries	241,143	263,652	504,795
Employee benefits	117,441	63,792	181,233
Other purchased services	19,846	18,856	38,702
Supplies and materials	16,549	2,974	19,523
Utilities	27,845	12,924	40,769
Other objects	326	-	326
Depreciation	4,476	105	4,581
Cost of sales - reimbursable programs	220,899	-	220,899
Cost of sales - non-reimbursable programs	81,300	-	81,300
Total operating expenses	<u>729,825</u>	<u>362,303</u>	<u>1,092,128</u>
Operating income (loss)	<u>(122,137)</u>	<u>52,493</u>	<u>(69,644)</u>
Nonoperating revenues (expenses):			
Interest income	684	-	684
State sources:			
State school lunch program	6,048	-	6,048
Federal sources:			
School breakfast program	9,796	-	9,796
National school lunch program	134,341	-	134,341
Food distribution program	33,718	-	33,718
Total nonoperating revenues (expenses)	<u>184,587</u>	<u>-</u>	<u>184,587</u>
Income (loss) before contributions & transfers	<u>62,450</u>	<u>52,493</u>	<u>114,943</u>
Transfers in (out)	-	-	-
Change in net position	<u>62,450</u>	<u>52,493</u>	<u>114,943</u>
Total net position –beginning	1,267,140	227,764	1,494,904
Total net position –ending	<u>\$ 1,329,590</u>	<u>\$ 280,257</u>	<u>\$ 1,609,847</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 641,779	\$ 414,796	\$ 1,056,575
Payments to employees & benefits	(374,108)	(327,444)	(701,552)
Payments to suppliers	(362,685)	(34,754)	(397,439)
Net cash provided by (used in) operating activities	<u>(95,014)</u>	<u>52,598</u>	<u>(42,416)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	5,952	-	5,952
Federal sources	141,972	-	141,972
Net cash provided by (used in) non-capital financing activities	<u>147,924</u>	<u>-</u>	<u>147,924</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(5,218)	-	(5,218)
Net cash provided by (used in) capital and related financing activities	<u>(5,218)</u>	<u>-</u>	<u>(5,218)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	684	-	684
Net cash provided by (used in) investing activities	<u>684</u>	<u>-</u>	<u>684</u>
Net increase (decrease) in cash and cash equivalents	48,376	52,598	100,974
Balances—beginning of year	79,220	226,909	306,129
Balances—end of year	<u>\$ 127,596</u>	<u>\$ 279,507</u>	<u>\$ 407,103</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (122,137)	\$ 52,493	\$ (69,644)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and net amortization	4,476	105	4,581
Federal commodities	33,718	-	33,718
(Increase) decrease in accounts receivable, net	613	-	613
(Increase) decrease in inventories	4,080	-	4,080
Increase (decrease) in unearned revenue	(240)	-	(240)
Increase (decrease) in compensated absences	(15,524)	-	(15,524)
Total adjustments	<u>27,123</u>	<u>105</u>	<u>27,228</u>
Net cash provided by (used in) operating activities	<u>\$ (95,014)</u>	<u>\$ 52,598</u>	<u>\$ (42,416)</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 157,709	\$ 36,276	\$ 1,618,668
Total assets	<u>157,709</u>	<u>36,276</u>	<u>1,618,668</u>
LIABILITIES			
Accounts payable	-	-	-
Payroll deductions and withholdings	-	-	1,320,865
Payable to student groups	-	-	297,803
Total liabilities	<u>-</u>	<u>-</u>	<u>1,618,668</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	157,709	-	-
Designated for scholarships	-	36,276	-
Total net position	<u>157,709</u>	<u>36,276</u>	<u>-</u>
Total liabilities and net position	<u>\$ 157,709</u>	<u>\$ 36,276</u>	<u>\$ 1,618,668</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	<u>Unemployment Compensation Fund</u>	<u>Scholarship Funds</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	-	68,607	68,607
Total Contributions	<u>-</u>	<u>68,607</u>	<u>68,607</u>
Investment earnings:			
Interest	3,215	92	3,307
Net investment earnings	<u>3,215</u>	<u>92</u>	<u>3,307</u>
Total additions	<u>3,215</u>	<u>68,699</u>	<u>71,914</u>
DEDUCTIONS			
Scholarships awarded	-	64,551	64,551
Total deductions	<u>-</u>	<u>64,551</u>	<u>64,551</u>
Change in net position	3,215	4,148	7,363
Net position –beginning of the year	<u>154,494</u>	<u>32,128</u>	<u>186,622</u>
Net position –end of the year	<u>\$ 157,709</u>	<u>\$ 36,276</u>	<u>\$ 193,985</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

B. Basis of Presentation (Cont'd)

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

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

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

The District reports the following governmental funds:

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

B. Basis of Presentation (Cont'd)

General Fund (cont'd)

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

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

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

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

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

The District reports the following proprietary fund:

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

B. Basis of Presentation (Cont'd)

Enterprise Fund (cont'd)

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

Depreciation of all capital 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 Unemployment Compensation Trust Fund, Scholarship Fund and Agency Fund.

C. Basis of Accounting

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

C. Basis of Accounting (cont'd)

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

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

D. Property Taxes

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

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23A-16.2(f).. All budget amendments/transfers must be approved by Board resolution. Budget amendments during the year ended June 30, 2019 were insignificant.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

E. Budgets/Budgetary Control (cont'd)

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

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

F. Encumbrances

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

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

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

G. Cash, Cash Equivalents and Investments

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

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

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

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

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

H. Tuition Receivable

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

I. Tuition Payable

Tuition charges for the fiscal years 2018-2019 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

J. Inventories and Prepaid Expenses

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

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets

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

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

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

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

M. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2019, the amount earned by these employees but not disbursed was \$1,308,373.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

N. Compensated Absences

District employees are granted varying amounts of vacation and sick leave in accordance with the District's employment contracts. Vacation day allotments per year cannot be accumulated into the next fiscal year. Sick leave benefits provide for ordinary sick pay and are reimbursable in accordance with the individual's employment contract. The liability for vested compensated absences of the governmental fund types is recorded as a non-current liability in the governmental fund. The balance at June 30, 2019 is \$1,588,640.

O. Unearned Revenue

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

P. Accrued Liabilities and Long-Term Obligations

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

Q. Net Position

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

R. Fund Balance Reserves

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

R. Fund Balance Reserves (Cont'd)

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

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

4) Assigned - amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

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

S. Revenues - Exchange and Nonexchange Transactions

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

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

T. Operating Revenues and Expenses

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

U. Deferred Outflows/Inflows of Resources

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

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

V. Allocation of Indirect Expenses

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

W. Management Estimates

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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, 2019, the carrying amount of the District's deposits was \$8,308,904 and the bank balance was \$9,838,742. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

At June 30, 2019, the Board's bank balances of \$9,838,742 were exposed to Custodial Credit Risk as follows:

Insured	\$	500,000
Uninsured and Uncollateralized		<u>9,338,742</u>
	\$	<u><u>9,838,742</u></u>

The District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the district's name. At June 30, 2019, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

3. Investments

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

As of June 30, 2019, the District had no investments on deposit.

4. Capital Reserve Account

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

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

During the fiscal year ended June 30, 2019, the District had actual interest earnings of \$14,839 and had no transfers.

The activity of the Capital Reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance July 1, 2018	\$	730,169
Add:		
Increase per Resolution		300,000
Interest Earnings		14,839
Deposits		-
Less:		
Withdrawals per Budget		<u>(200,000)</u>
Ending Balance, June 30, 2019	\$	<u>845,008</u>

The June 30, 2019 LRFP balance of local support costs of uncompleted Capital Projects is \$34,441,500. There were no withdrawals from the capital reserve for DOE approved facilities projects.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

5. Maintenance Reserve Account

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

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

The balance in the Maintenance Reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2019.

The activity of the Maintenance Reserve for the July 01, 2018 to June 30, 2019 fiscal year is as follows:

Balance, July 01, 2018	\$ 1,171,703
Add:	
Increase per resolution	400,000
Interest earnings	23,313
Withdrawals per budget	<u>(290,000)</u>
Balance, June 30, 2019	<u>\$ 1,305,016</u>

6. Emergency Reserve Account

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

6. Emergency Reserve Account (Cont'd)

The activity of the Emergency Reserve for the July 01, 2018 to June 30, 2019 fiscal year is as follows:

Balance, July 01, 2018	\$ 393,902
Add:	
Increase per resolution	42,131
Interest earnings	<u>8,752</u>
Balance, June 30, 2019	\$ <u>444,785</u>

The balance in the Emergency Reserve can not exceed 1% of the district's general fund budget.

7. Receivables

Receivables at June 30, 2019, consisted of amounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
State Aid	\$ 486,516	\$ 486,872
Federal Aid	123,241	131,957
Other	<u>20,240</u>	<u>22,082</u>
Gross Receivables	629,997	640,911
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	\$ <u>629,997</u>	\$ <u>640,911</u>

8. Inventory

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food	\$ 5,862
Commodities	7,441
Supplies	<u>3,803</u>
	\$ <u>17,106</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

9. **Contingent liabilities**

Grant Programs

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

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

10. **Capital Assets**

Capital assets consisted of the following at June 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Site and Site improvements	\$ <u>275,324</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>275,324</u>
Total Capital Assets Not Being Depreciated	<u>275,324</u>	<u>-</u>	<u>-</u>	<u>275,324</u>
Capital Assets Being Depreciated				
Building and Building Improvements	60,133,122	105,649	-	60,238,771
Machinery and Equipment	<u>10,524,494</u>	<u>785,732</u>	<u>(18,147)</u>	<u>11,292,079</u>
Totals at Historical Cost	<u>70,657,616</u>	<u>891,381</u>	<u>(18,147)</u>	<u>71,530,850</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	27,216,839	2,196,414	-	29,413,253
Machinery and Equipment	<u>6,293,048</u>	<u>656,665</u>	<u>(17,709)</u>	<u>6,932,004</u>
Total Accumulated Depreciation	<u>33,509,887</u>	<u>2,853,079</u>	<u>(17,709)</u>	<u>36,345,257</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>37,147,729</u>	<u>(1,961,698)</u>	<u>(438)</u>	<u>35,185,593</u>
Government Activity Capital Assets, Net	<u>\$ 37,423,053</u>	<u>\$ (1,961,698)</u>	<u>\$ (438)</u>	<u>\$ 35,460,917</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ 1,173,439	\$ -	\$ -	\$ 1,173,439
Equipment	358,221	5,218	-	363,439
Less Accumulated Depreciation	<u>338,584</u>	<u>4,581</u>	<u>-</u>	<u>343,165</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,193,076</u>	<u>\$ 637</u>	<u>\$ -</u>	<u>\$ 1,193,713</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Capital Assets (Cont'd)

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

Regular Instruction	\$ 2,425,118
Student and Instruction Related Services	242,512
School Administration Services	85,592
Other Special Instruction	14,265
Special Education Instruction	<u>85,592</u>
Total depreciation expense	<u>\$ 2,853,079</u>

11. Operating Leases

The District has no material commitments under operating leases at June 30, 2019.

12. Non-current Liabilities

During the fiscal year ended June 30, 2019, the following changes occurred in the non-current liabilities:

	<u>Balance July 01, 2018</u>	<u>Increases/ (Decreases)</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 1,631,975	\$ (43,335)	\$ 1,588,640	\$ 89,252
Bonds Payable	16,883,000	(1,215,000)	15,668,000	1,270,000
Lease Payable	296,272	(71,700)	224,572	73,256
Pension Liability-PERS	<u>8,852,592</u>	<u>(1,751,855)</u>	<u>7,100,737</u>	<u>-</u>
Total	<u>\$ 27,663,839</u>	<u>\$ (3,081,890)</u>	<u>\$ 24,581,949</u>	<u>\$ 1,432,508</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, capital leases, and the net pension liability are liquidated by the general fund.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

12. Non-current Liabilities (Cont'd)

A. Bonds Payable

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,270,000	\$ 568,015	\$ 1,838,015
2021	1,320,000	523,715	1,843,715
2022	1,375,000	477,715	1,852,715
2023	1,435,000	423,065	1,858,065
2024	760,000	366,015	1,126,015
2025-2029	4,295,000	1,463,750	5,758,750
2030-2034	<u>5,213,000</u>	<u>648,900</u>	<u>5,861,900</u>
	<u>\$ 15,668,000</u>	<u>\$ 4,471,175</u>	<u>\$ 20,139,175</u>

B. Bonds Authorized But Not Issued

As of June 30, 2019, the District had no authorized but not issued bonds.

C. Capital Leases

The District is leasing equipment under various capital leases. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of June 30, 2019:

Year ended June 30,

2020	\$ 78,129
2021	78,129
2022	<u>78,129</u>
Total minimum lease payments	234,387
Less: amounts representing interest	<u>(9,815)</u>
Present value of lease payments	<u>\$ 224,572</u>

Amortization of the leased equipment under capital assets is included with depreciation expense.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* 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 2018, the State's pension contribution was less than the actuarial determined amount.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

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

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2019, the School District reported a liability of \$7,100,737 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. 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, 2018. 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, 2018. The School District's proportion measured as of June 30, 2018, was .0360635693%, which was a decrease of .0019656390% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized full accrual pension expense of \$612,517 in the government-wide financial statements consisting of employer contributions of \$358,716 and non-employer contributions of \$253,801. This pension expense was based on the pension plans June 30, 2018 measurement date. At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 135,412	\$ 36,614
Changes of assumptions	1,170,084	2,270,436
Net difference between projected and actual earnings on pension plan investments	-	66,605
Changes in proportion and differences between District contributions and proportionate share of contributions	35,455	551,572
District contributions subsequent to the measurement date	<u>373,299</u>	<u>-</u>
Total	<u>\$ 1,714,250</u>	<u>\$ 2,925,227</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

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

\$373,299 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2018-2019 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2020 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:	
2019	\$ 73,096
2020	(101,202)
2021	(725,697)
2022	(629,046)
2023	(201,429)
Thereafter	-
Total	<u>\$ (1,584,278)</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	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 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018, 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 50% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, 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, 2018 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the net pension liability	8,928,359	7,100,737	5,567,479

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2019 and 2018:

	<u>6/30/19</u>	<u>6/30/18</u>
Collective Deferred Outflows of Resources	(2,961,883,924)	723,829,861
Collective Deferred Inflows of Resources	-	-
Collective Net Pension Liability	19,689,501,539	23,278,401,588
School District's Portion	.0360635693%	.0380292083%

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF)

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

The vesting and benefit provisions are set by N.J.S.A 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, 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, 2018 was \$114,798,926. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the State proportionate share of the TPAF net pension liability attributable to the School District was .18045080460%, which was an increase of .0017893190% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized a pension expense in the amount of \$3,633,154 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, 2018 measurement date.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2017 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, 2018) 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, 2018 are summarized in the following table:

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018, 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.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (Cont'd)

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2018 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 (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's proportionate share of the net pension liability	136,092,198	114,798,926	97,769,443

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

C. Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2019 were \$31,107. There was no liability for unpaid contributions at June 30, 2019.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

14. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with, P.L. 1994 c. 62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.
(GASB Cod. Sec. 2300.106(g))

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

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

Employees covered by benefit terms

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	145,050
Active plan members	<u>217,131</u>
Total	<u><u>362,181</u></u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

14. Post-Retirement Benefits (cont'd)

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other imputes

The total OPEB liability in the June 30, 2018 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	3.87
Healthcare Cost Trend Rates	4.5%-5.9%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for PERS-June 30, 2014; TPAF-June 30, 2015 and PFRS-June 30, 2013.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

14. Post-Retirement Benefits (cont'd)

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

Balance at June 30, 2017	\$ 53,639,841,858
Changes for the year:	
Service cost	1,984,642,729
Interest on the total OPEB liability	1,970,236,232
Differences Between Expected and Actual Experience	(5,002,065,740)
Changes of assumptions	(5,291,448,855)
Gross benefit payments by the state	(1,232,987,247)
Contributions from the member	<u>42,614,005</u>
Net changes	<u>(7,529,008,876)</u>
Balance at June 30, 2018	<u>\$ 46,110,832,982</u>

Discount rate

The discount rate was 3.58% percent in 2017 and 3.87% percent in 2018. This represents the municipal bond rate chosen by the State of New Jersey Division of Pension and Benefits. The source is the Bond Buyer Go 20-Bond municipal bond index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

The following presents the June 30, 2018 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 (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability of the State for School Retirees	\$54,512,391,175	\$46,110,832,982	\$39,432,461,816
Total OPEB Liability of the State Associated with the School District for School Retirees	\$107,809,246	\$91,193,468	\$77,985,644

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

14. Post-Retirement Benefits (cont'd)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount is 5.8% and decreases to a 5.0% long term trend rate after eight 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 5.8% and decreases to a 5.0% long term rate after eight years. For prescription drug benefits, the initial trend rate is 8% and decreases to 5.0% long term rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

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

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

	<u>1%</u> <u>Decrease</u>	<u>Trend Rate</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability of the State for School Retirees	\$38,113,289,045	\$46,110,832,982	\$56,687,891,003
Total OPEB Liability of the State Associated with the School District for School Retirees	\$75,376,709	\$91,193,468	\$112,111,736

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

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$1,647,993 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Point Pleasant Borough Board of Education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

14. Post-Retirement Benefits (cont'd)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (4,476,086,167)
Changes of assumptions	-	(10,335,978,867)
Contributions made in fiscal year ending 2018 after June 30, 2017 measurement date	-	-
Total	<u>\$ -</u>	<u>\$ (14,812,065,034)</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:	
2019	\$ (1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
2023	(1,825,218,593)
Thereafter	<u>(5,685,972,069)</u>
Total	<u>\$ (14,812,065,034)</u>

15. Deferred Compensation

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

Ameriprise Financial Services, Inc	MetLife Investors
Aspire Financial Services	ROTH - Metlife
AXA Equitable Life Insurance Company	Security Benefit
Fidelity Management Trust	AIG Retirement Services
Lincoln Investment Planning	National Life Group
MetLife	

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

16. Risk Management

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Ending Balance</u>
2019	\$ -	\$ -	\$ 3,215	\$ 157,709
2018	-	-	1,831	154,494
2017	-	-	868	152,663

17. Interfund Receivables and Payables

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

No interfund balances remained on the balance sheet at June 30, 2019.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

18. Compensated Absences

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

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

19. Fund Balances

General Fund - of the \$6,321,012 General Fund balance at June 30, 2019, \$629,272 of encumbrances is assigned to other purposes, \$845,008 is restricted for capital reserve, \$1,305,016 is restricted for maintenance reserve, \$444,785 is restricted for emergency reserve, \$465,620 is restricted for excess surplus, \$97,486 is restricted for excess surplus for subsequent year expenditures, \$1,852,514 has been classified as assigned fund balance designated for subsequent year expenditures, and \$681,311 is unassigned.

20. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was \$465,620 calculated as excess surplus at June 30, 2019.

21. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2019. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2016.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

22. Subsequent Events

Management has evaluated subsequent events through September 10, 2019, the date the financial statements were available to be issued.

23. Tax Abatement

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

24. Economic Dependency

The School district receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District's programs and activities.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2019

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 35,053,375	\$ 198,000	\$ 35,251,375	\$ 35,251,375	\$ -
Interest earned on emergency reserve	1,000	(1,000)	-	8,752	8,752
Interest earned on maintenance reserve	2,700	(2,700)	-	23,313	23,313
Interest earned on capital reserve funds	2,000	(2,000)	-	14,839	14,839
Transportation fees from other LEA's	80,000	-	80,000	113,415	33,415
Tuition - from individuals	175,000	-	175,000	135,680	(39,320)
Tuition - from other LEA's within the state	10,000	-	10,000	58,938	48,938
Rents and Royalties	25,000	-	25,000	46,538	21,538
Miscellaneous	235,000	30,700	265,700	414,365	148,665
Total - local sources	35,584,075	223,000	35,807,075	36,067,215	260,140
State sources:					
Categorical Transportation aid	405,670	(364,599)	41,071	41,071	-
Special Education Categorical Aid	1,663,733	-	1,663,733	1,663,733	-
Security aid	184,043	-	184,043	184,043	-
Equalization aid	3,924,507	-	3,924,507	3,924,507	-
Extraordinary aid	300,000	-	300,000	414,738	114,738
Non-public transportation	-	-	-	5,263	5,263
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	3,127	3,127
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	1,647,993	1,647,993
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	3,633,154	3,633,154
TPAF social security (reimbursed - Non-budgeted)	-	-	-	1,375,182	1,375,182
Total state sources	6,477,953	(364,599)	6,113,354	12,892,811	6,779,457
Federal sources:					
Medicaid reimbursement	31,474	-	31,474	54,985	23,511
Total federal sources	31,474	-	31,474	54,985	23,511
Other financing sources					
Sale or compensation for loss of F/A	-	-	-	1,418	1,418
Total other financing sources	-	-	-	1,418	1,418
Total revenues	42,093,502	(141,599)	41,951,903	49,016,429	7,064,526
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	786,599	(46,705)	739,894	739,448	446
Grades 1-5 - Salaries of teachers	4,121,530	(20,765)	4,100,765	4,087,163	13,602
Grades 6-8 - Salaries of teachers	3,244,671	(10,269)	3,234,402	3,230,639	3,763
Grades 9-12 - Salaries of teachers	4,067,756	125,103	4,192,859	4,171,692	21,167
Regular Programs - Home Instruction:					
Salaries of teachers	73,000	(1,710)	71,290	39,058	32,232
Purchased professional-educational services	28,000	345	28,345	14,159	14,186
Regular Programs - Undistributed Instruction					
Other salaries for instruction	-	122	122	122	-
Purchased professional-educational services	23,800	2,242	26,042	20,627	5,415
Purchased technical services	33,750	(4,500)	29,250	28,511	739
Other purchased services (400-500 series)	154,503	16,474	170,977	146,959	24,018
General supplies	691,930	152,734	844,664	712,531	132,133
Textbooks	57,610	137,449	195,059	174,085	20,974
Other objects	13,920	(230)	13,690	3,359	10,331
TOTAL REGULAR PROGRAMS - INSTRUCTION	13,297,069	350,290	13,647,359	13,368,353	279,006
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	70,116	1,875	71,991	71,774	217
Other salaries for instruction	15,193	-	15,193	15,193	-
General supplies	500	-	500	218	282
Textbooks	150	-	150	-	150
Total Behavioral Disabilities	85,959	1,875	87,834	87,185	649
Multiple Disabilities:					
Salaries of Teachers	385,447	24,671	410,118	388,963	21,155
Other salaries for instruction	71,678	14,042	85,720	85,228	492
General supplies	1,000	49	1,049	601	448
Total Multiple Disabilities	458,125	38,762	496,887	474,792	22,095
Resource Room/Resource Center:					
Salaries of Teachers	2,271,759	73,829	2,345,588	2,339,150	6,438
Other Salaries for Instruction	179,082	(30,744)	148,338	140,865	7,473
General supplies	4,500	(297)	4,203	3,316	887
Textbooks	1,500	(1,000)	500	81	419
Total Resource Room/Resource Center	2,456,841	41,788	2,498,629	2,483,412	15,217
Autism:					
Salaries of Teachers	75,172	1,218	76,390	75,454	936
Other purchased services (400-500 series)	250	-	250	-	250
General Supplies	1,250	-	1,250	437	813
Total Autism	76,672	1,218	77,890	75,891	1,999
Preschool Disabilities - Full-Time:					
Salaries of Teachers	104,196	220	104,416	103,699	717
Other Salaries for Instruction	51,587	3,589	55,176	52,966	2,210
General Supplies	1,650	(772)	878	852	26
Total Preschool Disabilities - Full-Time	157,433	3,037	160,470	157,517	2,953

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2019

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Salaries of Teachers	15,000	-	15,000	-	15,000
Purchased Professional-Educational Services	500	-	500	-	500
Total Home Instruction	<u>15,500</u>	<u>-</u>	<u>15,500</u>	<u>-</u>	<u>15,500</u>
TOTAL SPECIAL EDUCATION- INSTRUCTION	<u>3,250,530</u>	<u>86,680</u>	<u>3,337,210</u>	<u>3,278,797</u>	<u>58,413</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	292,950	(188,053)	104,897	103,319	1,578
Other Purchased Services (400-500 series)	88,100	2,700	90,800	90,800	-
General Supplies	9,100	(105)	8,995	8,408	587
Other Objects	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	<u>390,150</u>	<u>(185,458)</u>	<u>204,692</u>	<u>202,527</u>	<u>2,165</u>
Bilingual Education - Instruction					
Salaries of Teachers	102,443	14,867	117,310	114,194	3,116
Purchased Prof - Ed.Services	-	400	400	-	400
Other Purchased Services (400-500 series)	400	250	650	150	500
General Supplies	650	(650)	-	-	-
Total Bilingual Education - Instruction	<u>103,493</u>	<u>14,867</u>	<u>118,360</u>	<u>114,344</u>	<u>4,016</u>
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	188,743	2,745	191,488	183,118	8,370
Purchased Services (300-500 series)	16,200	(6,890)	9,310	6,384	2,926
Supplies and Materials	21,905	11,060	32,965	27,979	4,986
Other Objects	4,040	-	4,040	3,850	190
Total School-Spon. Cocurricular Actvts. - Instruction	<u>230,888</u>	<u>6,915</u>	<u>237,803</u>	<u>221,331</u>	<u>16,472</u>
School-Spon. Athletics - Instruction					
Salaries	447,489	4,941	452,430	451,589	841
Purchased Services (300-500 series)	148,650	4,390	153,040	151,857	1,183
Supplies and Materials	90,100	4,493	94,593	93,310	1,283
Other Objects	500	750	1,250	1,250	-
Total School-Spon. Cocurricular Actvts. - Instruction	<u>686,739</u>	<u>14,574</u>	<u>701,313</u>	<u>698,006</u>	<u>3,307</u>
Other Instructional Programs - Instruction					
Purchased prof & tech services	10,000	-	10,000	400	9,600
Total Other Instructional Programs - Instruction	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>400</u>	<u>9,600</u>
Total Instruction	<u>17,968,869</u>	<u>287,868</u>	<u>18,256,737</u>	<u>17,883,758</u>	<u>372,979</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - Special	109,088	22,942	132,030	102,080	29,950
Tuition to Co. Voc. School Dist. - reg.	82,550	-	82,550	75,270	7,280
Tuition to Co.Spec. Serv. & Reg. Day schools	236,253	40,104	276,357	263,182	13,175
Tuition to Private Sch for Disbl w/ State	2,202,842	(513,082)	1,689,760	1,380,835	308,925
Tuition - State Facilities	36,247	-	36,247	36,247	-
Tuition - Other	41,231	88,494	129,725	129,203	522
Total Undistributed Expenditures - Instruction:	<u>2,708,211</u>	<u>(361,542)</u>	<u>2,346,669</u>	<u>1,986,817</u>	<u>359,852</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	141,165	(2,403)	138,762	138,762	-
Other Purchased Services (400-500 series)	250	-	250	-	250
Supplies and Materials	1,500	(102)	1,398	1,171	227
Total Undistributed Expend. - Attend. & Social Work	<u>142,915</u>	<u>(2,505)</u>	<u>140,410</u>	<u>139,933</u>	<u>477</u>
Undist. Expend. - Health Services					
Salaries	393,507	8,008	401,515	400,232	1,283
Purchased professional and technical services	34,300	3,300	37,600	30,798	6,802
Other purchased services (400-500 series)	1,870	64	1,934	776	1,158
Supplies and materials	7,430	(403)	7,027	5,748	1,279
Total Undistributed Expenditures - Health Services	<u>437,107</u>	<u>10,969</u>	<u>448,076</u>	<u>437,554</u>	<u>10,522</u>
Undist. Expend. - Other Support Services - Students - Related Service					
Salaries	299,575	(4,848)	294,727	294,219	508
Purchased Prof. Ed. Services	397,872	(1,078)	396,794	351,666	45,128
Supplies and Materials	2,200	(850)	1,350	1,197	153
Other objects	-	495	495	495	-
Total Undist. Expend. - Other Support Services - Students - Related Service	<u>699,647</u>	<u>(6,281)</u>	<u>693,366</u>	<u>647,577</u>	<u>45,789</u>
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	837,604	(49,431)	788,173	759,764	28,409
Purchased Prof. Ed. Services	270,102	59,729	329,831	198,322	131,509
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	<u>1,107,706</u>	<u>10,298</u>	<u>1,118,004</u>	<u>958,086</u>	<u>159,918</u>
Undist. Expend. - Other Support Services Students-Regular					
Salaries of Other Professional Staff	824,347	(67,561)	756,786	746,490	10,296
Salaries of Secretarial and Clerical Assistants	132,118	-	132,118	131,918	200
Other Salaries	5,000	-	5,000	2,040	2,960
Unused Vac Payment to Term/Ret Staff	-	4,832	4,832	60	4,772
Other Purch. Prof. & Tech. Svc.	4,832	(182)	4,650	2,167	2,483
Other Purchased Services (400-500 series)	5,150	7,973	13,123	11,386	1,737
Supplies and Materials	11,800	(11,020)	780	169	611
Other Objects	780	(780)	-	-	-
Total Undist. Expend. - Other Support Services - Students-Regular	<u>984,027</u>	<u>(66,738)</u>	<u>917,289</u>	<u>894,230</u>	<u>23,059</u>
Undist. Expend. - Other Support Services - Students-Special					
Salaries of Other Professional Staff	874,087	(1,925)	872,162	872,162	-
Salaries of Secretarial and Clerical assistants	133,958	(15,428)	118,530	117,148	1,382
Purchased Professional - Educational Services	30,000	27,633	57,633	50,753	6,880
Other Purchased Prof. & Tech. Services	8,000	-	8,000	8,000	-
Other Purchased Services (400-500 series)	14,500	(1,969)	12,531	9,551	2,980
Supplies and Materials	7,500	3,156	10,656	10,392	264
Other Objects	1,450	360	1,810	1,493	317
Total Undist. Expend. - Other Support Services - Students-Special	<u>1,069,495</u>	<u>11,827</u>	<u>1,081,322</u>	<u>1,069,499</u>	<u>11,823</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2019

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
Undlst. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.					
Salaries Superv. Of Instr.	84,544	-	84,544	84,544	-
Salaries Other Prof. Staff	-	-	-	-	-
Salaries Secr. & Clerical Asst.	10,907	-	10,907	10,907	-
Other Salaries	16,000	3,375	19,375	14,475	4,900
Supplies and Materials	3,100	2	3,102	3,102	-
Total Undlst. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.	114,551	3,377	117,928	113,028	4,900
Undlst. Expend. - Educational Media Services/School Library					
Salaries	279,112	3,663	282,775	280,381	2,394
Salaries of Technology Coordinators	73,921	-	73,921	73,785	136
Purchased Prof & Tech Svc.	6,090	(172)	5,918	5,270	648
Other Purchased Services (400-500)	1,500	-	1,500	80	1,420
Supplies and Materials	42,300	2,136	44,436	41,218	3,218
Total Undlst. Expend. - Educational Media Services/School Library	402,923	5,627	408,550	400,734	7,816
Undlst. Expend. - Instruction Staff Training Services					
Salaries of Supervisors of Instruction	84,544	-	84,544	84,544	-
Salaries of Other Professional Staff	24,700	33,646	58,346	35,209	23,137
Salaries of Secretarial & Clerical Assistants	32,721	-	32,721	32,721	-
Purchased Professional - Educational Services	31,500	(2,923)	28,577	28,555	22
Other Purchased Services (400-500 series)	36,850	3,431	40,281	29,918	10,363
Supplies and Materials	50,500	11,348	61,848	61,285	563
Other objects	-	1,800	1,800	1,800	-
Total Undlst. Expend. - Instruction Staff Training Services	260,815	47,302	308,117	274,032	34,085
Undlst. Expend. - Support Service - General Administration					
Salaries	360,484	5,114	365,598	365,598	-
Legal Services	105,000	12,226	117,226	85,234	31,992
Audit Fees	22,000	-	22,000	22,000	-
Architectural/Engineering Services	32,000	12,631	44,631	14,586	30,045
Other Purchased Professional Services	1,000	-	1,000	-	1,000
Communications/Telephone	59,900	(1,098)	58,802	37,640	21,162
BOE Other Purchased Services	9,600	(2,900)	6,700	1,600	5,100
Misc. Purch. Serv.(400-500)	184,450	(13,591)	170,859	153,592	17,267
General Supplies	4,250	3,455	7,705	7,660	45
BOE In-house Training/Meeting Supplies	1,800	(42)	1,758	1,040	718
Judgments Against the School District	20,000	-	20,000	-	20,000
Miscellaneous Expenditures	29,300	1,926	31,226	29,568	1,658
Total Undlst. Expend. - Support Service - General Administration	829,784	17,721	847,505	718,518	128,987
Undlst. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant principals	1,473,339	(7,961)	1,465,378	1,439,734	25,644
Salaries of Secretarial and Clerical Assistants	463,939	(5,300)	458,639	451,393	7,246
Other Purchased Services (400-500 series)	13,350	1,098	14,448	11,691	2,757
Supplies and Materials	16,250	3,730	19,980	15,382	4,598
Other Objects	14,200	(210)	13,990	13,536	454
Total Undlst. Expend. - Support Service - School Administration	1,981,078	(8,643)	1,972,435	1,931,736	40,699
Undistributed Expenditures- Central Services					
Salaries	558,374	(13,832)	544,542	536,342	8,200
Purchased Professional Services	5,700	45	5,745	3,336	2,409
Purchase Technical Services	39,122	(2,626)	36,496	36,213	283
Misc. Purchased Services	4,300	2,244	6,544	5,496	1,048
Supplies and Materials	7,500	860	8,360	7,819	541
Miscellaneous Expenditures	3,250	972	4,222	3,755	467
Total Central Services	618,246	(12,337)	605,909	592,961	12,948
Administration Information Technology					
Salaries	125,539	-	125,539	125,403	136
Total Admin info tech	125,539	-	125,539	125,403	136
Interest Earned on Maintenance Reserve					
Interest earned on maintenance reserve	-	-	-	-	-
Total Interest Earned on Maintenance Reserve	-	-	-	-	-
Required Maint for School Facilities					
Salaries	35,000	(8,944)	26,056	9,478	16,578
Cleaning, Repair and Maintenance Services	824,714	103,428	928,142	785,554	142,588
General Supplies	87,600	4,254	91,854	76,498	15,356
Other Objects	6,500	814	7,314	7,188	126
Total Required Maintenance for School Facilities	953,814	99,552	1,053,366	878,718	174,648
Custodial Services					
Salaries	177,240	(2,496)	174,744	169,381	5,363
Purchased Professional and Technical Services	1,322,846	(10,718)	1,312,128	1,267,155	44,973
Cleaning, Repair and Maintenance Services	65,450	2,995	68,445	55,022	13,423
Rental of Land and Building Other than Lease	12,000	125	12,125	12,125	-
Other Purchased Property Services	49,000	12,605	61,605	34,937	26,668
Insurance	131,500	24,292	155,792	128,784	27,008
Miscellaneous Purchased Services	40,000	26,529	66,529	52,776	13,753
General Supplies	2,500	8,791	11,291	9,717	1,574
Energy (Natural Gas)	276,500	31,526	308,026	224,577	83,449
Energy (Electricity)	530,000	2,195	532,195	454,788	77,407
Total Custodial services	2,607,036	95,844	2,702,880	2,409,262	293,618
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	169,334	1	169,335	169,335	-
Cleaning, Repair and Maintenance Services	75,500	42,568	118,068	96,040	22,028
General Supplies	23,500	-	23,500	6,813	16,687
Total Care and Upkeep of Grounds	268,334	42,569	310,903	272,188	38,715

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2019

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
Security					
Salaries	98,642	5,413	104,055	96,000	8,055
Purchased Professional and Technical Services	-	200,739	200,739	2,739	-
Cleaning, Repair and Maintenance Services	51,714	(4,284)	47,430	16,378	31,052
General Supplies	17,000	-	17,000	1,179	15,821
Total Security	<u>167,356</u>	<u>201,868</u>	<u>369,224</u>	<u>116,296</u>	<u>54,928</u>
Total Oper. And Maintenance of Plant Services	<u>3,996,540</u>	<u>439,833</u>	<u>4,436,373</u>	<u>3,676,464</u>	<u>561,909</u>
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	394,045	44,358	438,403	433,663	4,740
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	162,998	69,304	232,302	231,877	425
Salaries for Pupil Transportation (Other than Between Home and School)	115,668	(84)	115,584	94,802	20,782
Salaries for Pupil Transportation (Between Home and School) - Non Public Schools	21,981	834	22,815	17,170	5,645
Management Fee - ESC Trans. Program	22,400	197	22,597	18,346	4,251
Other Purchased Professional & Technical Services	11,400	12,081	23,481	18,658	4,823
Cleaning, Repair and Maint. Services	18,500	221	18,721	9,923	8,798
Lease purchase payments - School buses	78,630	-	78,630	78,129	501
Contract Svc (btw Home & Sch.)-vendors	20,000	-	20,000	2,520	17,480
Contr Serv (Oth.than Bet Home & Sch) - Vend	7,000	-	7,000	2,399	4,601
Contract Svc (btw home & sch.)-joint agree	39,000	-	39,000	34,830	4,170
Contract Serv. (Sp Ed Stds) - Vendors	35,000	-	35,000	21,860	13,140
Contract Serv. (Sp Ed Stds) - Joint Agrmnts	-	5,000	5,000	-	5,000
Contract Serv. (Reg Students) - ESCs & CSTAs	90,000	(1,099)	88,901	53,366	35,535
Contract Serv.(Spl. Ed. Students) - ESCs & CTAs	375,000	(5,135)	369,865	282,741	87,124
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	8,500	-	8,500	4,000	4,500
Misc. Purchased Services - Transportation	20,500	3,106	23,606	23,073	533
General Supplies	5,000	(2,971)	2,029	1,219	810
Transportation Supplies	106,000	10,051	116,051	90,741	25,310
Other Objects	750	-	750	400	350
Total Student Transportation Services	<u>1,532,372</u>	<u>135,863</u>	<u>1,668,235</u>	<u>1,419,717</u>	<u>248,518</u>
Interest Earned on Current Expense Emergency Reserve					
Interest earned on Maintenance Reserve	2,700	(2,700)	-	-	-
Interest earned on current expense emergency reserve	1,000	(1,000)	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	<u>3,700</u>	<u>(3,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Personal Services- Employee Benefits					
Group insurance	-	5,520	5,520	5,520	-
Social Security Contributions	385,000	20,480	405,480	398,888	6,592
Other Retirement Contributions-PERS	397,000	(1,800)	395,200	373,299	21,901
Unemployment Compensation	98,000	-	98,000	94,315	3,685
Workmen's Compensation	205,000	1,613	206,613	194,890	11,723
Health Benefits	7,173,943	(241,339)	6,932,604	6,005,116	927,488
Tuition Reimbursement	16,000	3,570	19,570	6,800	12,770
Other Employee Benefits	148,000	(4,613)	143,387	118,375	25,012
Unused sick payments to terminated/retired	-	-	-	-	-
Total Personal Services-Employee Benefits	<u>8,422,943</u>	<u>(216,569)</u>	<u>8,206,374</u>	<u>7,197,203</u>	<u>1,009,171</u>
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF LTDL (non-budgeted)	-	-	-	3,127	(3,127)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	1,647,993	(1,647,993)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	3,633,154	(3,633,154)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,375,182	(1,375,182)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,659,456</u>	<u>(6,659,456)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>8,422,943</u>	<u>(216,569)</u>	<u>8,206,374</u>	<u>13,856,659</u>	<u>(5,650,285)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>25,437,599</u>	<u>4,502</u>	<u>25,442,101</u>	<u>29,242,948</u>	<u>(3,800,847)</u>
TOTAL GENERAL CURRENT EXPENDITURES	<u>43,406,468</u>	<u>292,370</u>	<u>43,698,838</u>	<u>47,126,706</u>	<u>(3,427,868)</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2019

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Grades 9-12	-	-	-	-	-
Special Education- Instruction:					
Preschool handicapped - Part-time	-	-	-	-	-
Basic skills/Remedial - Instruction	-	-	-	-	-
Bilingual education - Instruction	-	-	-	-	-
School - Sponsored and Other Instructional Program	-	16,285	16,285	6,285	10,000
General Administration					
Undist. Expend.-Support Serv.-Child Study Teams	-	-	-	-	-
Undist.Exp.-Req. Maint. Schl Facilities					
Support Services-students- Regular	-	-	-	-	-
Support Services-students- Special Education	-	2,795	2,795	2,795	-
Support Services-instruction-staff	-	2,235	2,235	2,235	-
Central Service	-	-	-	-	-
Undist. Exp.-Req. Maint. Schl Facilities	695,000	(54,458)	640,542	597,750	42,792
Undist. Exp.-Student Trans. - Non-Inst. Equip.	94,000	(94,000)	-	-	-
Undistributed exp.-Non-instructional services					
Non-instructional Equip.	-	38,663	38,663	-	38,663
School Buses -Regular	-	146,963	146,963	44,718	102,245
Total Equipment	<u>789,000</u>	<u>58,483</u>	<u>847,483</u>	<u>653,783</u>	<u>193,700</u>
Facilities Acquisition and Construction Services					
Legal Services	-	-	-	-	-
Architectural/Engineering Services	15,500	(11,007)	4,493	-	4,493
Construction Services	182,000	26,007	208,007	205,037	2,970
Assessment for Debt Service on SDA Funding	68,534	-	68,534	68,534	-
Other Objects	-	-	-	-	-
Supplies & Materials	15,000	(15,000)	-	-	-
Capital Outlay transfer to Capital Projects	-	-	-	-	-
Interest Deposit to Capital Reserve	2,000	(2,000)	-	-	-
Total	<u>283,034</u>	<u>(2,000)</u>	<u>281,034</u>	<u>273,571</u>	<u>7,463</u>
TOTAL CAPITAL OUTLAY	<u>1,072,034</u>	<u>56,483</u>	<u>1,128,517</u>	<u>927,354</u>	<u>201,163</u>
TOTAL EXPENDITURES	<u>44,478,502</u>	<u>348,853</u>	<u>44,827,355</u>	<u>48,054,060</u>	<u>(3,226,705)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,385,000)</u>	<u>(490,452)</u>	<u>(2,875,452)</u>	<u>962,369</u>	<u>3,837,821</u>
Fund Balance, July 1	5,925,225	-	5,925,225	5,925,225	-
Fund Balance, June 30	<u>\$ 3,540,225</u>	<u>\$ (490,452)</u>	<u>\$ 3,049,773</u>	<u>6,887,594</u>	<u>\$ 3,837,821</u>
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				\$ 1,305,016	
Emergency Reserve				444,785	
Excess surplus - current year				465,620	
Excess surplus-designated for subsequent year's expenditures				97,486	
Capital reserve				845,008	
Assigned Fund Balance:					
Year-end encumbrances				629,272	
Designated for subsequent year's expenditures				1,852,514	
Unrestricted/undesignated				<u>1,247,893</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				6,887,594	
Last state aid payment not recognized on GAAP basis				(566,582)	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 6,321,012</u>	

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local sources	\$ 52,424	\$ -	\$ 52,424	\$ 25,415	\$ (27,009)
State sources	-	-	-	-	-
Federal sources	1,048,303	(1,114)	1,047,189	1,035,993	(11,196)
Total Revenues	<u>1,100,727</u>	<u>(1,114)</u>	<u>1,099,613</u>	<u>1,061,408</u>	<u>(38,205)</u>
EXPENDITURES					
Instruction:					
Personal services-salaries	261,024	(20,987)	240,037	240,037	-
Purchased professional and technical services	51	2,900	2,951	2,900	51
General supplies	84,218	8,203	92,421	63,318	29,103
Tuition	595,000	446	595,446	595,446	-
Other objects	1,000	8	1,008	1,008	-
Total instruction	<u>941,293</u>	<u>(9,430)</u>	<u>931,863</u>	<u>902,709</u>	<u>29,154</u>
Support services:					
Personal services - salaries	22,723	(12,593)	10,130	9,889	241
Purchased professional and technical services	26,591	5,160	31,751	31,751	-
Other purchased services	32,499	799	33,298	24,648	8,650
Employee benefits	66,783	17,263	84,046	83,886	160
Supplies- materials	10,838	(2,313)	8,525	8,525	-
Total support services	<u>159,434</u>	<u>8,316</u>	<u>167,750</u>	<u>158,699</u>	<u>9,051</u>
EXPENDITURES:					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,100,727</u>	<u>(1,114)</u>	<u>1,099,613</u>	<u>1,061,408</u>	<u>38,205</u>
Total outflows	<u>1,100,727</u>	<u>(1,114)</u>	<u>1,099,613</u>	<u>1,061,408</u>	<u>38,205</u>
Excess (deficiency) of revenues					
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				<u>\$ -</u>	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budget - to - GAAP Reconciliation
For the Year Ended June 30, 2019

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 49,016,429	[C-2] \$ 1,061,408
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	3,907
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(3,633,154)	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(566,582)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	580,759	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] <u>\$ 45,397,452</u>	[B-2] <u>\$ 1,065,315</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 48,054,060	[C-2] \$ 1,061,408
Differences - budget to GAAP:		
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(3,633,154)	
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.	-	3,907
Pension expense recognized for GAAP but not for budgetary purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$ 44,420,906</u>	[B-2] <u>\$ 1,065,315</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Year Ended June 30, 2019

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of the net pension liability	0.0387504353%	0.0385013092%	0.0388881759%	0.0380292083%	0.0360635693%
District's proportionate share of the net pension liability	\$ 7,586,149	\$ 8,988,249	\$ 11,517,562	\$ 8,852,592	\$ 7,100,737
District's covered-employee payroll	\$ -	\$ 2,649,489	\$ 2,581,190	\$ 2,603,676	\$ 2,521,839
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	339.24%	442.36%	351.04%	281.57%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions-PERS
For the Year Ended June 30, 2019

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contributions	\$ 319,453	\$ 331,008	\$ 350,509	\$ 353,765	\$ 359,696
Contributions in relation to the contractually required contribution	<u>316,156</u>	<u>328,284</u>	<u>351,396</u>	<u>377,811</u>	<u>373,299</u>
Contribution deficiency (excess)	<u>\$ 3,297</u>	<u>\$ 2,724</u>	<u>\$ (887)</u>	<u>\$ (24,046)</u>	<u>\$ (13,603)</u>
District's covered-employee payroll	\$ 2,649,489	\$ 2,581,190	\$ 2,603,676	\$ 2,521,839	\$ 2,638,945
Contributions as a percentage of covered-employee payroll	0.00%	12.82%	13.46%	13.59%	13.63%

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Year Ended June 30, 2019

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
State's proportion of the net pension liability	0.1758938202%	0.1781194611%	0.1790230154%	0.1786614856%	0.1804508046%
State's proportionate share of the net pension liability	\$ 94,009,522	\$ 112,579,106	\$ 140,830,902	\$ 120,460,016	\$ 114,798,926
District's covered-employee payroll	\$ 17,900,386	\$ 18,691,714	\$ 19,175,968	\$ 19,364,482	\$ 19,621,646
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	525.18%	602.29%	734.41%	622.07%	585.06%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%

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

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

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

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2019
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>
State's proportion of the OPEB liability associated with the District		
Service cost	\$ 4,303,725	\$ 3,566,388
Interest cost	3,379,563	3,907,922
Differences between expected and actual experiences	-	(10,221,930)
Changes in assumptions	(14,001,282)	(10,464,907)
Member contributions	91,054	84,278
Gross benefit payments	<u>(2,472,793)</u>	<u>(2,438,481)</u>
Net change in total OPEB liability	(8,699,733)	(15,566,730)
Total State's OPEB liability - beginning	<u>115,459,931</u>	<u>106,760,198</u>
Total State's OPEB liability - ending	<u>\$ 106,760,198</u>	<u>\$ 91,193,468</u>
District's covered employee payroll	\$ 24,966,083	\$ 25,198,496
Total State's OPEB liability as a percentage of covered employee payroll	428%	362%

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

Point Pleasant Borough Board of Education

Notes to the Required Supplementary Information - Part III

For the Year Ended June 30, 2019

Notes for TPAF Pension Schedules

Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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: 2011-2026	1.55 - 4.55 % based on age
Thereafter	2.00 - 5.45 % based on age
Investment rate of return	7.00 %

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from base year 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Notes to OPEB Schedule

Benefit changes: None

Differences Between Expected and Actual Experiences: There is no change in the Total OPEB Liability from June 30, 2016 to June 30, 2017 due to differences in expected and actual experiences. The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes in assumptions: The increase in the liability from June 30, 2016 to June 30, 2017 is due to the decrease in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017. The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019

	Title I 18/19	IDEA-Part B-Basic Reg Prog 18/19	IDEA-Part B Preschool 18/19	Title II Part A 18/19
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	<u>321,795</u>	<u>592,296</u>	<u>26,289</u>	<u>74,237</u>
Total revenues	<u>321,795</u>	<u>592,296</u>	<u>26,289</u>	<u>74,237</u>
Expenditures:				
Instruction:				
Salaries of teachers	188,411	-	-	51,626
Purchased services	-	-	-	-
General supplies	27,374	6,637	3,589	-
Tuition	-	575,446	20,000	-
Other Objects	<u>-</u>	<u>-</u>	<u>1,008</u>	<u>-</u>
Total instruction	<u>215,785</u>	<u>582,083</u>	<u>24,597</u>	<u>51,626</u>
Support services:				
Other support services - students - special:				
Salaries of other professional staff	8,045	-	-	-
Prof. and tech. services	23,100	2,651	-	6,000
Other purchased services	6,900	581	838	-
Employee benefits	67,865	-	-	16,021
Supplies and materials	<u>100</u>	<u>6,981</u>	<u>854</u>	<u>590</u>
Total other support services - students - special	<u>106,010</u>	<u>10,213</u>	<u>1,692</u>	<u>22,611</u>
Total support services	<u>106,010</u>	<u>10,213</u>	<u>1,692</u>	<u>22,611</u>
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 321,795</u>	<u>\$ 592,296</u>	<u>\$ 26,289</u>	<u>\$ 74,237</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019

(Continued from prior page)

	Title III 18/19	Title IV 18/19	Other	Total 2019
Revenues:				
Local sources	\$ -	\$ -	\$ 25,415	\$ 25,415
State sources	-	-	-	-
Federal sources	5,823	15,553	-	1,035,993
Total revenues	5,823	15,553	25,415	1,061,408
Expenditures:				
Instruction:				
Salaries of teachers	-	-	-	240,037
Purchased services	-	-	2,900	2,900
General supplies	-	10,073	15,645	63,318
Tuition	-	-	-	595,446
Other objects	-	-	-	1,008
Total instruction	-	10,073	18,545	902,709
Support services:				
Other support services - students - special:				
Salaries of other professional staff	1,844	-	-	9,889
Prof. and tech. services	-	-	-	31,751
Other purchased services	3,979	5,480	6,870	24,648
Employee benefits	-	-	-	83,886
Supplies and materials	-	-	-	8,525
Total other support services - students - special	5,823	5,480	6,870	158,699
Total support services	5,823	5,480	6,870	158,699
Equipment:				
Instruction equipment	-	-	-	-
Non-instructional equipment	-	-	-	-
Total equipment	-	-	-	-
Total expenditures	\$ 5,823	\$ 15,553	\$ 25,415	\$ 1,061,408

F. Capital Projects Fund

**POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2019**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2019</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Reroofing and MEP Upgrades - Memorial Middle School	1/2/2014	4,148,287	4,133,112	15,175	-
Reroofing and MEP Upgrades - Nellie Bennett School	1/2/2014	3,560,713	3,557,601	3,112	-
Reroofing and MEP Upgrades - Ocean Road Elementary School	1/2/2014	1,904,600	1,901,260	3,340	-
Reroofing and MEP Upgrades - Point Pleasant High School	1/2/2014	6,334,400	6,333,470	930	-
Totals		<u>\$ 15,948,000</u>	<u>\$ 15,925,443</u>	<u>\$ 22,557</u>	<u>\$ -</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2019

Revenues and Other Financing Sources

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

Expenditures and Other Financing Uses

Purchased professional and technical services		-
Land and improvements		-
Construction services		22,557
Other objects		-
Equipment purchases		-
Transfer to debt service fund		-
Total expenditures		<u>22,557</u>

Excess of revenues over expenditures		(22,557)
Fund balance - beginning		22,557
Fund balance - ending	<u>\$</u>	<u>-</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
Reroofing and MEP Upgrades - Memorial Middle School
From Inception and For the Year Ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	4,148,287	-	4,148,287	4,148,287
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	4,148,287	-	4,148,287	4,148,287
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	295,876	-	295,876	297,000
Land and improvements	-	-	-	-
Construction services	3,837,236	15,175	3,852,411	3,851,287
Equipment purchases	-	-	-	-
Total expenditures	4,133,112	15,175	4,148,287	4,148,287
Excess (deficiency) or revenues over (under) expenditures	\$ 15,175	\$ (15,175)	\$ -	\$ -
Additional project information:				
Project Number	4210-030-13-3000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	3,896,000			
Bonds Issued	3,896,000			
Original Authorized Cost	3,896,000			
Additional Authorized Cost	252,287			
Revised Authorized Cost	4,148,287			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	100.00%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
 Reroofing and MEP Upgrades - Nellie Bennett School
 From Inception and For the Year Ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	3,560,713	-	3,560,713	3,560,713
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>3,560,713</u>	<u>-</u>	<u>3,560,713</u>	<u>3,560,713</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	239,552	-	239,552	240,000
Land and improvements	-	-	-	-
Construction services	3,318,049	3,112	3,321,161	3,320,713
Equipment purchases	-	-	-	-
Total expenditures	<u>3,557,601</u>	<u>3,112</u>	<u>3,560,713</u>	<u>3,560,713</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 3,112</u>	<u>\$ (3,112)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	4210-030-13-2000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	3,813,000			
Bonds Issued	3,813,000			
Original Authorized Cost	3,813,000			
Additional Authorized Cost	(252,287)			
Revised Authorized Cost	3,560,713			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	100.00%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
 Reroofing and MEP Upgrades - Ocean Road Elementary School
 From Inception and For the Year Ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	1,904,600	-	1,904,600	1,904,600
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>1,904,600</u>	<u>-</u>	<u>1,904,600</u>	<u>1,904,600</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	191,360	-	191,360	192,000
Land and improvements	-	-	-	-
Construction services	1,709,900	3,340	1,713,240	1,712,600
Equipment purchases	-	-	-	-
Total expenditures	<u>1,901,260</u>	<u>3,340</u>	<u>1,904,600</u>	<u>1,904,600</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 3,340</u>	<u>\$ (3,340)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	4210-030-13-3000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	2,268,000			
Bonds Issued	2,268,000			
Original Authorized Cost	2,268,000			
Additional Authorized Cost	(363,400)			
Revised Authorized Cost	1,904,600			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	100.00%			
Original target completion date	-			
Revised target completion date	-			

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
Reroofing and MEP Upgrades - Point Pleasant High School
From Inception and For the Year Ended June 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	6,334,400	-	6,334,400	6,334,400
Contribution from private sources	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	6,334,400	-	6,334,400	6,334,400
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	424,865	-	424,865	425,000
Land and improvements	-	-	-	-
Construction services	5,908,605	930	5,909,535	5,909,400
Equipment purchases	-	-	-	-
Total expenditures	6,333,470	930	6,334,400	6,334,400
Excess (deficiency) or revenues over (under) expenditures	\$ 930	\$ (930)	\$ -	\$ -
Additional project information:				
Project Number	4210-030-13-2000			
Grant Date				
Bond Authorization Date	1/2/2014			
Bonds Authorized	5,971,000			
Bonds Issued	5,971,000			
Original Authorized Cost	5,971,000			
Additional Authorized Cost	363,400			
Revised Authorized Cost	6,334,400			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	100.00%			
Original target completion date	-			
Revised target completion date	-			

G. Proprietary Funds

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2019

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 127,596	\$ 279,507	\$ 407,103
Accounts receivable:			
State	356	-	356
Federal	8,716	-	8,716
Other government	-	-	-
Other	1,842	-	1,842
Interfund	-	-	-
Inventories	17,106	-	17,106
Total current assets	<u>155,616</u>	<u>279,507</u>	<u>435,123</u>
Capital assets:			
Equipment	359,952	3,487	363,439
Buildings and improvements	1,173,439	-	1,173,439
Accumulated depreciation	(340,428)	(2,737)	(343,165)
Total capital assets	<u>1,192,963</u>	<u>750</u>	<u>1,193,713</u>
Total assets	<u>\$ 1,348,579</u>	<u>\$ 280,257</u>	<u>\$ 1,628,836</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Unearned revenue	18,989	-	18,989
Compensated absences	-	-	-
Interfund payable	-	-	-
Total liabilities	<u>18,989</u>	<u>-</u>	<u>18,989</u>
Net position :			
Net investment in capital assets	1,192,963	750	1,193,713
Restricted for other purposes	-	-	-
Unrestricted net position	136,627	279,507	416,134
Total net position	<u>1,329,590</u>	<u>280,257</u>	<u>1,609,847</u>
Total liabilities and net position	<u>\$ 1,348,579</u>	<u>\$ 280,257</u>	<u>\$ 1,628,836</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses and
Changes in Net Position
For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales-reimbursable programs:			
School breakfast program	\$ 5,899	\$ -	\$ 5,899
School lunch program	<u>285,822</u>	<u>-</u>	<u>285,822</u>
Total-daily sales-reimbursable programs	291,721	-	291,721
Daily sales non-reimbursable programs	226,997	-	226,997
Special functions	5,668	-	5,668
Miscellaneous	<u>83,302</u>	<u>414,796</u>	<u>498,098</u>
Total operating revenues	<u>607,688</u>	<u>414,796</u>	<u>1,022,484</u>
Operating expenses:			
Salaries	241,143	263,652	504,795
Employee benefits	117,441	63,792	181,233
Other purchased services	19,846	18,856	38,702
Supplies and materials	16,549	2,974	19,523
Utilities	27,845	12,924	40,769
Dues/Workshops	326	-	326
Depreciation	4,476	105	4,581
Cost of sales - reimbursable programs	220,899	-	220,899
Cost of sales - non-reimbursable programs	<u>81,300</u>	<u>-</u>	<u>81,300</u>
Total operating expenses	<u>729,825</u>	<u>362,303</u>	<u>1,092,128</u>
Operating income (loss)	<u>(122,137)</u>	<u>52,493</u>	<u>(69,644)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	6,048	-	6,048
Federal sources:			
School breakfast program	9,796	-	9,796
National school lunch program	134,341	-	134,341
Food distribution program	33,718	-	33,718
Interest	<u>684</u>	<u>-</u>	<u>684</u>
Total nonoperating revenues	<u>184,587</u>	<u>-</u>	<u>184,587</u>
Change in net position before transfers	62,450	52,493	114,943
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	62,450	52,493	114,943
Total unrestricted net position beginning	<u>1,267,140</u>	<u>227,764</u>	<u>1,494,904</u>
Total unrestricted net position ending	<u>\$ 1,329,590</u>	<u>\$ 280,257</u>	<u>\$ 1,609,847</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Cash Flows
For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 641,779	\$ 414,796	\$ 1,056,575
Payments to employees & benefits	(374,108)	(327,444)	(701,552)
Payments to suppliers	(362,685)	(34,754)	(397,439)
Net cash provided by (used in) operating activities	<u>(95,014)</u>	<u>52,598</u>	<u>(42,416)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	5,952	-	5,952
Federal sources	141,972	-	141,972
Net cash provided by (used in) non-capital financing activities	<u>147,924</u>	<u>-</u>	<u>147,924</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(5,218)	-	(5,218)
Net cash provided by (used in) capital and related financing activities	<u>(5,218)</u>	<u>-</u>	<u>(5,218)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	684	-	684
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used in) investing activities	<u>684</u>	<u>-</u>	<u>684</u>
Net increase in cash and cash equivalents	48,376	52,598	100,974
Balances—beginning of year	79,220	226,909	306,129
Balances—end of year	<u>\$ 127,596</u>	<u>\$ 279,507</u>	<u>\$ 407,103</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (122,137)	\$ 52,493	\$ (69,644)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and net amortization	4,476	105	4,581
Federal commodities	33,718	-	33,718
(Increase) decrease in accounts receivable, net	613	-	613
(Increase) decrease in inventories	4,080	-	4,080
Increase (decrease) in unearned revenue	(240)	-	(240)
Increase (decrease) in compensated absences	(15,524)	-	(15,524)
Total adjustments	<u>27,123</u>	<u>105</u>	<u>27,228</u>
Net cash provided by (used in) operating activities	<u>\$ (95,014)</u>	<u>\$ 52,598</u>	<u>\$ (42,416)</u>

H. Fiduciary Funds

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
June 30, 2019

	Agency				Trust		Total
	Student Activity	Payroll Agency	FSA	Summer Savings	Scholarship Fund	Unemployment Compensation Trust	
ASSETS							
Cash and cash equivalents	\$ 297,803	\$ 652	\$ 11,840	\$ 1,308,373	\$ 36,276	\$ 157,709	\$ 1,812,653
Deposits	-	-	-	-	-	-	-
Total assets	<u>297,803</u>	<u>652</u>	<u>11,840</u>	<u>1,308,373</u>	<u>36,276</u>	<u>157,709</u>	<u>1,812,653</u>
LIABILITIES							
Payroll deductions and withholdings	-	652	11,840	1,308,373	-	-	1,320,865
Payable to student groups	297,803	-	-	-	-	-	297,803
Accrued wages	-	-	-	-	-	-	-
Total liabilities	<u>297,803</u>	<u>652</u>	<u>11,840</u>	<u>1,308,373</u>	<u>-</u>	<u>-</u>	<u>1,618,668</u>
NET POSITION							
Designated for future payment	-	-	-	-	36,276	157,709	193,985
Total net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,276</u>	<u>157,709</u>	<u>193,985</u>
Total liabilities and net position	<u>\$ 297,803</u>	<u>\$ 652</u>	<u>\$ 11,840</u>	<u>\$ 1,308,373</u>	<u>\$ 36,276</u>	<u>\$ 157,709</u>	<u>\$ 1,812,653</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	Scholarship Funds	Unemployment Compensation Fund	Total
ADDITIONS			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	68,607	-	68,607
Total Contributions	<u>68,607</u>	<u>-</u>	<u>68,607</u>
Investment earnings:			
Interest	92	3,215	3,307
Net investment earnings	92	3,215	3,307
Total additions	<u>68,699</u>	<u>3,215</u>	<u>71,914</u>
DEDUCTIONS			
Scholarships awarded	64,551	-	64,551
Total deductions	<u>64,551</u>	<u>-</u>	<u>64,551</u>
Change in net position	4,148	3,215	7,363
Net position –beginning of the year	<u>32,128</u>	<u>154,494</u>	<u>186,622</u>
Net position –end of the year	<u>\$ 36,276</u>	<u>\$ 157,709</u>	<u>\$ 193,985</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Year ended June 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Student Activities Funds	<u>\$ 290,954</u>	<u>\$ 1,851,616</u>	<u>\$ 1,844,767</u>	<u>\$ 297,803</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Year Ended June 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
ASSETS:				
Cash and cash equivalents	\$ 714	\$ 12,431,055	\$ 12,431,117	\$ 652
Total assets	<u>714</u>	<u>12,431,055</u>	<u>12,431,117</u>	<u>652</u>
LIABILITIES:				
Payroll deductions and withholdings	714	12,431,055	12,431,117	652
Accrued salaries and wages	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 714</u>	<u>\$ 12,431,055</u>	<u>\$ 12,431,117</u>	<u>\$ 652</u>

I. Long-Term Debt

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2019

Exhibit I-1

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Refinanced</u>	<u>Balance June 30, 2019</u>
2014 Bonds		15,948,000	1/15/2020	650,000	3.000%					
			1/15/2021	680,000	3.000%					
			1/15/2022	705,000	3.000%					
			1/15/2023	735,000	3.000%					
			1/15/2024	760,000	3.000%					
			1/15/2025	795,000	3.000%					
			1/15/2026	825,000	3.000%					
			1/15/2027	860,000	3.125%					
			1/15/2028	890,000	3.250%					
			1/15/2029	925,000	3.500%					
			1/15/2030	965,000	3.500%					
			1/15/2031	1,005,000	4.000%					
			1/15/2032	1,045,000	4.000%					
			1/15/2033	1,100,000	4.000%					
			1/15/2034	1,098,000	4.250%	\$ 13,663,000	\$ -	\$ (625,000)	\$ -	\$ 13,038,000
Refunding 1998 Bonds	10/4/2011	7,165,000	3/15/2020	620,000	4.000%					
			3/15/2021	640,000	4.000%					
			3/15/2022	670,000	5.000%					
			3/15/2023	700,000	5.000%	3,220,000	-	(590,000)	-	2,630,000
						<u>\$ 16,883,000</u>	<u>\$ -</u>	<u>\$ (1,215,000)</u>	<u>\$ -</u>	<u>\$ 15,668,000</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Lease
 June 30, 2019

<u>Lessor</u>	<u>Date of Lease</u>	<u>Amount of Original Lease Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Amount Outstanding July 1, 2018</u>	<u>Issued Current Year</u>	<u>Cancelled Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2019</u>
TD Bank (Buses)	05/25/17	\$ 372,894	\$ 17,752	2.17%	\$ 296,272	-	-	71,700	\$ 224,572
					<u>\$ 296,272</u>	<u>-</u>	<u>-</u>	<u>71,700</u>	<u>\$ 224,572</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,453,790	\$ -	\$ 1,453,790	\$ 1,453,790	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	371,575	-	371,575	371,575	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	371,575	-	371,575	371,575	-
Total Revenues	1,825,365	-	1,825,365	1,825,365	-
EXPENDITURES:					
Regular Debt Service:					
Interest	610,365	-	610,365	610,365	-
Redemption of Principal	1,215,000	-	1,215,000	1,215,000	-
Total Regular Debt Service	1,825,365	-	1,825,365	1,825,365	-
Total Expenditures	1,825,365	-	1,825,365	1,825,365	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

Point Pleasant Borough School District
Statistical Section

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

113-118

Revenue Capacity

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

119-122

Debt Capacity

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

123-126

Demographic and Economic Information

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

127-128

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

129-133

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 13,402,758	\$ 13,881,928	\$ 13,367,679	\$ 14,476,105	\$ 5,000,313	\$ 14,660,093	\$ 17,825,529	\$ 19,506,349	\$ 20,159,519	\$ 19,471,452
Restricted	3,789,844	4,322,700	5,893,952	6,644,698	17,019,535	8,387,132	7,034,632	5,153,385	4,310,817	5,010,429
Unrestricted	(1,190,938)	(952,815)	(977,682)	(761,492)	(694,024)	(8,587,002)	(9,176,049)	(9,275,755)	(9,129,249)	(8,725,091)
Total governmental activities net position	<u>16,001,664</u>	<u>17,251,813</u>	<u>18,283,949</u>	<u>20,359,311</u>	<u>21,325,824</u>	<u>14,460,223</u>	<u>15,684,112</u>	<u>15,383,979</u>	<u>15,341,087</u>	<u>15,756,790</u>
Business-type activities										
Net investment in capital assets	1,213,886	1,215,887	1,212,358	1,204,803	1,198,619	1,196,974	1,199,322	1,197,746	1,193,076	1,193,713
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	142,709	149,912	183,801	215,718	268,330	291,366	260,712	267,204	301,828	416,134
Total business-type activities net position	<u>1,356,595</u>	<u>1,365,799</u>	<u>1,396,159</u>	<u>1,420,521</u>	<u>1,466,949</u>	<u>1,488,340</u>	<u>1,460,034</u>	<u>1,464,950</u>	<u>1,494,904</u>	<u>1,609,847</u>
District-wide										
Net investment in capital assets	14,616,644	15,097,815	14,580,037	15,680,908	6,198,932	15,857,067	19,024,851	20,704,095	21,352,595	20,665,165
Restricted	3,789,844	4,322,770	5,893,952	6,644,698	17,019,535	8,387,132	7,034,632	5,153,385	4,310,817	5,010,429
Unrestricted	(1,048,229)	(802,903)	(793,881)	(545,774)	(425,694)	(8,295,636)	(8,915,337)	(9,008,551)	(8,827,421)	(8,308,957)
Total district net position	<u>\$ 17,358,259</u>	<u>\$ 18,617,682</u>	<u>\$ 19,680,108</u>	<u>\$ 21,779,832</u>	<u>\$ 22,792,773</u>	<u>\$ 15,948,563</u>	<u>\$ 17,144,146</u>	<u>\$ 16,848,929</u>	<u>\$ 16,835,991</u>	<u>\$ 17,366,637</u>

Source: CAFR Schedule A-1 and District records.

GASB No. 54 was implemented in the 2011 fiscal year, which required a change in the presentation of fund balance. This required presentation did not impact any of the balances from prior years.

GASB No. 63 was implemented in the 2013 fiscal year, which required a changed in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
Instruction										
Regular	\$ 14,643,062	\$ 14,129,061	\$ 15,105,900	\$ 14,529,984	\$ 14,230,525	\$ 14,674,596	\$ 14,819,690	\$ 15,896,411	\$ 16,112,870	\$ 16,696,984
Special education	2,596,337	2,666,187	2,634,211	2,795,280	2,860,902	2,946,981	2,920,712	3,109,208	3,206,397	3,364,389
Other special education	1,066,562	978,129	982,274	1,043,182	995,149	1,063,130	1,331,703	1,462,947	1,386,138	1,250,873
Support Services:										
Instruction	827,080	1,011,338	1,491,483	1,141,009	1,722,477	2,161,268	1,822,569	2,296,656	2,215,935	2,270,969
Attendance and social work	201,891	169,016	166,807	167,135	181,977	154,912	156,899	169,080	137,300	139,933
Health services	391,529	387,386	404,587	423,198	424,009	462,161	436,770	423,168	464,339	466,052
Improvement of instr. services	48,460	102,802	99,744	111,442	130,029	133,043	110,031	110,245	131,322	120,806
Educational media services	375,710	273,996	254,831	271,900	350,934	328,310	364,946	373,257	384,880	400,734
Instruction staff training	170,315	125,119	124,189	192,240	180,212	198,381	231,039	239,887	266,735	274,032
School Administrative services	1,374,383	1,569,789	1,606,476	1,477,634	1,852,303	1,788,050	2,229,154	2,255,125	1,850,275	2,018,978
General administration	735,427	660,177	753,927	748,283	700,125	770,622	712,571	744,034	758,497	718,518
Central Services	483,544	500,948	514,830	529,115	535,384	553,778	566,109	572,119	590,110	592,961
Plant operations and maintenance	3,493,059	3,442,422	3,141,947	3,451,589	3,620,345	3,389,038	3,415,723	3,746,159	3,673,536	3,673,294
Administrative information technology	117,859	92,162	94,200	66,341	88,248	90,530	115,541	118,423	121,872	125,403
Pupil transportation	1,196,252	1,090,749	1,079,301	1,160,576	1,256,351	1,466,909	1,294,826	1,401,815	1,424,874	1,419,717
Other support services	2,613,264	2,695,387	2,811,171	2,940,450	3,074,900	3,242,310	3,472,910	3,476,966	3,599,518	3,653,278
Business and other support services	-	-	-	-	-	-	-	-	-	-
Non-budgeted expenditures	2,524,023	2,515,647	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,036,348	3,202,290	3,026,302
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	571,733	516,192	570,179	462,128	271,922	737,605	701,887	623,624	591,163	551,296
Unallocated employee benefits	5,204,436	5,613,916	5,511,376	5,773,040	5,918,470	6,299,246	6,512,214	6,395,897	6,972,665	7,117,472
Total governmental activities expenses	<u>38,634,926</u>	<u>38,540,423</u>	<u>40,339,945</u>	<u>41,021,142</u>	<u>41,662,017</u>	<u>43,288,111</u>	<u>44,258,514</u>	<u>46,451,369</u>	<u>47,090,716</u>	<u>47,881,991</u>
Business-type activities:										
Food service	750,605	770,828	784,820	782,055	748,018	754,676	750,258	743,111	766,444	729,825
Child Care	292,519	285,804	309,940	312,060	358,565	355,840	346,499	353,107	350,695	362,303
Total business-type activities expense	<u>1,043,124</u>	<u>1,056,632</u>	<u>1,094,760</u>	<u>1,094,115</u>	<u>1,106,583</u>	<u>1,110,516</u>	<u>1,096,757</u>	<u>1,096,218</u>	<u>1,117,139</u>	<u>1,092,128</u>
Total district expenses	<u>\$ 39,678,050</u>	<u>\$ 39,597,055</u>	<u>\$ 41,434,705</u>	<u>\$ 42,115,257</u>	<u>\$ 42,768,600</u>	<u>\$ 44,398,627</u>	<u>\$ 45,355,271</u>	<u>\$ 47,547,587</u>	<u>\$ 48,207,855</u>	<u>\$ 48,974,119</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,524,023	2,524,023	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,987,611	4,190,684	4,065,252
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>2,524,023</u>	<u>2,524,023</u>	<u>2,992,512</u>	<u>3,736,616</u>	<u>3,267,755</u>	<u>2,827,241</u>	<u>3,043,220</u>	<u>3,987,611</u>	<u>4,190,684</u>	<u>4,065,252</u>
Business-type activities:										
Charges for services										
Food service	\$ 627,533	\$ 627,533	\$ 604,085	\$ 569,263	\$ 562,342	\$ 572,540	\$ 499,230	\$ 533,007	\$ 582,591	\$ 607,688
Child Care	315,058	315,058	333,160	332,864	381,118	357,986	375,772	366,936	382,875	414,796
Operating grants and contributions	151,333	151,333	187,875	216,350	209,551	201,381	193,449	201,191	181,627	183,903
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>1,093,924</u>	<u>1,093,924</u>	<u>1,125,120</u>	<u>1,118,477</u>	<u>1,153,011</u>	<u>1,131,907</u>	<u>1,068,451</u>	<u>1,101,134</u>	<u>1,147,093</u>	<u>1,206,387</u>
Total district program revenues	<u>\$ 3,617,947</u>	<u>\$ 3,617,947</u>	<u>\$ 4,117,632</u>	<u>\$ 4,855,093</u>	<u>\$ 4,420,766</u>	<u>\$ 3,959,148</u>	<u>\$ 4,111,671</u>	<u>\$ 5,088,745</u>	<u>\$ 5,337,777</u>	<u>\$ 5,271,639</u>
Net (Expense)/Revenue										
Governmental activities	\$ (38,634,926)	\$ (38,540,423)	\$ (40,339,945)	\$ (41,021,142)	\$ (41,662,017)	\$ (43,288,111)	\$ (44,258,514)	\$ (46,451,369)	\$ (47,090,716)	\$ (47,881,991)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities	(1,043,124)	(1,056,632)	(1,094,760)	(1,094,115)	(1,106,583)	(1,110,516)	(1,096,757)	(1,096,218)	(1,117,139)	(1,092,128)
Total district-wide net expense	<u>\$ (39,678,050)</u>	<u>\$ (39,597,055)</u>	<u>\$ (41,434,705)</u>	<u>\$ (42,115,257)</u>	<u>\$ (42,768,600)</u>	<u>\$ (44,398,627)</u>	<u>\$ (45,355,271)</u>	<u>\$ (47,547,587)</u>	<u>\$ (48,207,855)</u>	<u>\$ (48,974,119)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 26,615,115	\$ 26,615,115	\$ 29,037,269	\$ 29,683,659	\$ 30,466,932	\$ 31,294,686	\$ 32,064,138	\$ 32,707,297	\$ 33,716,844	\$ 35,251,375
Taxes levied for debt service	1,969,090	1,969,090	1,604,425	1,553,426	1,177,423	1,880,378	1,904,172	1,886,711	1,446,771	1,453,790
Unrestricted grants and contributions	7,941,808	7,941,808	7,213,489	7,518,751	7,213,043	7,845,048	7,607,932	6,877,220	7,039,440	6,674,092
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	83,667	83,667	-	-	-	-	-	-	-	-
Miscellaneous income	355,400	355,400	524,316	604,052	503,377	556,592	862,941	692,397	654,085	853,185
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>36,965,080</u>	<u>36,965,080</u>	<u>38,379,499</u>	<u>39,359,888</u>	<u>39,360,775</u>	<u>41,576,704</u>	<u>42,439,183</u>	<u>42,163,625</u>	<u>42,857,140</u>	<u>44,232,442</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	684
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>684</u>
Total district-wide	<u>\$ 36,965,080</u>	<u>\$ 36,965,080</u>	<u>\$ 38,379,499</u>	<u>\$ 39,359,888</u>	<u>\$ 39,360,775</u>	<u>\$ 41,576,704</u>	<u>\$ 42,439,183</u>	<u>\$ 42,163,625</u>	<u>\$ 42,857,140</u>	<u>\$ 44,233,126</u>
Change in Position										
Governmental activities	\$ 854,177	\$ 948,680	\$ 1,032,066	\$ 2,075,362	\$ 966,513	\$ 1,115,834	\$ 1,223,889	\$ (300,133)	\$ (42,892)	\$ 415,703
Business-type activities	50,800	37,292	30,360	24,362	46,428	21,391	(28,306)	4,916	29,954	114,943
Total district	<u>\$ 904,977</u>	<u>\$ 985,972</u>	<u>\$ 1,062,426</u>	<u>\$ 2,099,724</u>	<u>\$ 1,012,941</u>	<u>\$ 1,137,225</u>	<u>\$ 1,195,583</u>	<u>\$ (295,217)</u>	<u>\$ (12,938)</u>	<u>\$ 530,646</u>

Source: CAFR Schedule A-2 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a changed in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,687,434	\$ 2,393,260	\$ 3,157,915
Committed	-	-	-	-	-	-	-	678,590	-	-
Assigned	-	-	-	-	-	-	-	1,549,707	2,391,152	2,481,786
Unassigned	-	-	-	-	-	-	-	569,888	560,054	681,311
Reserved	3,789,844	4,322,770	5,841,731	6,557,225	5,501,195	5,465,918	6,174,742	-	-	-
Unreserved	103,183	333,420	284,764	300,152	396,976	417,488	373,101	-	-	-
Total general fund	<u>\$ 3,893,027</u>	<u>\$ 4,656,190</u>	<u>\$ 6,126,495</u>	<u>\$ 6,857,377</u>	<u>\$ 5,898,171</u>	<u>\$ 5,883,406</u>	<u>\$ 6,547,843</u>	<u>\$ 5,485,619</u>	<u>\$ 5,344,466</u>	<u>\$ 6,321,012</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 8,474,260	\$ 1,749,259	\$ 767,196	\$ 219,919	\$ -	\$ -
Restricted										
Debt service fund									-	-
Capital projects fund								17,735	22,557	-
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	3,008,828	1,171,955	92,694	-	-	-
Debt service fund	-	-	-	87,473	35,252	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,473</u>	<u>\$ 11,518,340</u>	<u>\$ 2,921,214</u>	<u>\$ 859,890</u>	<u>\$ 237,654</u>	<u>\$ 22,557</u>	<u>\$ -</u>

Source: CAFR Schedule B-1 and District records.

GASB No. 54 was implemented in the 2011 fiscal year, which required a change in the presentation of fund balance. This required presentation did not impact any of the balances from prior years.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax levy	28,584,205	29,804,075	30,641,694	31,237,085	31,644,355	33,175,064	33,968,310	34,594,008	35,163,615	36,705,165
Tuition charges	120,548	107,720	287,912	245,274	266,030	189,795	282,985	251,974	195,216	194,618
Interest earnings	83,667	63,850	24,036	32,263	55,814	60,219	-	69,125	29,632	46,904
Miscellaneous	227,680	306,118	181,999	279,783	168,966	234,288	452,032	277,056	294,996	487,268
Transportation fees	22,550	42,197	58,318	54,342	34,830	69,491	121,946	115,234	124,808	113,415
State sources	8,434,755	8,106,190	9,040,095	10,039,078	9,530,503	9,699,903	9,687,203	9,868,803	9,868,295	9,645,409
Federal sources	2,031,076	1,311,414	1,165,906	1,216,289	950,295	972,386	963,949	996,028	1,361,829	1,093,935
Other financing sources	-	-	-	-	-	2,799	5,978	1,669	12,065	1,418
Total revenue	39,504,481	39,741,564	41,399,960	43,104,114	42,650,793	44,403,945	45,482,403	46,173,897	47,050,456	48,288,132
Expenditures										
Instruction										
Regular Instruction	13,288,836	12,892,381	13,062,667	13,261,218	13,000,663	13,235,531	13,294,919	13,595,816	13,746,803	14,271,866
Special education instruction	2,548,541	2,622,539	2,562,097	2,750,500	2,817,495	2,896,191	2,866,897	3,028,010	3,122,889	3,278,797
Other special instruction	1,058,596	970,855	970,255	1,035,719	987,914	1,054,665	1,322,734	1,449,414	1,372,220	1,236,608
Support Services:										
Instruction	691,657	887,670	1,287,160	1,014,132	1,599,491	2,017,361	1,670,092	2,066,596	1,979,328	2,028,457
Attendance and social work	201,891	169,016	166,807	167,135	181,977	154,912	156,899	169,080	137,300	139,933
Health services	391,529	387,386	404,587	423,198	424,009	462,161	436,770	423,168	464,339	466,052
Other support services	2,613,264	2,695,387	2,811,171	2,940,450	3,074,900	3,242,310	3,472,910	3,476,966	3,599,518	3,653,278
Improvement of instruction	48,460	102,802	99,744	111,442	130,029	133,043	110,031	110,245	131,322	120,806
Educational media services	375,710	273,996	254,831	271,900	350,934	328,310	364,946	373,257	384,880	400,734
Instruction staff training	170,315	125,119	124,189	192,240	180,212	198,381	231,039	239,887	266,735	274,032
General administrative services	735,427	660,177	753,927	748,283	700,125	770,622	712,571	744,034	758,497	718,518
School administrative services	1,601,880	1,534,027	1,558,150	1,633,656	1,779,540	1,816,759	1,835,486	1,878,647	1,915,662	1,931,736
School central services	483,544	500,948	514,830	529,115	535,384	553,778	566,109	572,119	590,110	592,961
School admin info technology	117,859	92,162	94,200	66,341	88,248	90,530	115,541	118,423	121,872	125,403
Allowed maintenance for school facilities	942,677	919,054	810,731	1,103,589	1,168,015	826,065	760,504	822,302	773,300	878,718
Other operation & maintenance of plant	2,617,526	2,475,679	2,288,510	2,286,854	2,383,788	2,461,693	2,586,685	2,881,105	2,958,330	2,797,746
Student transportation services	1,196,252	1,090,749	1,079,301	1,160,576	1,256,351	1,466,909	1,294,826	1,401,815	1,424,874	1,419,717
Business and other support services										
Unallocated employee benefits	5,204,436	5,613,916	5,511,376	5,773,040	5,918,470	6,287,691	6,307,407	6,394,684	6,780,230	7,197,203
Non-budgeted expenditures	2,524,023	2,515,647	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,036,348	3,202,290	3,026,302
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	729,995	658,056	773,323	1,416,179	6,994,232	9,856,054	3,405,014	2,769,001	1,860,242	949,911
Debt service:										
Principal	1,730,000	1,305,000	1,375,000	1,410,000	1,005,000	1,565,000	1,580,000	1,610,000	1,165,000	1,215,000
Interest and other charges	541,376	485,835	382,066	305,797	282,600	770,629	744,690	697,440	650,965	610,365
Total expenditures	39,813,794	38,978,401	39,877,434	42,337,980	48,127,132	53,015,836	46,879,290	47,858,357	47,406,706	47,334,143
Excess (Deficiency) of revenues over (under) expenditures	(309,313)	763,163	1,522,526	766,134	(5,476,339)	(8,611,891)	(1,396,887)	(1,684,460)	(356,250)	953,989
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	15,948,000	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	216,619	-	-	-	-
Transfers out	-	-	-	-	-	(216,619)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	15,948,000	-	-	-	-	-
Net change in fund balances	(309,313)	763,163	1,522,526	766,134	10,471,661	(8,611,891)	(1,396,887)	(1,684,460)	(356,250)	953,989
Debt service as a percentage of noncapital expenditures	5.81%	4.67%	4.49%	4.19%	3.13%	5.41%	5.35%	5.12%	3.99%	3.94%

Source: CAFR Schedule B-2 and District records

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

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

Fiscal Year Ending June 30,	Sale of Capital Assets	Interest on Investments	Event Receipts	Rentals	Prior Year Refunds	Transportation Fees	Miscellaneous	Annual Totals
2010	-	83,667	49,119	40,061	18,648	22,550	96,503	310,548
2011	-	63,850	53,891	33,296	79,643	42,197	104,199	377,076
2012	5,370	24,036	47,854	23,143	52,217	58,318	98,772	309,710
2013	9,734	32,263	48,491	11,970	87,216	54,342	98,666	342,682
2014	-	55,815	41,694	17,539	7,745	34,830	92,115	249,738
2015	-	60,219	45,997	58,503	28,678	69,490	83,644	346,531
2016	5,978	47,009	56,459	24,253	256,670	121,946	57,940	570,255
2017	1,669	69,125	59,886	29,159	23,545	115,234	42,640	341,258
2018	-	123,092	69,376	36,149	19,826	124,808	56,278	429,529
2019	-	46,904	66,877	46,538	74,828	113,415	272,660	621,222

Source: District records

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

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2010	39,584,500	2,956,937,600			418,356,910 e		27,301,500	3,442,180,510	167,502,200	4,341,758	3,270,336,552	3,679,626,057 d	0.9090
2011	40,101,500	2,937,797,800			417,173,610 e		27,010,000	3,422,082,910	166,699,300	3,868,500	3,251,515,110	3,512,959,381 d	0.9400
2012	39,556,600	2,929,105,600			418,417,910 e		26,624,300	3,413,704,410	168,540,500	3,790,128	3,241,373,782	3,310,307,759 d	0.9600
2013	35,320,300	2,908,460,800			412,094,610 e		23,838,400	3,379,714,110	170,961,600	2,639,560	3,206,112,950	3,252,011,585 d	0.9840
2014	35,320,300	2,908,460,800			412,094,610 e		23,838,400	3,379,714,110	170,961,600	2,639,560	3,206,112,950	3,285,250,823 d	1.0330
2015	37,746,200	2,909,611,100			412,727,910 e		23,838,400	3,211,176,410	172,747,200	-	3,038,429,210	3,292,501,189 d	1.0580
2016	31,578,300	2,933,192,900			414,361,900 e		23,838,400	3,229,232,500	173,739,000	-	3,055,493,500	3,295,135,214 d	1.0710
2017	29,891,100	2,948,184,100			410,686,610 e		23,838,400	3,238,516,710	174,083,500	-	3,064,433,210	3,380,144,776 d	1.0860
2018	27,272,800	2,970,370,000			410,710,310 e		23,838,400	3,432,191,510	173,762,900	-	3,258,428,610	3,400,831,343 c	1.1204
2019	24,608,900	2,993,867,900			410,703,410 e		23,838,400	3,453,018,610	168,421,900	-	3,284,596,710	3,572,155,204 c	1.1609

Source: Municipal Tax Assessor

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

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

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

b Tax rates are per \$100 and for year following calendar year end as shown

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

d Table of Equalized Valuations per the NJ Dept of Treasury

e Commercial values include tax exempt property

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

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

Fiscal Year Ended June 30,	Point Pleasant Borough School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal ^c	Ocean County ^c	
2010	0.8606	0.0484	0.9090	0.3660	0.3690	1.6440
2011	0.8909	0.0486	0.9395	0.3820	0.3810	1.7025
2012	0.9133	0.0472	0.9605	0.4060	0.3910	1.7575
2013	0.9480	0.0380	0.9860	0.4200	0.3970	1.8030
2014	0.9745	0.0586	1.0331	0.4260	0.4120	1.8711
2015	0.9985	0.0593	1.0578	0.4320	0.4250	1.9148
2016	1.0129	0.0584	1.0713	0.4380	0.4290	1.9383
2017	1.0411	0.0445	1.0856	0.4430	0.4240	1.9526
2018	1.0758	0.0446	1.1204	0.4460	0.4310	1.9974
2019	1.1163	0.0446	1.1609	0.4460	0.4310	2.0379

Source: Municipal Tax Collector

Note:

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

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

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

	2019				2010			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
Clark's Landing	13,944,900		0.42%	Clark's Landing			0.45%	
Point 88 Realty	8,007,300		0.24%	Point 88 Realty			0.24%	
Johnson Bros Boat Works, LLC	6,126,300		0.19%	Johnson Bros Boat Works, LLC			0.19%	
Crest Pointe Property LLC	5,423,400		0.17%	Paglia			0.15%	
Robelander Realty Inc.	4,468,800		0.14%	Robelander Realty Inc.			0.14%	
1501 Richmond Ave LLC	4,043,200		0.12%	Nassau Tower Realty LLC, Walgreens			0.13%	
Taxpayer 1	3,800,000		0.12%	Taxpayer 1			0.13%	
SHM Crystal Point LLC	3,706,000		0.11%	CNL Income Crystal Point Marina LLC			0.12%	
Dad Realty, Inc.	3,444,200		0.10%	Verizon			0.12%	
Taxpayer 2	3,312,400		0.10%	Canal Pointe Marine, Inc.			0.11%	
Total	\$ 56,276,500		1.71%	Total			\$ 57,836,800	1.78%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	53,913,656	50,796,681	94.24%	N/A
2011	55,635,545	53,822,115	96.74%	N/A
2012	57,901,688	55,828,445	96.42%	N/A
2013	57,972,061	55,828,445	96.30%	N/A
2014	60,085,149	58,694,307	97.69%	N/A
2015	61,853,741	60,862,639	98.40%	N/A
2016	62,582,526	61,974,964	98.73%	N/A
2017	63,248,235	63,126,593	99.37%	N/A
2018	65,101,984	64,977,134	99.26%	N/A
2019	67,597,000	N/A	N/A	N/A

Source: Municipal Chief Financial Officer

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

Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2010	12,358,000	-	-	-	-	12,358,000	0.33%	671.01
2011	11,053,000	-	-	-	-	11,053,000	0.38%	600.09
2012	9,270,000	-	-	-	-	9,270,000	0.46%	502.60
2013	7,860,000	-	-	-	-	7,860,000	0.55%	424.41
2014	22,803,000	-	-	-	-	22,803,000	0.02%	1,221.70
2015	21,238,000	-	-	-	-	21,238,000	0.02%	1,146.57
2016	19,658,000	-	-	-	-	19,658,000	N/A	1,060.01
2017	18,048,000	-	-	-	-	18,048,000	N/A	966.94
2018	16,883,000	-	-	-	-	16,883,000	N/A	903.61
2019	15,668,000	-	-	-	-	15,668,000	N/A	N/A

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

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

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2010	12,358,000		12,358,000	0.33%	670.68
2011	11,053,000	-	11,053,000	0.34%	598.07
2012	9,270,000	-	9,270,000	0.28%	502.46
2013	7,860,000	-	7,860,000	0.24%	424.38
2014	22,803,000	-	22,803,000	0.70%	1231.20
2015	21,238,000	-	21,238,000	0.65%	1137.85
2016	19,658,000	-	19,658,000	0.61%	1053.20
2017	18,048,000	-	18,048,000	0.56%	966.94
2018	16,883,000	-	16,883,000	0.50%	903.61
2019	15,668,000	-	15,668,000	0.44%	N/A

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

a Use Estimated County equalized value from J-6

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

**POINT PLEASANT BOROUGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Point Pleasant Borough's Share (100%)	\$ 15,668,000	100.00% d	\$ 15,668,000
Other debt	-	-	-
County of Ocean - Borough's Share (XXX%)	a \$ 475,771,082	2.11%	\$ 10,059,001
Ocean County Utility Authority	b 127,777,924	3.83%	<u>4,897,945</u>
Subtotal, overlapping debt			30,624,946
Point Pleasant School District Direct Debt			<u>15,668,000</u>
Total direct and overlapping debt			<u><u>\$ 46,292,946</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Ocean County Board of Taxation.
 Debt outstanding data provided by each governmental unit. Pt Boro county debt from Steven Marrus County of Ocean
 a = December 31, 2018 County of Ocean total net debt b = as provided by OCUA allocated based on flow gallons

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

	Equalized valuation basis	
	2019	\$ 3,572,155,204 c
	2018	3,543,595,987 c
	2017	3,380,144,776 c
	[A]	<u>\$10,495,895,967</u>
Average equalized valuation of taxable	[A/3]	\$ 3,498,631,989
Debt limit (4 % of average equalization)	[B]	139,945,280 a
	[C]	<u>\$ 15,668,000</u>
	[B-C]	<u>\$ 124,277,280</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 150,832,416	\$ 150,633,503	\$ 144,364,034	\$ 134,372,959	\$ 134,337,050	\$ 131,250,565	\$ 131,638,496	\$ 132,035,924	\$ 134,348,151	\$ 139,945,280
Total net debt applicable to limit	<u>12,358,000</u>	<u>11,053,000</u>	<u>9,270,000</u>	<u>7,860,000</u>	<u>22,803,000</u>	<u>21,238,000</u>	<u>19,658,000</u>	<u>18,048,000</u>	<u>16,883,000</u>	<u>15,668,000</u>
Legal debt margin	<u>\$ 138,474,416</u>	<u>\$ 139,580,503</u>	<u>\$ 135,094,034</u>	<u>\$ 126,512,959</u>	<u>\$ 111,534,050</u>	<u>\$ 110,012,565</u>	<u>\$ 11,980,496</u>	<u>\$ 113,987,924</u>	<u>\$ 117,465,151</u>	<u>\$ 124,277,280</u>
Total net debt applicable to the limit as a percentage of debt limit	8.19%	7.34%	6.42%	5.85%	16.97%	16.18%	14.93%	13.67%	12.57%	11.20%

Source:

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

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2010	18,417	734,559,000	39,900	8.20%
2011	18,419	762,698,160	41,460	8.40%
2012	18,444	780,961,624	42,499	8.20%
2013	18,520	784,620,390	42,573	6.30%
2014	18,665	821,226,024	44,381	6.30%
2015	18,523	859,189,355	46,385	6.20%
2016	18,545	879,274,085	47,413	5.20%
2017	18,651	935,981,784	50,184	4.80%
2018	18,684	N/A	N/A	4.30%
2019	N/A	N/A	N/A	4.00%

Source:

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

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

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

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

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

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Point Pleasant Board of Education	-		0%	-		0.00%
Point Pleasant Hospital	-		-	-		0.00%
Borough of Point Pleasant	-		0%	-		0.00%
Claremont Nursing Home	-		0%	-		0.00%
Stop and Shop(formerly Grand Union)	-		0%	-		0.00%
Weisleder	-		0%	-		0.00%
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source: Municipal Tax Collector

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

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	189.5	182.0	204.0	185.5	185.5	185.5	180.0	181.0	178.5	182.0
Special education	40.5	41.0	41.0	39.5	41.5	42.0	43.0	43.0	45.5	46.5
Other special education										
Vocational										
Other instruction	41.0	38.0	23.0	24.5	21.5	21.5	23.0	29.0	30.0	26.0 a
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	54.0	56.0	56.0	63.5	68.0	78.0	74.0	73.0	75.5	77.0
General administration	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
School administrative services	11.5	11.0	11.0	20.0	21.0	21.5	20.5	20.5	20.5	20.5
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	5.0	6.0	6.0	6.5	6.5	6.5	6.5	6.5	6.5	6.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Plant operations and maintenance	7.5	5.0	5.0	7.5	8.5	8.0	8.5	9.0	9.5	11.5
Pupil transportation	10.0	11.0	11.0	13.0	13.5	13.5	11.0	12.5	15.5	16.5
Other support services	17.0	14.0	14.0	13.0	14.0	14.0	14.0	14.0	13.0	13.0
Special Schools										
Food Service	13.5	14.0	14.0	14.0	15.0	15.0	11.5	10.5	9.5	9.0
Child Care										
Total	394.5	383.0	390.0	393.0	401.0	411.5	399.0	406.0	411.0	415.0

Source: District Personnel Records

a - This figure includes special education aides.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2010	3,037	32,249,703	10,384	1.73%	231	13:1	11:1	11:1	3048	2,888	-0.22%	94.77%
2011	3,008	32,847,824	10,817	4.17%	232	13:1	12:1	11:1	2998	2,839	-0.16%	94.70%
2012	2,952	33,474,068	11,280 d	8.63%	245	13:1 e	11:1 e	11:1 e	2951	2,805	-0.16%	95.05%
2013	2,919	34,311,286	11,754 d	8.67%	250	13:1 e	11:1 e	11:1 e	2918	2,489	-0.11%	85.30%
2014	2,880	35,674,045	12,342 d	14.68%	267	13:1 e	11:1 e	10:1 e	2878	2,752	-0.14%	95.62%
2015	2,801	37,124,407	12,920 d	4.68%	249	13:1 e	12:1 e	11:1 e	2785	2,664	-0.32%	95.66%
2016	2,739	37,178,728	12,988 d	5.23%	246	12.5:1 e	11:1 e	11:1 e	2739	2,627	-0.17%	95.91%
2017	2,776 f	38,752,135	13,960 d	5.23%	241 e	12:1 e	10:1 e	10:1 e	2704	2,583	-0.29%	95.53%
2018	2,783 f	39,542,452	14,209 d	14.71%	243 e	12:1 e	11:1 e	11:1 e	2733	2,603	-0.19%	95.24%
2019	2,776 f	40,467,250	14,630 d	2.96%	N/A e	N/A e	N/A e	N/A e	2754	2,631	0.08%	95.53%

Sources: District records

Note: Enrollment based on annual October district count ASSA 10/15/18 count for FYE 2013.

- a Operating expenditures equal total expenditures less debt service, on behalf contributions and capital outlay per schedule c -1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). From Gvancardo
- d from 2012-13 proposed budget schedule D1
- e from School report card issued in current fiscal year
- f ASSA total enrollment (count sent and shared time as 1.0)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
District Building										
<u>Elementary</u>										
Nellie Bennet										
Square Feet	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497	88,497
Capacity (students)	674	674	674	674	674	674	674	674	674	674
Enrollment	800	800	732	741	727	725	765	753	745	764
Ocean Road										
Square Feet	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406
Capacity (students)	556	556	556	556	556	556	556	556	556	556
Enrollment	568	568	550	577	575	535	554	540	493	502
<u>Middle School</u>										
Memorial Middle School										
Square Feet	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002	100,002
Capacity (students)	742	742	742	742	742	742	742	742	742	742
Enrollment	716	716	720	663	673	641	644	674	656	695
<u>High School</u>										
Point Pleasant High School										
Square Feet	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636	167,636
Capacity (students)	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Enrollment	1,030	1,030	919	959	901	914	952	888	855	822
<u>Other</u>										
Administration Building										
Square Feet	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320
Bus Garage										
Square Feet	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970	3,970
Number of Schools at June 30, 2019										
Elementary =	2									
Middle School =	1									
Senior High School =	1									
Other =	2									

Source: District Facilities Office

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

* School Facilities Project # (s)	Point Pleasant High School	Memorial Middle School	Nellie F. Bennett Elementary	Ocean Road Elementary School	Administrative and Maintenance Building	Total
2010	387,354	183,925	189,144	132,512	49,742	942,677
2011	292,612	236,600	164,496	169,884	55,465	919,057
2012	307,978	173,789	128,555	141,960	58,448	810,730
2013	465,527	240,109	197,539	162,631	37,783	1,103,589
2014	453,069	303,768	224,011	148,760	38,407	1,168,015
2015	298,946	151,837	145,466	129,625	100,191	826,065
2016	269,033	150,613	150,072	102,623	88,163	760,504
2017	330,673	142,265	175,442	101,004	72,918	822,302
2018	254,021	172,709	141,590	123,916	81,064	773,300
2019	332,282	209,770	182,228	127,130	27,308	878,718
Total School Facilities	\$ 3,391,495	\$ 1,965,385	\$ 1,698,543	\$ 1,340,045	\$ 609,489	\$ 9,004,957

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

Source: District records

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2019

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

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Point Pleasant Borough Board of Education in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Point Pleasant Borough Board of Education basic financial statements, and have issued our report thereon dated September 10, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

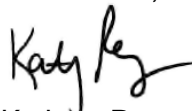
As part of obtaining reasonable assurance about whether the Point Pleasant Borough Board of Education financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which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

Purpose of this Report

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

Respectfully Submitted,

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



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

September 10, 2019

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Point Pleasant Borough School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Point Pleasant Borough Board of Education's major federal programs for the year ended June 30, 2019. Point Pleasant Borough Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, Point Pleasant Borough Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

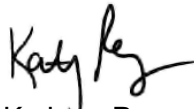
A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

Respectfully Submitted,

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

A handwritten signature in black ink, appearing to read "Kathy Perry".

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

September 10, 2019

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2018	Cash Received	Budgetary Expenditures	Balance at June 30, 2019		
							Deferred Revenue	Accounts Receivable	Due to Grantor
U.S. Department of Education Medical Assistance Program	93.778	9/1/18-8/31/19	54,985	\$ -	\$ 54,985	\$ (54,985)	\$ -	\$ -	\$ -
Total General Fund				<u>-</u>	<u>54,985</u>	<u>(54,985)</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Department of Education Passed-through State Department of Education:									
Title I, Basic Allocation	84.010	7/1/18-6/30/19	286,769	-	232,056	(321,795)	-	(89,739)	-
Title I, Basic Allocation	84.010	7/1/17-6/30/18	296,430	(134,396)	134,396	-	-	-	-
Title II - Part A	84.367	7/1/18-6/30/19	74,237	-	52,492	(74,237)	-	(21,745)	-
Title II - Part A	84.367	7/1/17-6/30/18	69,213	(23,181)	23,181	-	-	-	-
Title III	84.365	7/1/17-6/30/18	10,061	(264)	264	-	-	-	-
Title III	84.365	7/1/18-6/30/19	7,628	-	1,973	(5,823)	-	(3,850)	-
Title IV - Part A	84.424	7/1/18-6/30/19	17,639	-	13,926	(15,553)	-	(1,627)	-
Special Education Cluster:									
I.D.E.A. Part B Basic	84.027	7/1/18-6/30/19	592,296	-	586,098	(592,296)	-	(6,198)	-
I.D.E.A. Part B Basic	84.027	7/1/17-6/30/18	599,723	(95)	95	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/18-6/30/19	26,289	-	26,207	(26,289)	-	(82)	-
Subtotal of Special Education Cluster				<u>(95)</u>	<u>612,400</u>	<u>(618,585)</u>	<u>-</u>	<u>(6,280)</u>	<u>-</u>
Total Special Revenue Fund				<u>(157,936)</u>	<u>1,070,688</u>	<u>(1,035,993)</u>	<u>-</u>	<u>(123,241)</u>	<u>-</u>
U.S. Department of Agriculture Passed-through State Department of Education:									
Food Distribution Program	10.550	7/1/18-6/30/19	33,718	-	33,718	(33,718)	-	-	-
Child Nutrition Cluster:									
School Breakfast Program	10.553	7/1/18-6/30/19	9,796	-	9,796	(9,796)	-	-	-
School Breakfast Program	10.553	7/1/17-6/30/18	11,051	(546)	546	-	-	-	-
National School Lunch Program	10.555	7/1/17-6/30/18	133,007	(6,005)	6,005	-	-	-	-
National School Lunch Program	10.555	7/1/18-6/30/19	134,341	-	125,625	(134,341)	-	(8,716)	-
Subtotal of Child Nutrition Cluster				<u>(6,551)</u>	<u>141,972</u>	<u>(144,137)</u>	<u>-</u>	<u>(8,716)</u>	<u>-</u>
Total Enterprise (Food Service) Fund				<u>(6,551)</u>	<u>175,690</u>	<u>(177,855)</u>	<u>-</u>	<u>(8,716)</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ (164,487)</u>	<u>\$ 1,301,363</u>	<u>\$ (1,268,833)</u>	<u>\$ -</u>	<u>\$ (131,957)</u>	<u>\$ -</u>

See accompanying notes to schedules of expenditures.

POINT PLEASANT BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2019

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018	Cash Received	Budgetary Expenditures	Deferred Revenue at June 30, 2019	(Accounts Receivable) at June 30, 2019	Due to Grantor at June 30, 2019	MEMO	
										Budgetary Receivable	Cumulative Total Expenditures
New Jersey Department of Education											
General Fund:											
Extraordinary Aid	18-100-034-5120-473	7/1/17-6/30/18	\$ 314,603	\$ (314,603)	\$ 315,825	\$ (1,222)	\$ -	\$ -	\$ -	\$ -	\$ (1,222)
Extraordinary Aid	19-100-034-5120-473	7/1/18-6/30/19	413,516	-	-	(413,516)	-	(413,516)	-	-	(413,516)
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	1,663,733	-	1,497,371	(1,663,733)	-	-	(166,362)	-	(1,663,733)
Nonpublic Transportation Aid	18-495-034-5120-045	7/1/17-6/30/18	2,590	(2,590)	2,590	-	-	-	-	-	-
Nonpublic Transportation Aid	19-495-034-5120-045	7/1/18-6/30/19	5,263	-	-	(5,263)	-	(5,263)	-	-	(5,263)
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	3,924,507	-	3,546,798	(3,924,507)	-	-	(377,709)	-	(3,924,507)
Categorical Security Aid	19-495-034-5120-084	7/1/18-6/30/19	184,043	-	165,639	(184,043)	-	-	(18,404)	-	(184,043)
Categorical Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	41,071	-	36,964	(41,071)	-	-	(4,107)	-	(41,071)
On-Behalf TPAF Pension Contribution	19-100-034-5095-002	7/1/18-6/30/19	3,633,154	-	3,633,154	(3,633,154)	-	-	-	-	(3,633,154)
On-Behalf TPAF Post-Retirement Medical	19-100-034-5095-001	7/1/18-6/30/19	1,647,993	-	1,647,993	(1,647,993)	-	-	-	-	(1,647,993)
On-Behalf TPAF Long-Term Disability Insurance	19-100-034-5095-004	7/1/18-6/30/19	3,127	-	3,127	(3,127)	-	-	-	-	(3,127)
Reimbursed TPAF Social Security Tax Contribution	19-495-034-5094-003	7/1/18-6/30/19	1,375,182	-	1,307,445	(1,375,182)	-	(67,737)	-	-	(1,375,182)
Total General Fund				<u>(317,193)</u>	<u>12,156,906</u>	<u>(12,892,811)</u>	<u>-</u>	<u>(486,516)</u>	<u>-</u>	<u>(566,582)</u>	<u>(12,892,811)</u>
Debt Service Fund:											
Debt service aid	19-495-034-5120-017	7/1/18-6/30/19	371,575	-	371,575	(371,575)	-	-	-	-	-
Total Debt service Aid				<u>-</u>	<u>371,575</u>	<u>(371,575)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Enterprise Fund:											
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	-	(260)	260	-	-	-	-	-	-
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	-	-	5,692	(6,048)	-	(356)	-	-	-
Total Enterprise Fund				<u>(260)</u>	<u>5,952</u>	<u>(6,048)</u>	<u>-</u>	<u>(356)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures of State Awards				<u>\$ (317,453)</u>	<u>\$ 12,534,433</u>	<u>\$ (13,270,434)</u>	<u>\$ -</u>	<u>\$ (486,872)</u>	<u>\$ -</u>	<u>\$ (566,582)</u>	<u>\$ (12,892,811)</u>
State Financial Assistance Not Subject to Single Audit Determination				<u>-</u>	<u>(5,284,274)</u>	<u>5,284,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,284,274</u>
Total Expenditures of State Awards Subject to Single Audit Determination				<u>\$ (317,453)</u>	<u>\$ 7,250,159</u>	<u>\$ (7,986,160)</u>	<u>\$ -</u>	<u>\$ (486,872)</u>	<u>\$ -</u>	<u>\$ (566,582)</u>	<u>\$ (7,608,537)</u>

See accompanying notes to schedules of expenditures.

Point Pleasant Borough Board of Education

Notes to the Schedules of Awards and Financial Assistance

June 30, 2019

1. General

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

2. Basis of Accounting

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

3. Relationship to General Purpose Financial Statements

Relationship to Basic Financial Statements

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

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

Point Pleasant Borough Board of Education

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

June 30, 2019

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(3,618,977) for the general fund and \$2,957 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	\$ 54,985	\$ 9,273,834	\$ 9,328,819
Special Revenue Fund	1,038,950	-	1,038,950
Capital Projects Fund	-	-	-
Debt Service Fund	-	371,575	371,575
Food Service Fund	<u>177,855</u>	<u>6,048</u>	<u>183,903</u>
Total awards and financial assistance	<u>\$ 1,271,790</u>	<u>\$ 9,651,457</u>	<u>\$ 10,923,247</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, 2019.

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

6. Indirect Costs

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

Point Pleasant Borough Board of Education

Schedule of Findings and Questioned Costs

June 30, 2019

Section I - Summary of Auditor's ResultsFinancial Statement SectionType 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 noFederal Awards Section

Internal Control over major programs:

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

Type of auditor's report issued on compliance for major programs:
Unmodified OpinionAny audit findings disclosed that are
required to be reported in accordance with
2 CFR section .516(a) of the Uniform Guidance? _____yes X no

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$750,000Auditee qualified as low-risk auditee? X yes _____no

Point Pleasant Borough Board of Education
 Schedule of Findings and Questioned Costs (continued)

June 30, 2019

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

State Awards Section

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

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

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

Internal Control over major programs:

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

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

Any audit findings disclosed that are required
 to be reported in accordance with NJOMB
 Circular Letter 15-08? _____ yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
State Aid-Public (Cluster)	
495-034-5120-089	Special Education Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2019.

Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2019.

Point Pleasant Borough Board of Education

Summary Schedule of Prior Audit Findings

June 30, 2019

There were no prior year findings for the period ended June 30, 2018.