

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, 2021

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, 2021

Prepared by

Point Pleasant Borough Board of Education  
Finance Department

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## INTRODUCTORY SECTION

# POINT PLEASANT SCHOOLS

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

2100 Panther Path  
Point Pleasant, NJ 08742  
(732) 701-1900, Ext. 2410  
Fax: (732) 612-1413

October 4, 2021

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, 2021 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, 2020 resident enrollment of 2,668 students, which is 129 students lower 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>
2020-21	2,668	(4.61)%
2019-20	2,797	1.12%
2018-19	2,766	1.50%
2017-18	2,725	0.03%
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	(0.01)%
2011-12	2,952	(1.83)%

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. The declining enrollment from fiscal 2019-20 to fiscal 2020-21 was directly related to the COVID-19 pandemic and its effect on school operations.
  
3. PROFESSIONAL DEVELOPMENT ACTIVITIES – 2020-2021  
 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 59 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.

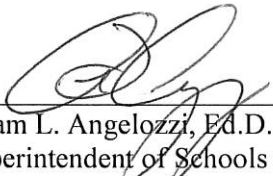
7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the Board continues to meet its responsibility for sound financial management.

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, 2020, the Board's outstanding debt issues included \$13,078,000 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,



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Adam L. Angelozzi, Ed.D.  
Superintendent of Schools

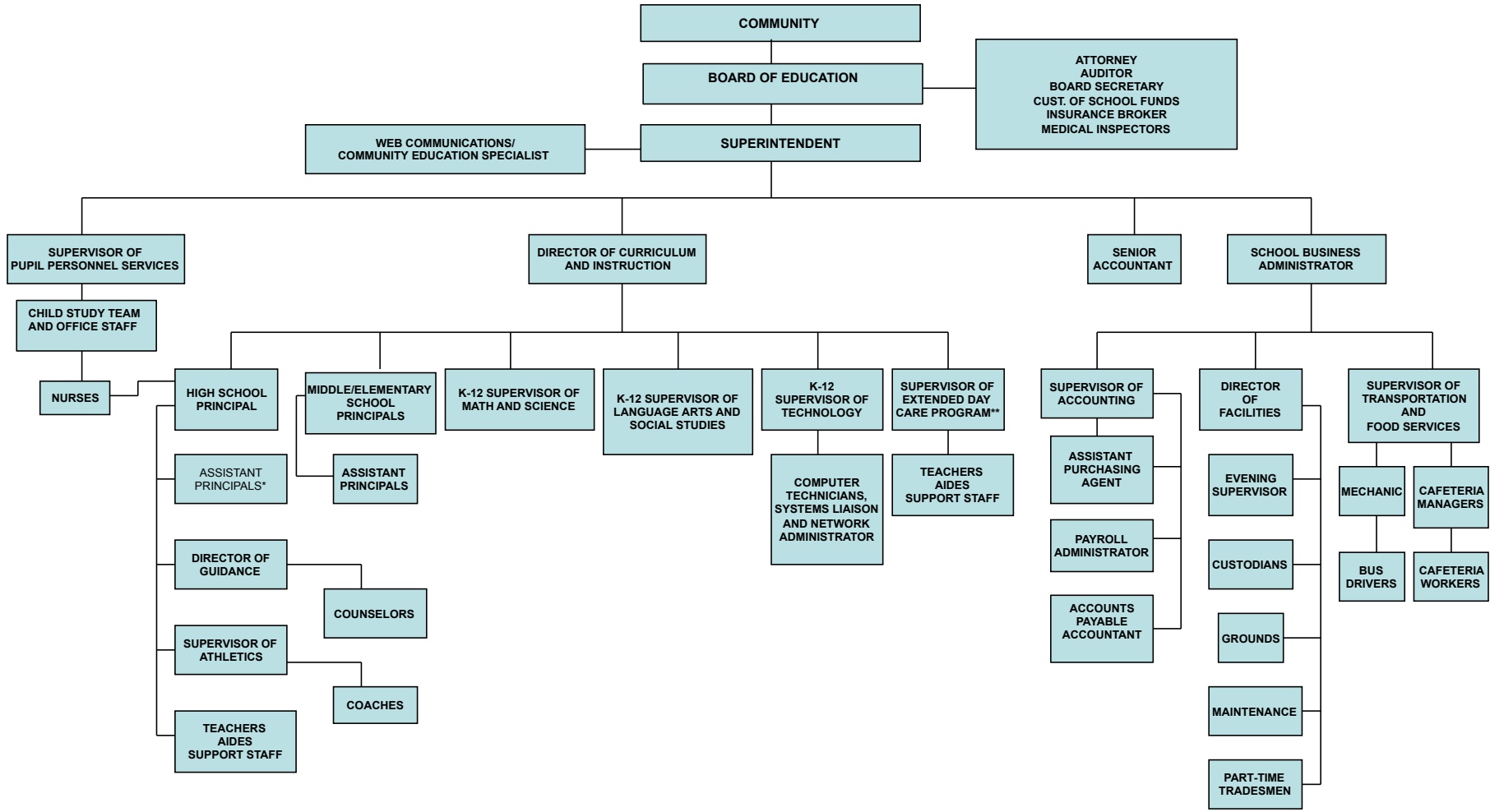


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Steven W. Corso, C.P.A.  
School Business Administrator/Board Secretary

AA: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, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joan Speroni, President	2023
Cheryl Salway, Vice President	2023
John Florio	2021
Diane Peterson	2022
Larry Williams	2021
William Munn, Jr.	2021
Jacquelyn Wieland	2022

Other Officials

Adam L. Angelozzi, Ed.D., Superintendent of Schools

Susan Ladd, Director of Curriculum & Instruction

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

Robert Dunn, Supervisor of Pupil Personnel Services

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

Comegno Law Group, PC  
521 Pleasant Valley Avenue  
Moorsetown, NJ 08057

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, 2021, 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, 2021 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.

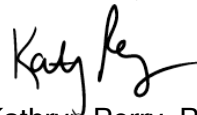
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated October 4, 2021 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

October 4, 2021

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Point Pleasant Borough Board of Education

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

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, 2021. 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, 2021 are as follows:

Net position totaled \$13,835,614, which represents a (22.27) percent decrease from June 30, 2020.

General revenues accounted for \$45,989,179 in revenue or 89 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 \$5,771,535 or 11 percent of total revenues of \$51,760,714.

Total assets increased by \$678,798 as current assets increased by \$2,469,036 and capital assets, net decreased by \$1,790,238.

The School Board had \$56,170,304 in expenses; only \$5,771,535 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$45,989,179 were adequate to provide for these programs.

Among major funds, the General Fund had \$47,397,888 in revenues and \$46,666,360 in expenditures and transfers. The General Fund's balance increased \$731,528 over June 30, 2020. The General Fund's fund balance is \$7,827,226 inclusive of all reserves of \$3,179,390 and includes \$1,960,196 designated for subsequent year's expenditures.

### **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, 2021 and 2020.

Table 1

Net Position as of June 30, 2021 and June 30, 2020

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 10,047,255	\$ 328,583	\$ 10,375,838	\$ 7,461,026	\$ 445,776	\$ 7,906,802
Capital assets, net	<u>32,045,285</u>	<u>1,187,499</u>	<u>33,232,784</u>	<u>33,831,965</u>	<u>1,191,057</u>	<u>35,023,022</u>
Total assets	42,092,540	1,516,082	43,608,622	41,292,991	1,636,833	42,929,824
Deferred outflow of resources	<u>2,521,148</u>	<u>-</u>	<u>2,521,148</u>	<u>1,136,434</u>	<u>-</u>	<u>1,136,434</u>
Liabilities:						
Current liabilities	1,842,887	31,901	1,874,788	434,646	31,783	466,429
Long-term liabilities outstanding	<u>25,623,515</u>	<u>168</u>	<u>25,623,683</u>	<u>22,653,957</u>	<u>1,260</u>	<u>22,655,217</u>
Total liabilities	27,466,402	32,069	27,498,471	23,088,603	33,043	23,121,646
Deferred inflow of resources	<u>4,795,685</u>	<u>-</u>	<u>4,795,685</u>	<u>3,144,605</u>	<u>-</u>	<u>3,144,605</u>
Net position:						
Net investment in capital assets	18,762,838	1,187,499	19,950,337	19,171,432	1,191,057	20,362,489
Restricted	3,804,335	-	3,804,335	3,493,833	-	3,493,833
Unrestricted	<u>(10,215,572)</u>	<u>296,514</u>	<u>(9,919,058)</u>	<u>(6,469,048)</u>	<u>412,733</u>	<u>(6,056,315)</u>
Total Net Position	<u>\$ 12,351,601</u>	<u>\$ 1,484,013</u>	<u>\$ 13,835,614</u>	<u>\$ 16,196,217</u>	<u>\$ 1,603,790</u>	<u>\$ 17,800,007</u>

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$13,835,614 on June 30, 2021. This is a change of (22.27)% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2021 and 2020.

Table 2

Changes in Net Position

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 247,638	\$ 64,830	\$ 312,468	\$ -	\$ 661,216	\$ 661,216
Operating and capital grants and contributions	5,119,267	339,800	5,459,067	3,876,507	168,357	4,044,864
General revenues:						
Property taxes	38,907,233	-	38,907,233	37,932,665	-	37,932,665
Federal and state aid	6,332,432	-	6,332,432	6,316,185	-	6,316,185
Interest	43,375	-	43,375	43,600	405	44,005
Miscellaneous	706,137	2	706,139	739,225	-	739,225
Total revenues	<u>51,356,082</u>	<u>404,632</u>	<u>51,760,714</u>	<u>48,908,182</u>	<u>829,978</u>	<u>49,738,160</u>
<b>Expenses</b>						
Instructional services	22,673,051	-	22,673,051	21,142,836	-	21,142,836
Support services	32,507,215	524,409	33,031,624	26,816,836	836,035	27,652,871
Interest on long-term liabilities	465,629	-	465,629	509,083	-	509,083
Total expenses	<u>55,645,895</u>	<u>524,409</u>	<u>56,170,304</u>	<u>48,468,755</u>	<u>836,035</u>	<u>49,304,790</u>
Change in net position	(4,289,813)	(119,777)	(4,409,590)	439,427	(6,057)	433,370
Net position - beginning	16,196,217	1,603,790	17,800,007	15,756,790	1,609,847	17,366,637
Prior period adjustment	445,197	-	445,197	-	-	-
Net position - beginning, restated	<u>16,641,414</u>	<u>1,603,790</u>	<u>18,245,204</u>	<u>15,756,790</u>	<u>1,609,847</u>	<u>17,366,637</u>
Net position (deficit) - ending	<u>\$ 12,351,601</u>	<u>\$ 1,484,013</u>	<u>\$ 13,835,614</u>	<u>\$ 16,196,217</u>	<u>\$ 1,603,790</u>	<u>\$ 17,800,007</u>

The tax levy increase was due to increased costs in salaries and benefits, utilities and the debt service.

Regular instructional costs increased due to full operations resuming after COVID-19 related building closures in the spring of 2020.

Other support services increased primarily as a result of changes in the net deferred inflows, outflows in the PERS pension liability. There was also a substantial increase in staffing costs in the 20-21 school year resulting from COVID-19 related operational changes.

## Expenses for Fiscal Year June 30, 2021

### 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 expenses exceeded revenues by \$119,777.

Charges for services represent \$64,830 of revenue. This represents the amount paid by patrons for daily food service and child care.

Federal and state reimbursements for meals, payments for free and reduced lunches and donated commodities was \$339,800.

### 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

	2021		2020	
	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	\$ 22,673,051	\$ 21,068,716	\$ 21,142,836	\$ 20,340,910
Support Services:				
Pupils and Instructional Staff	10,876,190	7,113,620	9,987,954	6,913,373
General Administration, School Administration, Business Operation and Maintenance of Facilities	20,289,459	20,289,459	15,305,407	15,305,407
Pupil Transportation	1,341,566	1,341,566	1,523,475	1,523,475
Interest and Fiscal Charges	<u>465,629</u>	<u>465,629</u>	<u>509,083</u>	<u>509,083</u>
<b>Total Expenses</b>	<b><u>\$ 55,645,895</u></b>	<b><u>\$ 50,278,990</u></b>	<b><u>\$ 48,468,755</u></b>	<b><u>\$ 44,592,248</u></b>



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, 2021, it reported a combined fund balance of \$8,099,620, which is an increase of \$1,164,275. 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, 2021.

<u>Revenue</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 39,990,586	77.85 %	\$ 1,277,436	3.30 %
State Sources	9,464,659	18.42	268,774	2.92
Federal Sources	1,910,168	3.72	913,361	91.63
Other Financing Sources	<u>5,500</u>	<u>0.01</u>	<u>1,310</u>	<u>31.26</u>
Total	<u>\$ 51,370,913</u>	<u>100.00 %</u>	<u>\$ 2,460,881</u>	<u>5.03 %</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, 2021.

<u>Expenditures</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 20,563,296	40.60 %	\$ 1,664,219	8.81 %
Undistributed Expenditures	27,591,362	54.47	988,024	3.71
Capital Outlay	653,462	1.29	(301,807)	(31.59)
Debt Service:				
Principal	1,320,000	2.61	50,000	3.94
Interest	<u>523,715</u>	<u>1.03</u>	<u>(44,300)</u>	<u>(7.80)</u>
Total	<u>\$ 50,651,835</u>	<u>100.00 %</u>	<u>\$ 2,356,136</u>	<u>4.88 %</u>

## General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$2,574,397 below what had been budgeted in terms of actual expenditures. General Fund revenues were approximately about \$657,795 more than projected. 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	\$ 189,804
Capital Reserve	1,173,593
Maintenance Reserve	1,446,737
Emergency Reserve	459,060
Tuition Reserve	100,000
Unemployment Claims	162,747

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 and reduction in cost of various health care plans offered to employees. These agreements decrease the prices offered to the District on various goods and services that are provided, including supplies and energy.

Revenues were primarily affected by increases in the tax levy.

Calculated excesses, if any, will be carried forward into the beginning fund balance from the 2020-2021 fiscal year and will be used to reduce the local tax levy for the 2022-2023 fiscal year.

## Capital Assets and Debt Administration

*Capital Assets.* At the end of the fiscal year June 30, 2021, the School Board had \$33,232,784 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2021 and June 30, 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 275,324	\$ 275,324	\$ -	\$ -	\$ 275,324	\$ 275,324
Construction in Progress	-	-	-	-	-	-
Building and Improvements	27,625,585	29,273,422	1,173,439	1,173,439	28,799,024	30,446,861
Machinery and Equipment	4,144,376	4,283,219	14,060	17,618	4,158,436	4,300,837
<b>Total</b>	<b>\$ 32,045,285</b>	<b>\$ 33,831,965</b>	<b>\$ 1,187,499</b>	<b>\$ 1,191,057</b>	<b>\$ 33,232,784</b>	<b>\$ 35,023,022</b>

During the current fiscal year, \$612,055 and \$- of capital assets were capitalized as additions to governmental activities and business-type activities, respectively. 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, 2021</u>	<u>June 30, 2020</u>
Bonds Payable (net)	\$ 13,078,000	\$ 14,398,000
Pension Liability-PERS	10,604,403	6,375,066
Compensated Absences payable	<u>1,941,280</u>	<u>1,882,151</u>
<b>Total long-term liabilities</b>	<b>\$ <u>25,623,683</u></b>	<b>\$ <u>22,655,217</u></b>

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

## Economic Factors and Next Year's Budget

For the 2020-2021 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% of the School Board's revenue is from federal, state and other aid (restricted and not restricted), while 78% of total revenue is from local sources.

The \$(10,215,572) 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 2020-2021 budget was adopted in March 2020 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 2021-2022 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, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,542,190	\$ 270,787	\$ 5,812,977
Reserve accounts-restricted	3,179,390	-	3,179,390
Receivables - other	34,995	846	35,841
Receivables - state	827,911	2,195	830,106
Receivables - federal	462,769	24,531	487,300
Inventory	-	30,224	30,224
Capital assets, non-depreciable	275,324	-	275,324
Capital assets, depreciable, net	31,769,961	1,187,499	32,957,460
Total assets	<u>42,092,540</u>	<u>1,516,082</u>	<u>43,608,622</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - PERS	2,506,151	-	2,506,151
Deferred charge on refunding	14,997	-	14,997
Total deferred outflows of resources	<u>2,521,148</u>	<u>-</u>	<u>2,521,148</u>
<b>LIABILITIES</b>			
Accounts payable	130,046	807	130,853
Accrued payroll	43,773	87	43,860
Other liabilities	1,608,942	-	1,608,942
Unearned revenue	60,126	31,007	91,133
Noncurrent liabilities:			
Due within one year	1,479,748	-	1,479,748
Due beyond one year	24,143,767	168	24,143,935
Total liabilities	<u>27,466,402</u>	<u>32,069</u>	<u>27,498,471</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	4,576,241	-	4,576,241
Deferred premium on refunding	219,444	-	219,444
Total deferred inflows of resources	<u>4,795,685</u>	<u>-</u>	<u>4,795,685</u>
<b>NET POSITION</b>			
Net Investment in capital assets	18,762,838	1,187,499	19,950,337
Restricted for:			
Capital projects	1,173,593	-	1,173,593
Unemployment compensation	162,747	-	162,747
Scholarships	32,183	-	32,183
Student activities	240,211	-	240,211
Other purposes	2,195,601	-	2,195,601
Unrestricted	(10,215,572)	296,514	(9,919,058)
Total net position	<u>\$ 12,351,601</u>	<u>\$ 1,484,013</u>	<u>\$ 13,835,614</u>

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 17,913,240	\$ -	\$ 1,604,335	\$ -	\$ (16,308,905)	\$ -	\$ (16,308,905)
Special education instruction	3,552,891	-	-	-	(3,552,891)	-	(3,552,891)
Other special instruction	1,206,920	-	-	-	(1,206,920)	-	(1,206,920)
Support services and undistributed costs:							
Instruction	2,361,123	-	122,249	-	(2,238,874)	-	(2,238,874)
Attendance and social work	151,294	-	-	-	(151,294)	-	(151,294)
Health services	447,901	-	267	-	(447,634)	-	(447,634)
Other support services	3,987,778	247,638 *	94,891 *	-	(3,645,249)	-	(3,645,249)
Improvement of instruction	183,195	-	59,930	-	(123,265)	-	(123,265)
Educational media services	284,260	-	-	-	(284,260)	-	(284,260)
Instruction staff training	223,044	-	-	-	(223,044)	-	(223,044)
General administrative services	855,867	-	-	-	(855,867)	-	(855,867)
School administrative services	2,183,288	-	-	-	(2,183,288)	-	(2,183,288)
School central services	644,288	-	-	-	(644,288)	-	(644,288)
School admin info technology	134,346	-	-	-	(134,346)	-	(134,346)
Allowed maintenance for school facilities	922,342	-	-	-	(922,342)	-	(922,342)
Other operation & maintenance of plant	2,635,564	-	-	-	(2,635,564)	-	(2,635,564)
Care & upkeep of grounds	262,816	-	-	-	(262,816)	-	(262,816)
Security	251,189	-	-	-	(251,189)	-	(251,189)
Student transportation services	1,341,566	-	-	-	(1,341,566)	-	(1,341,566)
Unallocated employee benefits	12,399,759	-	-	-	(12,399,759)	-	(12,399,759)
Non-budgeted expenses	3,237,595	-	3,237,595	-	-	-	-
Interest expense	465,629	-	-	-	(465,629)	-	(465,629)
Total governmental activities	55,645,895	247,638	5,119,267	-	(50,278,990)	-	(50,278,990)
<b>Business-type activities:</b>							
Food Service	466,481	64,830	339,800	-	-	(61,851)	(61,851)
Child Care	57,928	-	-	-	-	(57,928)	(57,928)
Total business-type activities	524,409	64,830	339,800	-	-	(119,779)	(119,779)
Total primary government	\$ 56,170,304	\$ 312,468	\$ 5,459,067	\$ -	\$ (50,278,990)	\$ (119,779)	\$ (50,398,769)
<b>General revenues:</b>							
Property taxes:							
Levied for general purposes				\$ 37,440,787	\$ -	\$ 37,440,787	
Levied for debt service				1,466,446	-	1,466,446	
Federal and state aid not restricted				6,332,432	-	6,332,432	
Interest - restricted				43,375 **	-	43,375	
Miscellaneous income				715,468	2	715,470	
Loss on disposal of fixed assets				(9,331)	-	(9,331)	
Total general revenues				45,989,177	2	45,989,179	
<b>Change in net position</b>				(4,289,813)	(119,777)	(4,409,590)	
<b>Net position, July 1</b>				16,196,217	1,603,790	17,800,007	
<b>Prior Period Adjustments</b>				445,197	-	445,197	
<b>Net position, July 1 (Restated)</b>				16,641,414	1,603,790	18,245,204	
<b>Net position, June 30</b>				\$ 12,351,601	\$ 1,484,013	\$ 13,835,614	

\* Student activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"

\*\* Includes the interest earnings on the unemployment compensation bank account



POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Balance Sheet  
 Governmental Funds  
 June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,605,809 *	\$ (63,619) *	\$ -	\$ -	\$ 5,542,190
Reserve accounts	3,179,390	-	-	-	3,179,390
Receivables from state	827,911	-	-	-	827,911
Receivables from federal	-	462,769	-	-	462,769
Other receivables	34,995	-	-	-	34,995
Total assets	<u>\$ 9,648,105</u>	<u>\$ 399,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,047,255</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 130,046	\$ -	\$ -	\$ -	\$ 130,046
Accrued salaries and benefits	42,073	1,700	-	-	43,773
Interfund payable	-	-	-	-	-
Payroll deductions and withholdings payable	1,375,893 ***	-	-	-	1,375,893
Other current liabilities	272,867	64,930	-	-	337,797
Unearned revenue	-	60,126	-	-	60,126
Total liabilities	<u>1,820,879</u>	<u>126,756</u>	<u>-</u>	<u>-</u>	<u>1,947,635</u>
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal					
Capital reserve account	1,173,593	-	-	-	1,173,593
Maintenance reserve account	1,446,737	-	-	-	1,446,737
Emergency reserve account	459,060	-	-	-	459,060
Tuition reserve account	100,000	-	-	-	100,000
Unemployment compensation	162,747	-	-	-	162,747
Scholarships	-	32,183	-	-	32,183
Student activities	-	240,211	-	-	240,211
Excess surplus - current year	-	-	-	-	-
Excess surplus -- designated for subsequent year's expenditures	189,804	-	-	-	189,804
Assigned to:					
Other purposes	1,369,213	-	-	-	1,369,213
Designated by the BOE for subsequent year's expenditures	1,960,196	-	-	-	1,960,196
Unassigned to:					
General fund	965,876	-	-	-	965,876
Total fund balances	<u>7,827,226</u>	<u>272,394</u>	<u>-</u>	<u>-</u>	<u>8,099,620</u>
Total liabilities and fund balances	<u>\$ 9,648,105</u>	<u>\$ 399,150</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$72,534,001 and the accumulated depreciation is \$40,764,040.	32,045,285
Deferred outflows related to PERS pension plan	2,506,151
Deferred inflows related to the PERS plan	(4,576,241)
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.	14,997
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.	(219,444)
Long-term liabilities, including bonds payable but not including current portion of compensated absences of \$104,748 are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 13).	(25,518,767)
Net position of governmental activities	<u>\$ 12,351,601</u>

\* Include former fiduciary fund cash and cash equivalents

\*\* Include payable due to the State for unreimbursed unemployment invoices

\*\*\* Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)

\*\*\*\* Include unspent employee payroll unemployment contributions

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 37,440,787	\$ -	\$ -	\$ 1,466,446	\$ 38,907,233
Tuition charges	259,259	-	-	-	259,259
Interest earned on reserve funds	40,981	-	-	-	40,981
Interest earned on unemployment-restricted	2,394 *	-	-	-	2,394
Transportation fees	116,740	-	-	-	116,740
Miscellaneous	339,469	324,510 **	-	-	663,979
Total - Local sources	38,199,630	324,510	-	1,466,446	39,990,586
State sources	9,087,390	-	-	377,269	9,464,659
Federal sources	105,368	1,804,800	-	-	1,910,168
Other financing sources	5,500	-	-	-	5,500
Total revenues	47,397,888	2,129,310	-	1,843,715	51,370,913
<b>EXPENDITURES</b>					
Current:					
Regular instruction	14,282,587	1,604,335	-	-	15,886,922
Special education instruction	3,481,374	-	-	-	3,481,374
Other special instruction	1,195,000	-	-	-	1,195,000
Undistributed - current:					
Instruction	2,036,242	122,249	-	-	2,158,491
Attendance and social work	151,294	-	-	-	151,294
Health services	447,634	267	-	-	447,901
Other support services	3,632,799	354,979 ***	-	-	3,987,778
Improvement of instruction	123,265	59,930	-	-	183,195
Educational media services	284,260	-	-	-	284,260
Instruction staff training	223,044	-	-	-	223,044
General administrative services	855,867	-	-	-	855,867
School administrative services	2,065,263	-	-	-	2,065,263
School central services	644,288	-	-	-	644,288
School admin info technology	134,346	-	-	-	134,346
Required maintenance for school facilities	922,342	-	-	-	922,342
Other operation & maintenance of plant	2,594,157	-	-	-	2,594,157
Care & upkeep of grounds	262,816	-	-	-	262,816
Security	251,189	-	-	-	251,189
Student transportation services	1,341,566	-	-	-	1,341,566
Unallocated employee benefits	7,845,970	-	-	-	7,845,970
Non-budgeted expenditures	3,237,595	-	-	-	3,237,595
Debt service:					
Principal	-	-	-	1,320,000	1,320,000
Interest and other charges	-	-	-	523,715	523,715
Capital outlay	653,462	-	-	-	653,462
Total expenditures	46,666,360	2,141,760	-	1,843,715	50,651,835
Excess (Deficiency) of revenues over expenditures	731,528	(12,450)	-	-	719,078
Net change in fund balances	731,528	(12,450)	-	-	719,078
Fund balance—July 1	6,935,345	-	-	-	6,935,345
Prior period adjustments	160,353	284,844 ****	-	-	445,197
Fund balance—July 1, restated	7,095,698	284,844	-	-	7,380,542
Fund balance—June 30	\$ 7,827,226	\$ 272,394	\$ -	\$ -	\$ 8,099,620

\* Includes interest earnings on the unemployment compensation bank account.

\*\* Special revenue fund now includes revenues from scholarships and student activities.

\*\*\* Special revenue fund now includes expenditures from scholarships and student activities.

\*\*\*\* Unemployment fund net position as of June 30, 2020.

\*\*\*\*\* Scholarship fund and student activity fund net position as of June 30, 2020.

**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, 2021**

**Total net change in fund balances - governmental funds (from B-2)** **\$ 719,078**

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

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

	Depreciation expense	\$ (2,383,904)	
	Capital outlays	<u>612,055</u>	(1,771,849)

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.

		291,184	
	Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2021		
	Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2021	<u>(306,015)</u>	(14,831)

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 (4,553,789)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 1,320,000

In the Statement of Activities, the amortization of bond premiums is recorded as interest expense. In the governmental funds, the amortization is not recorded and this change had no effect. 65,587

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

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. (46,508)

**Change in net position of governmental activities** **\$ (4,289,813)**

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 72,089	\$ 198,698	\$ 270,787
Receivables from state	2,195	-	2,195
Receivables from federal	24,531	-	24,531
Other receivables	846	-	846
Inventories	30,224	-	30,224
Total current assets	129,885	198,698	328,583
Noncurrent assets:			
Building and Improvements	1,173,439	-	1,173,439
Furniture, machinery & equipment	359,952	3,737	363,689
Less accumulated depreciation	(348,209)	(1,420)	(349,629)
Total noncurrent assets	1,185,182	2,317	1,187,499
Total assets	\$ 1,315,067	\$ 201,015	\$ 1,516,082
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 807	\$ -	\$ 807
Unearned revenue	31,007	-	31,007
Accrued salaries and benefits	87	-	87
Total current liabilities	31,901	-	31,901
Noncurrent Liabilities:			
Compensated absences	168	-	168
Total noncurrent liabilities	168	-	168
Total liabilities	32,069	-	32,069
<b>NET POSITION</b>			
Net investment in capital assets	1,185,182	2,317	1,187,499
Restricted for:			
Other	-	-	-
Unrestricted	97,816	198,698	296,514
Total net position	1,282,998	201,015	1,484,013
Total liabilities and net position	\$ 1,315,067	\$ 201,015	\$ 1,516,082

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service</b>	<b>Child Care</b>	<b>Total Enterprise</b>
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ 38	\$ -	\$ 38
School lunch	393	-	393
Total daily sales reimbursable programs	<u>431</u>	<u>-</u>	<u>431</u>
Daily sales non-reimbursable programs	469	-	469
Special functions	825	-	825
Miscellaneous	63,105	-	63,105
Total operating revenues	<u>64,830</u>	<u>-</u>	<u>64,830</u>
Operating expenses:			
Salaries	222,802	56,100	278,902
Employee benefits	43,988	1,580	45,568
Other purchased services	11,224	-	11,224
Supplies and materials	25,056	-	25,056
Utilities	7,624	123	7,747
Other objects	-	8	8
Depreciation	3,441	117	3,558
Cost of sales - reimbursable programs	134,989	-	134,989
Cost of sales - non-reimbursable programs	17,357	-	17,357
Total operating expenses	<u>466,481</u>	<u>57,928</u>	<u>524,409</u>
Operating income (loss)	<u>(401,651)</u>	<u>(57,928)</u>	<u>(459,579)</u>
Nonoperating revenues (expenses):			
Interest income	2	-	2
State sources:			
State school breakfast program	25	-	25
State school lunch program	13,007	-	13,007
Federal sources:			
School breakfast program	1,652	-	1,652
National school lunch program	4,560	-	4,560
Summer Food Service Program for Children	275,804	-	275,804
Food distribution program	44,752	-	44,752
Total nonoperating revenues (expenses)	<u>339,802</u>	<u>-</u>	<u>339,802</u>
Income (loss) before contributions & transfers	<u>(61,849)</u>	<u>(57,928)</u>	<u>(119,777)</u>
Transfers in (out)	-	-	-
Change in net position	<u>(61,849)</u>	<u>(57,928)</u>	<u>(119,777)</u>
Total net position –beginning	1,344,847	258,943	1,603,790
Total net position –ending	<u>\$ 1,282,998</u>	<u>\$ 201,015</u>	<u>\$ 1,484,013</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds		
	Food Service	Child Care	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and other funds	\$ 108,110	\$ -	\$ 108,110
Payments to employees & benefits	(267,795)	(57,680)	(325,475)
Payments to suppliers	(202,279)	(131)	(202,410)
<b>Net cash provided by (used in) operating activities</b>	<u>(361,964)</u>	<u>(57,811)</u>	<u>(419,775)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State sources	10,956	-	10,956
Federal sources	265,030	-	265,030
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>275,986</u>	<u>-</u>	<u>275,986</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Change in capital contributions	-	-	-
Purchases of capital assets	-	-	-
Gain/Loss on sale of capital assets (proceeds)	-	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	2	-	2
<b>Net cash provided by (used in) investing activities</b>	<u>2</u>	<u>-</u>	<u>2</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(85,976)	(57,811)	(143,787)
<b>Balances—beginning of year</b>	158,065	256,509	414,574
<b>Balances—end of year</b>	<u>\$ 72,089</u>	<u>\$ 198,698</u>	<u>\$ 270,787</u>
 <b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (401,651)	\$ (57,928)	\$ (459,579)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and net amortization	3,441	117	3,558
Federal commodities	44,752	-	44,752
(Increase) decrease in accounts receivable, net	(846)	-	(846)
(Increase) decrease in inventories	(6,686)	-	(6,686)
Increase (decrease) in accounts payable	657	-	657
Increase (decrease) in unearned revenue	(626)	-	(626)
Increase (decrease) in compensated absences	(1,092)	-	(1,092)
Increase (decrease) in accrued payroll	87	-	87
<b>Total adjustments</b>	<u>39,687</u>	<u>117</u>	<u>39,804</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (361,964)</u>	<u>\$ (57,811)</u>	<u>\$ (419,775)</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**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 14.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021

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

**B. Basis of Presentation (Cont'd)**

**General Fund (cont'd)**

As required by 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. The implementation of GASB 84 moved the Student Activities Fund and Scholarship Fund to the Special Revenue Fund. The Student Activities Fund and Scholarship Fund have been previously included in the Agency Fund.

**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, 2021

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.

**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, 2021

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 leases are reported as other financing sources.

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

**D. Property Taxes**

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive 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, 2021 were insignificant.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**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 a portion of the applicable appropriation. Open encumbrances in governmental funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

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

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

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**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 2020-2021 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, 2021

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, 2021, the amount earned by these employees but not disbursed was \$1,370,061.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

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. Up to five vacation days per year can 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, 2021 is \$1,941,280.

**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, 2021

**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, 2021

**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, 2021

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

X. GASB Pronouncements

**Recently Issued Accounting Pronouncements to be implemented in future years**

Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 92, *Omnibus 2020*, The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Statement No. 92 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

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

X. GASB Pronouncements (Cont'd)

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of Statement No. 95 are effective immediately.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Objectives 1 and 2 above are effective immediately. Objective 3 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**2. Cash, Cash Equivalents and Investments**

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-414 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the ACT, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA., However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District's bank balance of \$9,889,432 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 7,875,953
Uninsured and Uncollateralized	<u>2,013,479</u>
	<u>\$ 9,889,432</u>

**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, 2021, the District had no investments on deposit.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**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, 2021, the District had actual interest earnings of \$14,386 and had no transfers.

The activity of the Capital Reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance July 1, 2020	\$	959,207
Add:		
Increase per Resolution		400,000
Interest Earnings		14,386
Deposits		-
Less:		
Withdrawals per Budget		<u>(200,000)</u>
Ending Balance, June 30, 2021	\$	<u>1,173,593</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted Capital Projects is \$34,441,500.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**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, 2021.

The activity of the Maintenance Reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance, July 1, 2020	\$ 1,326,895
Add:	
Increase per resolution	500,000
Interest earnings	19,842
Withdrawals per budget	<u>(400,000)</u>
Balance, June 30, 2021	<u>\$ 1,446,737</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**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.

The activity of the Emergency Reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance, July 1, 2020	\$	452,307
Add:		
Interest earnings		<u>6,753</u>
Balance, June 30, 2021	\$	<u>459,060</u>

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

**7. Tuition Reserve Account**

A Tuition Reserve Account was established by the Point Pleasant Borough Board of Education for the accumulation of funds in accordance with N.J.A.C. 6A:23A-14.4(a)(3).. The Tuition Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Tuition Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Tuition Reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance, July 1, 2020	\$	100,000
Add:		
Increase per resolution		<u>-</u>
Balance, June 30, 2021	\$	<u>100,000</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**8. Receivables**

Receivables at June 30, 2021, 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:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$ 827,911	\$ 830,106
Federal Aid	462,769	487,300
Other	<u>34,995</u>	<u>35,841</u>
Gross Receivables	1,325,675	1,353,247
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 1,325,675</u>	<u>\$ 1,353,247</u>

**9. Inventory**

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food	\$ 3,896
Commodities	19,138
Supplies	<u>7,190</u>
	<u>\$ 30,224</u>

**10. 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.



Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Capital Assets

Capital assets consisted of the following at June 30, 2021:

	<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	60,699,780	221,705	(68,348)	60,853,137
Machinery and Equipment	<u>11,528,181</u>	<u>390,350</u>	<u>(237,667)</u>	<u>11,680,864</u>
Totals at Historical Cost	<u>72,227,961</u>	<u>612,055</u>	<u>(306,015)</u>	<u>72,534,001</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(31,426,358)	(1,854,711)	53,517	(33,227,552)
Machinery and Equipment	<u>(7,244,962)</u>	<u>(529,193)</u>	<u>237,667</u>	<u>(7,536,488)</u>
Total Accumulated Depreciation	<u>(38,671,320)</u>	<u>(2,383,904)</u>	<u>291,184</u>	<u>(40,764,040)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>33,556,641</u>	<u>(1,771,849)</u>	<u>(14,831)</u>	<u>31,769,961</u>
Government Activity Capital Assets, Net	<u>\$ 33,831,965</u>	<u>\$ (1,771,849)</u>	<u>\$ (14,831)</u>	<u>\$ 32,045,285</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ 1,173,439	\$ -	\$ -	\$ 1,173,439
Equipment	363,689	-	-	363,689
Less Accumulated Depreciation	<u>(346,071)</u>	<u>(3,558)</u>	<u>-</u>	<u>(349,629)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,191,057</u>	<u>\$ (3,558)</u>	<u>\$ -</u>	<u>\$ 1,187,499</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**11. Capital Assets (Cont'd)**

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

Regular Instruction	\$ 2,026,318
Student and Instruction Related Services	202,632
School Administration Services	71,517
Other Special Instruction	11,920
Special Education Instruction	<u>71,517</u>
Total depreciation expense	<u>\$ 2,383,904</u>

**12. Operating Leases**

The District has no material commitments under operating leases at June 30, 2021.

**13. Non-current Liabilities**

During the fiscal year ended June 30, 2021, the following changes occurred in the non-current liabilities:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases/</u> <u>(Decreases)</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 1,882,151	\$ 59,129	\$ 1,941,280	\$ 104,748
Bonds Payable	14,398,000	(1,320,000)	13,078,000	1,375,000
Pension Liability-PERS	<u>6,375,066</u>	<u>4,229,337</u>	<u>10,604,403</u>	<u>-</u>
Total	<u>\$ 22,655,217</u>	<u>\$ 2,968,466</u>	<u>\$ 25,623,683</u>	<u>\$ 1,479,748</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, 2021

13. 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>
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	795,000	343,215	1,138,215
2026	825,000	319,365	1,144,365
2027-2031	4,645,000	1,180,275	5,825,275
2032-2034	<u>3,243,000</u>	<u>269,795</u>	<u>3,512,795</u>
	<u>\$ 13,078,000</u>	<u>\$ 3,379,445</u>	<u>\$ 16,457,445</u>

B. Bonds Authorized But Not Issued

As of June 30, 2021, the District had no authorized but not issued bonds.

C. Capital Leases

The District is leasing equipment under various capital leases. All leases were paid off at June 30, 2021.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

14. 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/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-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.

The following represents the membership tiers for PERS:

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 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 2020, 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, 2021

14. 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, 2020, the School District reported a liability of \$10,604,403 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020. The School District's proportion measured as of June 30, 2020, was .0369722713%, which was an increase of .001591915705% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$1,058,958 in the government-wide financial statements consisting of employer contributions of \$404,458 and non-employer contributions of \$654,500. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021, 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	\$ 193,089	\$ 37,502
Changes of assumptions	344,019	4,440,164
Net difference between projected and actual earnings on pension plan investments	362,467	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,182,319	98,575
District contributions subsequent to the measurement date	<u>424,257</u>	<u>-</u>
Total	<u>\$ 2,506,151</u>	<u>\$ 4,576,241</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

14. Pension Plans (cont'd)

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

\$424,257 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2020-2021 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:		
2021	\$	(353,522)
2022		(322,304)
2023		(184,189)
2024		(74,482)
2025		(16,109)
Thereafter		-
Total	\$	<u>(950,606)</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

14. 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, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
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
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	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 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

14. Pension Plans (cont'd)

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

**Actuarial Assumptions** - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00% based on years of service
Thereafter	3.00% - 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.



Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

14. 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, 2020) 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 ranges 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equityi	27.00 %	7.71 %
Non-U.S. Developed Markets Equity	13.50 %	8.57 %
Emerging Markets Equity	5.50 %	10.23 %
Private Equity	13.00 %	11.42 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Investment Grade Credit	8.00 %	2.67 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Risk Mitigation Strategies	3.00 %	3.40 %

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

14. 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 7.00% as of June 30, 2020. 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 based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's proportionate share of the net pension liability	7,649,452	10,604,403	4,742,031

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	2,347,583,337	3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
School District's Portion	.0369722713%	.0353807008%

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

14. 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/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her 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, 2021

14. 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 2020, 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, 2020 was \$118,795,824. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was .1804069784%, which was an increase of .0005335056% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized a pension expense in the amount of \$- 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, 2020 measurement date.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

14. Pension Plans (cont'd)

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

**Actuarial Assumptions** - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45% based on years of service
Thereafter	2.75%-5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement, post-retirement were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**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, 2020) 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 ranges 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, 2020 are summarized in the following table:

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

14. 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>
US Equity	27.00 %	7.71 %
Non-U.S. Developed Markets Equity	13.50 %	8.57 %
Emerging Markets Equity	5.50 %	10.23 %
Private Equity	13.00 %	11.42 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Investment Grade Credit	8.00 %	2.67 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Risk Mitigation Strategies	3.00 %	3.40 %

**Discount Rate** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% of the actuarially determined contributions to the State. 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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, 2020 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:

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

14. 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 (cont'd)

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's proportionate share of the net pension liability	139,846,245	118,795,824	101,794,796

**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.

Additional Information - The following is a summary of the collective balances of the local group

	<u>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	9,626,548,228	10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
School District's Portion	.1804069784%	.18094048400%

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, 2021 were \$22,573. There was no liability for unpaid contributions at June 30, 2021.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**15. Post-Retirement Benefits**

**General Information about the OPEB Plan**

**Plan description and benefits provided**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

**Basis of Presentation**

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.



Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

15. Post-Retirement Benefits (cont'd)

Employees covered by benefit terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	149,304
Active plan members	<u>216,804</u>
Total	<u><u>366,108</u></u>

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2020 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 2.00%-6.00% PFRS 3.25%-15.25% TPAF 1.55%-3.05%
Salary Increases after 2026	PERS 3.00%-7.00% PFRS 3.25%-15.25% TPAF 1.55%--3.05%
Discount Rate	2.21%
Healthcare Cost Trend Rates	4.5%-5.6%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

15. Post-Retirement Benefits (cont'd)

Actuarial assumptions and other inputs (cont'd)

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

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

Balance at June 30, 2019	\$ 41,729,081,045
Changes for the year:	
Service cost	1,790,973,822
Interest on the total OPEB liability	1,503,341,357
Differences Between Expected and Actual Experience	11,544,750,637
Changes of assumptions	12,386,549,981
Gross benefit payments by the state	(1,180,515,618)
Contributions from the member	<u>35,781,384</u>
Net changes	<u>26,080,881,563</u>
Balance at June 30, 2020	<u>\$ 67,809,962,608</u>

Discount rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

15. Post-Retirement Benefits (cont'd)

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

The following presents the June 30, 2020 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:

	<b>1% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
Total OPEB Liability of the State for School Retirees	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160
Total OPEB Liability of the State Associated with the School District for School Retirees	\$164,350,131	\$136,327,745	\$114,416,932

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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

The following presents the June 30, 2020 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:

	<b><u>1% Decrease</u></b>	<b><u>Trend Rate</u></b>	<b><u>1% Increase</u></b>
Total OPEB Liability of the State for School Retirees	\$54,738,488,540	\$67,809,962,608	\$83,375,182,975
Total OPEB Liability of the State Associated with the School District for School Retirees	\$110,048,350	\$136,327,745	\$167,620,661

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

15. Post-Retirement Benefits (cont'd)

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$1,703,207 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, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,295,318,750	\$ (9,170,703,615)
Changes of assumptions	11,534,251,250	(7,737,500,827)
Contributions made in fiscal year ending 2020 after June 30, 2019 measurement date	-	-
Total	<u>\$ 21,829,570,000</u>	<u>\$ (16,908,204,442)</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:	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	<u>4,704,163,473</u>
Total	<u>\$ 4,921,365,558</u>

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**16. 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 / Riversource	MetLife Investors
Aspire Financial Services	ROTH - Metlife
Brighthouse (Metlife CT/Travelers)	Security Benefit
Fidelity Management Trust	AIG Retirement Services (formerly VALIC)
Lincoln Investment Planning	National Life Group
MetLife	Equitable (formerly AXA)

**17. 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</u> <u>Ended June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Ending</u> <u>Balance</u>
2021	\$ -	\$ -	\$ 2,394	\$ 162,747
2020	-	-	2,644	160,353
2019	-	-	3,215	157,709

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**18. 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, 2021.

**19. 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 13).

**20. Fund Balances**

General Fund - of the \$7,827,226 General Fund balance at June 30, 2021, \$1,369,213 of encumbrances is assigned to other purposes, \$1,173,593 is restricted for capital reserve, \$1,446,737 is restricted for maintenance reserve, \$459,060 is restricted for emergency reserve, \$100,000 is restricted for tuition reserve, \$162,747 is restricted for unemployment compensation \$- is restricted for excess surplus, \$189,804 is restricted for excess surplus for subsequent year expenditures, \$1,960,196 has been classified as assigned fund balance designated for subsequent year expenditures, and \$965,876 is unassigned.

Special Revenue Fund - of the \$272,394 Special Revenue Fund balance at June 30, 2021, \$32,183 is restricted for scholarships and \$240,211 is restricted for student activities.

**21. 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 \$- calculated as excess surplus at June 30, 2021.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**22. Uncertain Tax Positions**

The school district had no unrecognized tax benefits at June 30, 2021. 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, 2018.

**23. Subsequent Events**

Management has evaluated subsequent events through October 4, 2021, the date the financial statements were available to be issued.

The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the School District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the School District's customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the School District's financial condition or results of operations is uncertain.

**24. 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.

**25. 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.

Point Pleasant Borough Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2021

**26. Prior Period Adjustment**

GASB Statement No. 84 established criteria for identifying funds to be included as Fiduciary Funds. The implementation of GASB 84 created new accounting and reporting requirements for funds previously included in Fiduciary Funds as follows:

- Unemployment Compensation Fund is included in the General Fund
- Scholarship Fund is included in the Special Revenue Fund
- Student Activity Fund including established class reunion accounts are included in the Special Revenue Fund
- Payroll Agency, Flexible Spending Accounts and Summer Savings Funds are included in the General Fund

The Unemployment Compensation Fund had a fund balance of \$160,353 at June 30, 2020. This balance is shown as a prior period adjustment to the General Fund's beginning fund balance. The restated beginning fund balance is \$7,634,403.

The Student Activity Fund had a fund balance of \$253,623 at June 30, 2020 and the Scholarship Fund had a fund balance of \$31,221 at June 30, 2020. The combined balance of \$284,844 is shown as a prior period adjustment to the Special Revenue Fund's beginning fund balance. The restated beginning fund balance is \$284,844.

The adoption of GASB 84 and the inclusion of the activity of the above referenced funds in the General Fund and Special Revenue Fund that were previously included in the Fiduciary Funds also created non-comparability in the MD&A and has been acknowledged and allowed by the GASB.



REQUIRED SUPPLEMENTARY INFORMATION - PART II

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Transfers/ Encumbrances</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 37,440,787	\$ -	\$ 37,440,787	\$ 37,440,787	\$ -
Interest earned on emergency reserve	4,000	-	4,000	6,753	2,753
Interest earned on maintenance reserve	8,000	-	8,000	19,842	11,842
Interest earned on capital reserve funds	5,000	-	5,000	14,386	9,386
Interest earned on unemployment-restricted	-	-	-	2,394 *	2,394
Transportation fees from other LEA's	75,000	-	75,000	116,740	41,740
Tuition - from individuals	132,838	-	132,838	114,320	(18,518)
Tuition - from other LEA's within the state	42,162	-	42,162	87,224	45,062
Tuition - from other Govt Sources within the state	-	-	-	57,715	57,715
Rents and Royalties	15,000	-	15,000	11,727	(3,273)
Miscellaneous	326,500	-	326,500	327,742 **	1,242
<b>Total - local sources</b>	<u>38,049,287</u>	<u>-</u>	<u>38,049,287</u>	<u>38,199,630</u>	<u>150,343</u>
State sources:					
Categorical Transportation aid	41,071	-	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	3,115,374	-	3,115,374	3,115,374	-
Extraordinary aid	350,000	-	350,000	782,005	432,005
Non-public transportation	-	-	-	14,233	14,233
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	2,369	2,369
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	1,703,207	1,703,207
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	5,434,881	5,434,881
TPAF social security (reimbursed - Non-budgeted)	-	-	-	1,532,019	1,532,019
<b>Total state sources</b>	<u>5,354,221</u>	<u>-</u>	<u>5,354,221</u>	<u>14,472,935</u>	<u>9,118,714</u>
Federal sources:					
ARRA/SEMI Revenue	-	-	-	5,502	5,502
Other Restricted Grants in Aid from Federal through State	-	-	-	43,249	43,249
Medicaid reimbursement	49,654	-	49,654	56,617	6,963
<b>Total federal sources</b>	<u>49,654</u>	<u>-</u>	<u>49,654</u>	<u>105,368</u>	<u>55,714</u>
Other financing sources					
Compensation for sale of fixed assets	-	-	-	5,500	5,500
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,500</u>	<u>5,500</u>
<b>Total revenues</b>	<u>43,453,162</u>	<u>-</u>	<u>43,453,162</u>	<u>52,783,433</u>	<u>9,330,271</u>
<b>EXPENDITURES:</b>					
<b>Current Expenditures:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of teachers	830,546	28,406	858,952	830,368	28,584
Grades 1-5 - Salaries of teachers	4,330,686	142,867	4,473,553	4,403,191	70,362
Grades 6-8 - Salaries of teachers	3,367,705	35,527	3,403,232	3,399,442	3,790
Grades 9-12 - Salaries of teachers	4,549,610	(9,583)	4,540,027	4,496,775	43,252
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	60,500	9,458	69,958	25,750	44,208
Purchased professional-educational services	24,000	690	24,690	3,007	21,683
<b>Regular Programs - Undistributed Instruction</b>					
Purchased professional-educational services	24,210	(1,260)	22,950	13,696	9,254
Purchased technical services	53,777	8,866	62,643	54,082	8,561
Other purchased services (400-500 series)	161,271	20,017	181,288	168,412	12,876
General supplies	645,620	343,911	989,531	864,916	124,615
Textbooks	47,902	(4,642)	43,260	21,191	22,069
Other objects	12,120	(376)	11,744	1,757	9,987
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>14,107,947</u>	<u>573,881</u>	<u>14,681,828</u>	<u>14,282,587</u>	<u>399,241</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	74,468	2,513	76,981	76,281	700
Other salaries for instruction	16,656	441	17,097	17,097	-
General supplies	500	-	500	-	500
Textbooks	150	-	150	-	150
<b>Total Behavioral Disabilities</b>	<u>91,774</u>	<u>2,954</u>	<u>94,728</u>	<u>93,378</u>	<u>1,350</u>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	403,709	27,670	431,379	426,968	4,411
Other salaries for instruction	106,271	17,530	123,801	122,487	1,314
General supplies	500	-	500	335	165
<b>Total Multiple Disabilities</b>	<u>510,480</u>	<u>45,200</u>	<u>555,680</u>	<u>549,790</u>	<u>5,890</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2021

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	2,405,888	109,670	2,515,558	2,482,335	33,223
Other Salaries for Instruction	158,259	5,436	163,695	154,512	9,183
General supplies	4,000	(26)	3,974	2,648	1,326
Textbooks	1,400	(1,100)	300	-	300
<b>Total Resource Room/Resource Center</b>	<b>2,569,547</b>	<b>113,980</b>	<b>2,683,527</b>	<b>2,639,495</b>	<b>44,032</b>
<b>Autism:</b>					
Salaries of Teachers	80,232	(26,251)	53,981	53,881	100
General Supplies	600	-	600	77	523
<b>Total Autism</b>	<b>80,832</b>	<b>(26,251)</b>	<b>54,581</b>	<b>53,958</b>	<b>623</b>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	110,592	1,575	112,167	104,592	7,575
Other Salaries for Instruction	34,846	4,304	39,150	37,101	2,049
General Supplies	1,700	(5)	1,695	1,570	125
<b>Total Preschool Disabilities - Full-Time</b>	<b>147,138</b>	<b>5,874</b>	<b>153,012</b>	<b>143,263</b>	<b>9,749</b>
<b>Home Instruction:</b>					
Salaries of Teachers	8,000	(3,510)	4,490	1,490	3,000
Purchased Professional-Educational Services	500	-	500	-	500
<b>Total Home Instruction</b>	<b>8,500</b>	<b>(3,510)</b>	<b>4,990</b>	<b>1,490</b>	<b>3,500</b>
<b>TOTAL SPECIAL EDUCATION- INSTRUCTION</b>	<b>3,408,271</b>	<b>138,247</b>	<b>3,546,518</b>	<b>3,481,374</b>	<b>65,144</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	65,572	19,209	84,781	63,323	21,458
Other Purchased Services (400-500 series)	91,000	16,784	107,784	107,784	-
General Supplies	9,100	-	9,100	4,301	4,799
<b>Total Basic Skills/Remedial - Instruction</b>	<b>165,672</b>	<b>35,993</b>	<b>201,665</b>	<b>175,408</b>	<b>26,257</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	123,977	474	124,451	124,450	1
Other Purchased Services (400-500 series)	450	-	450	-	450
General Supplies	800	-	800	457	343
<b>Total Bilingual Education - Instruction</b>	<b>125,227</b>	<b>474</b>	<b>125,701</b>	<b>124,907</b>	<b>794</b>
<b>School-Spon. Cocurricular Actvts. - Instruction</b>					
Salaries	203,922	536	204,458	196,823	7,635
Purchased Services (300-500 series)	14,200	(2,881)	11,319	6,924	4,395
Supplies and Materials	23,040	20,183	43,223	33,034	10,189
Other Objects	3,850	6,320	10,170	1,164	9,006
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<b>245,012</b>	<b>24,158</b>	<b>269,170</b>	<b>237,945</b>	<b>31,225</b>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	477,026	(20,451)	456,575	446,796	9,779
Purchased Services (300-500 series)	159,900	(32,068)	127,832	96,515	31,317
Supplies and Materials	92,350	60,468	152,818	113,160	39,658
Other Objects	1,250	-	1,250	269	981
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<b>730,526</b>	<b>7,949</b>	<b>738,475</b>	<b>656,740</b>	<b>81,735</b>
<b>Other Instructional Programs - Instruction</b>					
Purchased prof & tech services	21,944	-	21,944	-	21,944
<b>Total Other Instructional Programs - Instruction</b>	<b>21,944</b>	<b>-</b>	<b>21,944</b>	<b>-</b>	<b>21,944</b>
<b>Total Instruction</b>	<b>18,804,599</b>	<b>780,702</b>	<b>19,585,301</b>	<b>18,958,961</b>	<b>626,340</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state - Special	53,000	(5,000)	48,000	26,577	21,423
Tuition to other LEAs within the state - Regular	-	29,395	29,395	29,395	-
Tuition to Co. Voc. School Dist. - reg.	99,450	-	99,450	73,211	26,239
Tuition to Co.Spec. Serv. & Reg. Day schools	255,033	(5,371)	249,662	237,674	11,988
Tuition to Private Sch for Disbl w/i State	1,830,445	(177,472)	1,652,973	1,571,384	81,589
Tuition - State Facilities	-	-	-	-	-
Tuition - Other	44,964	55,787	100,751	98,001	2,750
<b>Total Undistributed Expenditures - Instruction:</b>	<b>2,282,892</b>	<b>(102,661)</b>	<b>2,180,231</b>	<b>2,036,242</b>	<b>143,989</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	149,444	1,006	150,450	150,074	376
Other Purchased Services (400-500 series)	250	-	250	-	250
Supplies and Materials	1,450	77	1,527	1,220	307
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>151,144</b>	<b>1,083</b>	<b>152,227</b>	<b>151,294</b>	<b>933</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	431,659	260	431,919	414,595	17,324
Purchased professional and technical services	44,600	22,731	67,331	27,950	39,381
Other purchased services (400-500 series)	1,470	(200)	1,270	299	971
Supplies and materials	6,850	194	7,044	4,790	2,254
<b>Total Undistributed Expenditures - Health Services</b>	<b>484,579</b>	<b>22,985</b>	<b>507,564</b>	<b>447,634</b>	<b>59,930</b>
<b>Undist. Expend. - Other Support Services - Students - Related Service</b>					
Salaries	306,442	2,112	308,554	308,453	101
Purchased Prof. Ed. Services	413,124	93,802	506,926	387,692	119,234
Supplies and Materials	1,800	618	2,418	2,265	153
Other objects	-	900	900	793	107
<b>Total Undist. Expend. - Other Support Services - Students - Related Service</b>	<b>721,366</b>	<b>97,432</b>	<b>818,798</b>	<b>699,203</b>	<b>119,595</b>

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2021**

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Other Support Services - Students - Extraordinary Services</b>					
Salaries	830,877	(150,330)	680,547	631,071	49,476
Purchased Prof. Ed. Services	327,250	56,574	383,824	189,323	194,501
<b>Total Undist. Expend. - Other Support Services Students - Extraordinary Services</b>	<b>1,158,127</b>	<b>(93,756)</b>	<b>1,064,371</b>	<b>820,394</b>	<b>243,977</b>
<b>Undist. Expend. - Other Support Services Students-Regular</b>					
Salaries of Other Professional Staff	772,290	27,301	799,591	798,817	774
Salaries of Secretarial and Clerical Assistants	140,640	1,040	141,680	141,480	200
Other Salaries	5,000	-	5,000	3,353	1,647
Other Purch. Prof. & Tech. Svc.	4,832	-	4,832	-	4,832
Other Purchased Services (400-500 series)	4,050	(169)	3,881	2,126	1,755
Supplies and Materials	11,400	975	12,375	4,903	7,472
Other Objects	630	-	630	40	590
<b>Total Undist. Expend. - Other Support Services - Students-Regular</b>	<b>938,842</b>	<b>29,147</b>	<b>967,989</b>	<b>950,719</b>	<b>17,270</b>
<b>Undist. Expend. - Other Support Services - Students-Special</b>					
Salaries of Other Professional Staff	920,340	(11,941)	908,399	908,396	3
Salaries of Secretarial and Clerical assistants	142,735	3,731	146,466	143,700	2,766
Purchased Professional - Educational Services	71,600	29,597	101,197	81,298	19,899
Other Purchased Prof. & Tech. Services	8,160	440	8,600	-	8,600
Other Purchased Services (400-500 series)	14,500	(4,436)	10,064	7,564	2,500
Supplies and Materials	9,000	11,004	20,004	19,998	6
Other Objects	1,250	277	1,527	1,527	-
<b>Total Undist. Expend. - Other Support Services - Students-Special</b>	<b>1,167,585</b>	<b>28,672</b>	<b>1,196,257</b>	<b>1,162,483</b>	<b>33,774</b>
<b>Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.</b>					
Salaries Superv. Of Instr.	89,597	(386)	89,211	89,210	1
Salaries Other Prof. Staff	11,577	(11,427)	150	150	-
Salaries Secr. & Clerical Asst.	-	11,622	11,622	11,622	-
Other Salaries	16,500	2,143	18,643	18,643	-
Supplies and Materials	3,300	340	3,640	3,640	-
<b>Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.</b>	<b>120,974</b>	<b>2,292</b>	<b>123,266</b>	<b>123,265</b>	<b>1</b>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	295,324	(63,331)	231,993	170,476	61,517
Salaries of Technology Coordinators	78,249	-	78,249	77,046	1,203
Purchased Prof & Tech Svc.	6,500	(669)	5,831	5,326	505
Other Purchased Services (400-500)	1,100	-	1,100	88	1,012
Supplies and Materials	39,250	1,984	41,234	31,324	9,910
<b>Total Undist. Expend. - Educational Media Services/School Library</b>	<b>420,423</b>	<b>(62,016)</b>	<b>358,407</b>	<b>284,260</b>	<b>74,147</b>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Salaries of Supervisors of Instruction	89,597	(386)	89,211	89,210	1
Salaries of Other Professional Staff	45,010	700	45,710	24,634	21,076
Salaries of Secretarial & Clerical Assistants	34,731	135	34,866	34,866	-
Purchased Professional - Educational Services	30,000	-	30,000	22,890	7,110
Other Purchased Services (400-500 series)	32,350	3,391	35,741	14,154	21,587
Supplies and Materials	43,000	(1,504)	41,496	35,930	5,566
Other objects	1,360	-	1,360	1,360	-
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<b>276,048</b>	<b>2,336</b>	<b>278,384</b>	<b>223,044</b>	<b>55,340</b>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	353,325	565	353,890	353,890	-
Legal Services	110,000	129,849	239,849	204,764	35,085
Audit Fees	24,000	(2,000)	22,000	22,000	-
Architectural/Engineering Services	32,000	(31,000)	1,000	1,000	-
Other Purchased Professional Services	-	4,820	4,820	-	4,820
Communications/Telephone	52,400	(22,852)	29,548	29,068	480
BOE Other Purchased Services	7,650	(4,150)	3,500	1,800	1,700
Misc. Purch. Serv.(400-500)	193,350	5,604	198,954	188,139	10,815
General Supplies	5,000	118	5,118	3,280	1,838
BOE In-house Training/Meeting Supplies	1,100	-	1,100	-	1,100
Judgments Against the School District	18,000	2,766	20,766	17,190	3,576
Miscellaneous Expenditures	30,600	5,675	36,275	34,736	1,539
<b>Total Undist. Expend. - Support Service - General Administration</b>	<b>827,425</b>	<b>89,395</b>	<b>916,820</b>	<b>855,867</b>	<b>60,953</b>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of Principals/Assistant principals	1,549,068	(1)	1,549,067	1,546,651	2,416
Salaries of Secretarial and Clerical Assistants	487,037	3,391	490,428	480,485	9,943
Other Purchased Services (400-500 series)	12,850	6,489	19,339	15,789	3,550
Supplies and Materials	11,650	2,982	14,632	9,310	5,322
Other Objects	14,000	215	14,215	13,028	1,187
<b>Total Undist. Expend. - Support Service - School Administration</b>	<b>2,074,605</b>	<b>13,076</b>	<b>2,087,681</b>	<b>2,065,263</b>	<b>22,418</b>
<b>Undistributed Expenditures- Central Services</b>					
Salaries	553,905	17,905	571,810	571,810	-
Purchased Professional Services	5,100	444	5,544	3,890	1,654
Purchased Technical Services	41,500	17,236	58,736	54,930	3,806
Misc. Purchased Services	5,900	(1,386)	4,514	1,028	3,486
Supplies and Materials	7,000	3,015	10,015	8,534	1,481
Miscellaneous Expenditures	5,705	-	5,705	4,096	1,609
<b>Total Central Services</b>	<b>619,110</b>	<b>37,214</b>	<b>656,324</b>	<b>644,288</b>	<b>12,036</b>

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2021**

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
<b>Administration Information Technology</b>					
Salaries	133,036	1,310	134,346	134,346	-
<b>Total Admin Info tech</b>	133,036	1,310	134,346	134,346	-
<b>Required Maint for School Facilities</b>					
Salaries	50,000	365,963	415,963	393,729	22,234
Cleaning, Repair and Maintenance Services	874,601	(458,942)	415,659	314,914	100,745
General Supplies	87,500	145,045	232,545	210,618	21,927
Other Objects	8,200	-	8,200	3,081	5,119
<b>Total Required Maintenance for School Facilities</b>	1,020,301	52,066	1,072,367	922,342	150,025
<b>Custodial Services</b>					
Salaries	188,322	(568)	187,754	187,071	683
Purchased Professional and Technical Services	1,490,870	46,339	1,537,209	1,493,044	44,165
Cleaning, Repair and Maintenance Services	79,950	1,688	81,638	60,600	21,038
Rental of Land and Building Other than Lease	12,000	-	12,000	12,000	-
Other Purchased Property Services	42,000	8,398	50,398	25,942	24,456
Insurance	159,000	-	159,000	148,173	10,827
Miscellaneous Purchased Services	50,000	33,976	83,976	40,678	43,298
General Supplies	10,500	(2,400)	8,100	3,141	4,959
Energy (Natural Gas)	266,600	53,783	320,383	249,913	70,470
Energy (Electricity)	485,000	83,746	568,746	373,595	195,151
<b>Total Custodial services</b>	2,784,242	224,962	3,009,204	2,594,157	415,047
<b>Care and Upkeep of Grounds</b>					
Purchased Professional and Technical Services	190,758	6,075	196,833	184,937	11,896
Cleaning, Repair and Maintenance Services	87,500	29,650	117,150	70,335	46,815
General Supplies	23,000	(2,974)	20,026	7,544	12,482
<b>Total Care and Upkeep of Grounds</b>	301,258	32,751	334,009	262,816	71,193
<b>Security</b>					
Salaries	108,825	(6,019)	102,806	73,684	29,122
Purchased Professional and Technical Services	198,000	96,716	294,716	171,822	122,894
Cleaning, Repair and Maintenance Services	34,000	5,533	39,533	5,533	34,000
General Supplies	11,000	-	11,000	150	10,850
<b>Total Security</b>	351,825	96,230	448,055	251,189	196,866
<b>Total Oper. And Maintenance of Plant Services</b>	4,457,626	406,009	4,863,635	4,030,504	833,131
<b>Student Transportation Services</b>					
Salaries for Pupil Transportation (Between Home and School) - Regular	431,535	39,108	470,643	453,640	17,003
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	275,437	(23,228)	252,209	224,621	27,588
Salaries for Pupil Transportation (Other than Between Home and School)	101,240	(14,356)	86,884	54,009	32,875
Salaries for Pupil Transportation (Between Home and School) - Non Public Schools	18,816	6,775	25,591	24,874	717
Management Fee - ESC Trans. Program	24,000	4,809	28,809	19,813	8,996
Other Purchased Professional & Technical Services	19,427	2,337	21,764	10,738	11,026
Cleaning, Repair and Maint. Services	16,500	138	16,638	7,451	9,187
Contract Svc (btw Home & Sch.)-vendors	15,000	(6,000)	9,000	-	9,000
Contr Serv (Oth.than Bet Home & Sch) - Vend	9,000	175	9,175	7,550	1,625
Contract Svc (btw home & sch.)-joint agree	-	36,871	36,871	29,970	6,901
Contract Serv. (Sp Ed Stds) - Vendors	30,000	4,092	34,092	9,486	24,606
Contract Serv. (Sp Ed Stds) - Joint Agrmnts	35,000	(35,000)	-	-	-
Contract Serv. (Reg Students) - ESCs & CSTAs	80,000	8,750	88,750	44,262	44,488
Contract Serv.(Spl. Ed. Students) - ESCs & CTASAs	342,500	78,707	421,207	330,334	90,873
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	9,000	7,166	16,166	13,205	2,961
Misc. Purchased Services - Transportation	25,000	-	25,000	15,596	9,404
General Supplies	3,500	289	3,789	2,520	1,269
Transportation Supplies	120,500	33,440	153,940	93,497	60,443
Other Objects	500	-	500	-	500
<b>Total Student Transportation Services</b>	1,556,955	144,073	1,701,028	1,341,566	359,462
<b>Interest Earned on Current Expense Emergency Reserve</b>					
Interest earned on Maintenance Reserve	8,000	(8,000)	-	-	-
Interest earned on current expense emergency reserve	4,000	(4,000)	-	-	-
<b>Total Interest Earned on Current Expense Emergency Reserve</b>	12,000	(12,000)	-	-	-
<b>Personal Services- Employee Benefits</b>					
Group insurance	10,000	-	10,000	8,067	1,933
Social Security Contributions	415,000	13,346	428,346	424,650	3,696
Other Retirement Contributions-PERS	394,436	34,753	429,189	424,257	4,932
Unemployment Compensation	101,000	9,280	110,280	86,609	23,671
Workmen's Compensation	220,000	-	220,000	193,824	26,176
Health Benefits	7,431,356	(538,226)	6,893,130	6,550,993	342,137
Tuition Reimbursement	12,000	510	12,510	6,120	6,390
Other Employee Benefits	140,000	11,450	151,450	151,450	-
<b>Total Personal Services-Employee Benefits</b>	8,723,792	(468,887)	8,254,905	7,845,970	408,935

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2021

	Original Budget	Transfers/ Encumbrances	Final Budget	Actual	Variance Final to Actual
<b>ON-BEHALF CONTRIBUTIONS</b>					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	2,369	(2,369)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	1,703,207	(1,703,207)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	5,434,881	(5,434,881)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,532,019	(1,532,019)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	-	-	-	8,672,476	(8,672,476)
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	8,723,792	(468,887)	8,254,905	16,518,446	(8,263,541)
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	26,126,529	135,704	26,262,233	32,488,818	(6,226,585)
<b>TOTAL GENERAL CURRENT EXPENDITURES</b>	44,931,128	916,406	45,847,534	51,447,779	(5,600,245)
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Grades 1-5	62,428	(46,112)	16,316	13,571	2,745
Grades 6-8	131,028	(11,950)	119,078	-	119,078
Grades 9-12	73,126	50,141	123,267	24,900	98,367
<b>Special Education- Instruction:</b>					
School - Sponsored and Other Instructional Program	-	105,011	105,011	34,637	70,374
Undistributed expenditures - Instruction	17,700	(17,700)	-	-	-
<b>General Administration</b>					
Undist. Expend.-Support Serv.-Child Study Teams	3,000	(3,000)	-	-	-
<b>Undist.Exp.-Req. Maint. Schl Facilities</b>					
Support Services-students- Regular	-	2,336	2,336	2,336	-
Support Services-students- Special Education	-	2,050	2,050	2,050	-
Undist. Exp.-Req. Maint. Schl Facilities	318,218	43,929	362,147	225,742	136,405
<b>Undistributed exp.-Non-instructional services</b>					
Non-instructional Equip.	-	56,859	56,859	-	56,859
School Buses -Regular	98,000	117,288	215,288	110,678	104,610
<b>Total Equipment</b>	703,500	298,852	1,002,352	413,914	588,438
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	10,000	20,000	30,000	-	30,000
Construction Services	285,000	-	285,000	171,014	113,986
Assessment for Debt Service on SDA Funding	68,534	-	68,534	68,534	-
Interest Deposit to Capital Reserve	5,000	(5,000)	-	-	-
<b>Total</b>	368,534	15,000	383,534	239,548	143,986
<b>TOTAL CAPITAL OUTLAY</b>	1,072,034	313,852	1,385,886	653,462	732,424
<b>TOTAL EXPENDITURES</b>	46,003,162	1,230,258	47,233,420	52,101,241	(4,867,821)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(2,550,000)	(1,230,258)	(3,780,258)	682,192	4,462,450
<b>Fund Balance, July 1</b>	7,474,050	-	7,474,050	7,474,050	-
<b>Prior Period Adjustment</b>	-	-	-	160,353 ***	160,353
<b>Fund Balance, July 1, Restated</b>	7,474,050	-	7,474,050	7,634,403	160,353
<b>Fund Balance, June 30</b>	\$ 4,924,050	(1,230,258)	3,693,792	8,316,595	4,622,803
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Maintenance reserve				\$ 1,446,737	
Emergency Reserve				459,060	
Tuition Reserve				100,000	
Excess surplus - current year				-	
Excess surplus-designated for subsequent year's expenditures				189,804	
Capital reserve				1,173,593	
Unemployment compensation				162,747	
<b>Assigned Fund Balance:</b>					
Year-end encumbrances				1,369,213	
Designated for subsequent year's expenditures				1,960,196	
<b>Unassigned</b>				1,455,245	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Fund balance per governmental funds (Budgetary)				8,316,595	
Last state aid payment not recognized on GAAP basis				(489,369)	
Fund balance per governmental funds (GAAP) - B-1				\$ 7,827,226	

\* Include interest earnings on the unemployment compensation bank account

\*\* Include interest earnings on the flexible benefits bank account

\*\*\* Represents unemployment fund net position as of June 30, 2020

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ 82,963	\$ -	\$ 82,963	\$ 285,746	\$ 202,783
State sources	-	-	-	-	-
Federal sources	2,680,259	-	2,680,259	1,764,677	(915,582)
<b>Total Revenues</b>	<u>2,763,222</u>	<u>-</u>	<u>2,763,222</u>	<u>2,050,423</u>	<u>(712,799)</u>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Personal services-salaries	444,243	(16,584)	427,659	195,992	231,667
Purchased professional and technical services	20,000	-	20,000	-	20,000
General supplies	974,501	(2,078)	972,423	772,798	199,625
Tuition	637,316	(1,031)	636,285	555,340	80,945
Other objects	2,507	(838)	1,669	1,507	162
<b>Total instruction</b>	<u>2,078,567</u>	<u>(20,531)</u>	<u>2,058,036</u>	<u>1,525,637</u>	<u>532,399</u>
<b>Support services:</b>					
Personal services - salaries	70,155	(25)	70,130	57,865	12,265
Purchased professional and technical services	122,877	11,712	134,589	67,749	66,840
Other purchased services	4,944	89	5,033	3,023	2,010
Employee benefits	121,384	14,132	135,516	64,930	70,586
Supplies- materials	75,315	(5,377)	69,938	55,069	14,869
Scholarships Awarded	-	-	-	27,550	(27,550) <span style="float: right;">Note 1</span>
Student Activities	-	-	-	261,050	(261,050) <span style="float: right;">Note 1</span>
<b>Total support services</b>	<u>394,675</u>	<u>20,531</u>	<u>415,206</u>	<u>537,236</u>	<u>(122,030)</u>
<b>EXPENDITURES:</b>					
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	289,980	-	289,980	-	289,980
<b>Total facilities acquisition and const. serv.</b>	<u>289,980</u>	<u>-</u>	<u>289,980</u>	<u>-</u>	<u>289,980</u>
<b>Total expenditures</b>	<u>2,763,222</u>	<u>-</u>	<u>2,763,222</u>	<u>2,062,873</u>	<u>700,349</u>
<b>Total outflows</b>	<u>2,763,222</u>	<u>-</u>	<u>2,763,222</u>	<u>2,062,873</u>	<u>700,349</u>
<b>Excess (deficiency) of revenues</b>					
Over (under) expenditures	-	-	-	(12,450)	(12,450)
<b>Fund Balance, July 1</b>				-	
<b>Prior Period Adjustment</b>				<u>284,844</u>	
<b>Fund Balance, July 1 (Restated)</b>				<u>284,844</u>	
<b>Fund Balance, June 30</b>				<u>\$ 272,394</u>	
<b>Recapitulation:</b>					
<b>Restricted:</b>					
Scholarships				\$ 32,183	
Student Activities				240,211	
<b>Total Fund Balance</b>				<u>\$ 272,394</u>	

Note 1 - Not required to budget for these funds.

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to Required Supplementary Information  
 For the Year Ended June 30, 2021

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 52,783,433	[C-2] \$ 2,050,423
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	78,887
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(5,434,881)	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(489,369)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	538,705	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 47,397,888	[B-2] \$ 2,129,310
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 52,101,241	[C-2] \$ 2,062,873
Differences - budget to GAAP:		
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(5,434,881)	
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.	-	78,887
Pension expense recognized for GAAP but not for budgetary purposes.	-	-
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	[B-2] \$ 46,666,360	[B-2] \$ 2,141,760



REQUIRED SUPPLEMENTARY INFORMATION - PART III

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of the Net Pension Liability-PERS**  
**For the Year Ended June 30, 2021**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.0387504353%	0.0385013092%	0.0388881759%	0.0380292083%	0.0360635693%	0.0353807008%	0.0369722713%
District's proportionate share of the net pension liability	\$ 7,586,149	\$ 8,988,249	\$ 11,517,562	\$ 8,852,592	\$ 7,100,737	\$ 6,375,066	\$ 10,604,403
District's covered-employee payroll	\$ -	\$ 2,649,489	\$ 2,581,190	\$ 2,603,676	\$ 2,521,839	\$ 2,638,945	\$ 2,625,680
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	339.24%	446.21%	340.01%	281.57%	241.58%	403.87%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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, 2021**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contributions	\$ 319,453	\$ 331,008	\$ 350,509	\$ 353,765	\$ 359,696	\$ 345,157	\$ 404,458
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>	<u>341,279</u>	<u>424,257</u>
Contribution deficiency (excess)	<u>\$ 3,297</u>	<u>\$ 2,724</u>	<u>\$ (887)</u>	<u>\$ (24,046)</u>	<u>\$ (13,603)</u>	<u>\$ 3,878</u>	<u>\$ (19,799)</u>
District's covered-employee payroll	\$ 2,649,489	\$ 2,581,190	\$ 2,603,676	\$ 2,521,839	\$ 2,638,945	\$ 2,625,680	\$ 3,217,060
Contributions as a percentage of covered-employee payroll	12.06%	12.82%	13.46%	14.03%	13.63%	13.15%	12.57%

\* 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 the Net Pension Liability-TPAF**  
**For the Year Ended June 30, 2021**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the net pension liability associated with the District	0.1758938202%	0.1781194611%	0.1790230154%	0.1786614856%	0.1804508046%	0.1809404840%	0.1804069784%
State's proportionate share of the net pension liability associated with the District	\$ 94,009,522	\$ 112,579,106	\$ 140,830,902	\$ 120,460,016	\$ 114,798,926	\$ 111,044,883	\$ 118,795,824
District's covered-employee payroll	\$ 17,900,386	\$ 18,691,714	\$ 19,175,968	\$ 19,364,482	\$ 19,621,646	\$ 20,155,145	\$ 20,506,372
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%	550.95%	579.31%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

The District has a special funding situation and 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, 2021**  
**(Unaudited)**

**Last 10 Fiscal Years\***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the OPEB liability associated with the District				
Service cost	\$ 4,303,725	\$ 3,566,388	\$ 3,096,990	\$ 3,179,273
Interest cost	3,379,563	3,907,922	3,602,181	2,944,116
Differences between expected and actual experiences	-	(10,221,930)	(14,592,402)	25,524,233
Changes in assumptions	(14,001,282)	(10,464,907)	1,223,807	24,902,394
Member contributions	91,054	84,278	74,688	71,936
Gross benefit payments	<u>(2,472,793)</u>	<u>(2,438,481)</u>	<u>(2,519,585)</u>	<u>(2,373,354)</u>
Net change in total OPEB liability	(8,699,733)	(15,566,730)	(9,114,321)	54,248,598
Total State's OPEB liability - beginning	<u>115,459,931</u>	<u>106,760,198</u>	<u>91,193,468</u>	<u>82,079,147</u>
Total State's OPEB liability - ending	<u>\$ 106,760,198</u>	<u>\$ 91,193,468</u>	<u>\$ 82,079,147</u>	<u>\$ 136,327,745</u>
District's covered employee payroll	\$ 24,966,083	\$ 25,198,496	\$ 25,526,682	\$ 26,510,135
Total State's OPEB liability as a percentage of covered employee payroll	428%	362%	322%	514%

\* 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, 2021

**Teachers Pension and Annuity Fund (TPAF)**

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

**Public Employees' Retirement System (PERS)**

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

## OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules  
Not Applicable



E. Special Revenue Fund

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedules of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2021**

	Title I 20/21	IDEA-Part B-Basic Reg Prog 20/21	IDEA-Part B Preschool 20/21	Title II Part A 20/21
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	<u>267,607</u>	<u>547,517</u>	<u>24,919</u>	<u>74,977</u>
<b>Total revenues</b>	<u>267,607</u>	<u>547,517</u>	<u>24,919</u>	<u>74,977</u>
<b>Expenditures:</b>				
Instruction:				
Salaries of teachers	195,992	-	-	-
Purchased services	-	-	-	-
General supplies	6,332	6,118	1,396	-
Tuition	-	535,340	20,000	-
Other Objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total instruction</b>	<u>202,324</u>	<u>541,458</u>	<u>21,396</u>	<u>-</u>
<b>Support services:</b>				
Other support services - students - special:				
Salaries of other professional staff	6,782	-	-	47,615
Prof. and tech. services	6,400	1,995	-	9,326
Other purchased services	-	29	-	2,994
Employee benefits	51,804	-	-	13,126
Supplies and materials	297	4,035	3,523	1,916
Scholarships Awarded	-	-	-	-
Student Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other support services - students - special</b>	<u>65,283</u>	<u>6,059</u>	<u>3,523</u>	<u>74,977</u>
<b>Total support services</b>	<u>65,283</u>	<u>6,059</u>	<u>3,523</u>	<u>74,977</u>
<b>Equipment:</b>				
Regular programs instruction	-	-	-	-
Non-instructional equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 267,607</u>	<u>\$ 547,517</u>	<u>\$ 24,919</u>	<u>\$ 74,977</u>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, July 1</b>	-	-	-	-
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, July 1 (Restated)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

POINT PLEASANT BOROUGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2021

	Scholarship 20/21	CARES 20/21	Digital Divide 20/21	CRF 20/21	ESSER II 20/21
<b>Revenues:</b>					
Local sources	\$ 28,512	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	249,781	111,206	114,021	348,663
<b>Total revenues</b>	<u>28,512</u>	<u>249,781</u>	<u>111,206</u>	<u>114,021</u>	<u>348,663</u>
<b>Expenditures:</b>					
Instruction:					
Salaries of teachers	-	-	-	-	-
Purchased services	-	-	-	-	-
General supplies	-	183,258	111,206	114,021	342,378
Tuition	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total instruction</b>	<u>-</u>	<u>183,258</u>	<u>111,206</u>	<u>114,021</u>	<u>342,378</u>
<b>Support services:</b>					
Other support services - students - special:					
Salaries of other professional staff	-	-	-	-	-
Prof. and tech. services	-	22,243	-	-	6,285
Other purchased services	-	-	-	-	-
Employee benefits	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and materials	-	44,280	-	-	-
Scholarships awarded	27,550	-	-	-	-
Student activities	-	-	-	-	-
<b>Total other support services - students - special</b>	<u>27,550</u>	<u>66,523</u>	<u>-</u>	<u>-</u>	<u>6,285</u>
<b>Total support services</b>	<u>27,550</u>	<u>66,523</u>	<u>-</u>	<u>-</u>	<u>6,285</u>
<b>Equipment:</b>					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 27,550</u>	<u>\$ 249,781</u>	<u>\$ 111,206</u>	<u>\$ 114,021</u>	<u>\$ 348,663</u>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<u>962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, July 1</b>	-	-	-	-	-
Prior Period Adjustment	31,221 *	-	-	-	-
<b>Fund Balance, July 1 (Restated)</b>	<u>31,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>\$ 32,183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Represents scholarship fund net position as of June 30, 2020

\*\*Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedules of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2021**

(Continued from prior page)

	Student Activity 20/21	Learning Acceleration 20/21	Title IV 20/21	Other	Total 2021
<b>Revenues:</b>					
Local sources	\$ 247,638	\$ -	\$ -	\$ 9,596	\$ 285,746
State sources	-	-	-	-	-
Federal sources	-	3,468	22,518	-	1,764,677
<b>Total revenues</b>	<b>247,638</b>	<b>3,468</b>	<b>22,518</b>	<b>9,596</b>	<b>2,050,423</b>
<b>Expenditures:</b>					
Instruction:					
Salaries of teachers	-	-	-	-	195,992
Purchased services	-	-	-	-	-
General supplies	-	-	-	8,089	772,798
Tuition	-	-	-	-	555,340
Other objects	-	-	-	1,507	1,507
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,596</b>	<b>1,525,637</b>
<b>Support services:</b>					
Other support services - students - special:					
Salaries of other professional staff	-	3,468	-	-	57,865
Prof. and tech. services	-	-	21,500	-	67,749
Other purchased services	-	-	-	-	3,023
Employee benefits	-	-	-	-	64,930
Supplies and materials	-	-	1,018	-	55,069
Scholarships Awarded	-	-	-	-	27,550
Student Activities	261,050	-	-	-	261,050
<b>Total other support services - students - special</b>	<b>261,050</b>	<b>3,468</b>	<b>22,518</b>	<b>-</b>	<b>537,236</b>
<b>Total support services</b>	<b>261,050</b>	<b>3,468</b>	<b>22,518</b>	<b>-</b>	<b>537,236</b>
<b>Equipment:</b>					
Instruction equipment	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
<b>Total equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 261,050</b>	<b>\$ 3,468</b>	<b>\$ 22,518</b>	<b>\$ 9,596</b>	<b>\$ 2,062,873</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<b>(13,412)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,450)</b>
<b>Fund Balance, July 1</b>					
Prior Period Adjustment	253,623	-	-	-	284,844
<b>Fund Balance, July 1 (Restated)</b>	<b>253,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>284,844</b>
<b>Fund Balance, June 30</b>	<b>\$ 240,211</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 272,394</b>

F. Capital Projects Fund  
Not Applicable

G. Proprietary Funds  
See B-4 through B-6

H. Fiduciary Funds  
Not Applicable

## I. Long-Term Debt



POINT PLEASANT BOROUGH SCHOOL DISTRICT  
 Long-Term Debt  
 Schedule of Serial Bonds  
 June 30, 2021

Issue	Date of Issue	Amount Of Issue	Annual Maturities		Interest Rate	Balance July 1, 2020	Issued	Retired	Refinanced	Balance June 30, 2021
			Date	Amount						
2014 Bonds		15,948,000								
			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%	\$ 12,388,000	\$ -	\$ (680,000)	\$ -	\$ 11,708,000
Refunding 1998 Bonds	10/4/2011	7,165,000								
			3/15/2022	670,000	5.000%					
			3/15/2023	700,000	5.000%	2,010,000	-	(640,000)	-	1,370,000
						<u>\$ 14,398,000</u>	<u>\$ -</u>	<u>\$ (1,320,000)</u>	<u>\$ -</u>	<u>\$ 13,078,000</u>

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,466,446	\$ -	\$ 1,466,446	\$ 1,466,446	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	377,269	-	377,269	377,269	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	<u>377,269</u>	<u>-</u>	<u>377,269</u>	<u>377,269</u>	<u>-</u>
<b>Total Revenues</b>	<u>1,843,715</u>	<u>-</u>	<u>1,843,715</u>	<u>1,843,715</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	523,715	-	523,715	523,715	-
Redemption of Principal	1,320,000	-	1,320,000	1,320,000	-
Total Regular Debt Service	<u>1,843,715</u>	<u>-</u>	<u>1,843,715</u>	<u>1,843,715</u>	<u>-</u>
<b>Total Expenditures</b>	<u>1,843,715</u>	<u>-</u>	<u>1,843,715</u>	<u>1,843,715</u>	<u>-</u>
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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

Point Pleasant Borough School District  
Statistical Section

J Series

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	102-107
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	108-111
<b>Debt Capacity</b> 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.	112-115
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	116-117
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	118-122

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 13,367,679	\$ 14,476,105	\$ 5,000,313	\$ 14,660,093	\$ 17,825,529	\$ 19,506,349	\$ 20,159,519	\$ 19,471,452	\$ 19,171,432	\$ 18,762,838
Restricted	5,893,952	6,644,698	17,019,535	8,387,132	7,034,632	5,153,385	4,310,817	5,010,429	3,493,833	3,804,335
Unrestricted	(977,682)	(761,492)	(694,024)	(8,587,002)	(9,176,049)	(9,275,755)	(9,129,249)	(8,725,091)	(6,469,048)	(10,215,572)
<b>Total governmental activities net position</b>	<b>18,283,949</b>	<b>20,359,311</b>	<b>21,325,824</b>	<b>14,460,223</b>	<b>15,684,112</b>	<b>15,383,979</b>	<b>15,341,087</b>	<b>15,756,790</b>	<b>16,196,217</b>	<b>12,351,601</b>
<b>Business-type activities</b>										
Net investment in capital assets	1,212,358	1,204,803	1,198,619	1,196,974	1,199,322	1,197,746	1,193,076	1,193,713	1,191,057	1,187,499
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	183,801	215,718	268,330	291,366	260,712	267,204	301,828	416,134	412,733	296,514
<b>Total business-type activities net position</b>	<b>1,396,159</b>	<b>1,420,521</b>	<b>1,466,949</b>	<b>1,488,340</b>	<b>1,460,034</b>	<b>1,464,950</b>	<b>1,494,904</b>	<b>1,609,847</b>	<b>1,603,790</b>	<b>1,484,013</b>
<b>District-wide</b>										
Net investment in capital assets	14,580,037	15,680,908	6,198,932	15,857,067	19,024,851	20,704,095	21,352,595	20,665,165	20,362,489	19,950,337
Restricted	5,893,952	6,644,698	17,019,535	8,387,132	7,034,632	5,153,385	4,310,817	5,010,429	3,493,833	3,804,335
Unrestricted	(793,881)	(545,774)	(425,694)	(8,295,636)	(8,915,337)	(9,008,551)	(8,827,421)	(8,308,957)	(6,056,315)	(9,919,058)
<b>Total district net position</b>	<b>\$ 19,680,108</b>	<b>\$ 21,779,832</b>	<b>\$ 22,792,773</b>	<b>\$ 15,948,563</b>	<b>\$ 17,144,146</b>	<b>\$ 16,848,929</b>	<b>\$ 16,835,991</b>	<b>\$ 17,366,637</b>	<b>\$ 17,800,007</b>	<b>\$ 13,835,614</b>

Source: CAFR Schedule A-1 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**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 15,105,900	\$ 14,529,984	\$ 14,230,525	\$ 14,674,596	\$ 14,819,690	\$ 15,896,411	\$ 16,112,870	\$ 16,695,376	\$ 16,713,456	\$ 17,913,240
Special education	2,634,211	2,795,280	2,860,902	2,946,981	2,920,712	3,109,208	3,206,397	3,364,389	3,274,039	3,552,891
Other special education	982,274	1,043,182	995,149	1,063,130	1,331,703	1,462,947	1,386,138	1,250,873	1,155,341	1,206,920
Support Services:										
Instruction	1,491,483	1,141,009	1,722,477	2,161,268	1,822,569	2,296,656	2,215,935	2,270,969	2,103,732	2,361,123
Attendance and social work	166,807	167,135	181,977	154,912	156,899	169,080	137,300	139,933	145,778	151,294
Health services	404,587	423,198	424,009	462,161	436,770	423,168	464,339	458,352	477,314	447,901
Improvement of instr. services	99,744	111,442	130,029	133,043	110,031	110,245	131,322	122,300	126,719	183,195
Educational media services	254,831	271,900	350,934	328,310	364,946	373,257	384,880	400,734	391,605	284,260
Instruction staff training	124,189	192,240	180,212	198,381	231,039	239,887	266,735	274,032	230,057	223,044
School Administrative services	1,606,476	1,477,634	1,852,303	1,788,050	2,229,154	2,255,125	1,850,275	2,018,978	2,375,129	2,183,288
General administration	753,927	748,283	700,125	770,622	712,571	744,034	758,497	718,518	750,159	855,867
Central Services	514,830	529,115	535,384	553,778	566,109	572,119	590,110	592,961	596,544	644,288
Plant operations and maintenance	3,141,947	3,451,589	3,620,345	3,389,038	3,415,723	3,746,159	3,673,536	3,673,294	3,668,687	4,071,911
Administrative information technology	94,200	66,341	88,248	90,530	115,541	118,423	121,872	125,403	129,036	134,346
Pupil transportation	1,079,301	1,160,576	1,256,351	1,466,909	1,294,826	1,401,815	1,424,874	1,419,717	1,523,475	1,341,566
Other support services	2,811,171	2,940,450	3,074,900	3,242,310	3,472,910	3,476,966	3,599,518	3,653,278	3,601,985	3,987,778
Business and other support services	-	-	-	-	-	-	-	-	-	-
Non-budgeted expenditures	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,036,348	3,202,290	3,026,302	2,910,764	3,237,595
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	570,179	462,128	271,922	737,605	701,887	623,624	591,163	551,296	509,083	465,629
Unallocated employee benefits	5,511,376	5,773,040	5,918,470	6,299,246	6,512,214	6,395,897	6,972,665	7,117,472	7,785,852	12,399,759
Total governmental activities expenses	40,339,945	41,021,142	41,662,017	43,288,111	44,258,514	46,451,369	47,090,716	47,874,177	48,468,755	55,645,895
Business-type activities:										
Food service	784,820	782,055	748,018	754,676	750,258	743,111	766,444	729,825	534,722	466,481
Child Care	309,940	312,060	358,565	355,840	346,499	353,107	350,695	362,303	301,313	57,928
Total business-type activities expense	1,094,760	1,094,115	1,106,583	1,110,516	1,096,757	1,096,218	1,117,139	1,092,128	836,035	524,409
Total district expenses	\$ 41,434,705	\$ 42,115,257	\$ 42,768,600	\$ 44,398,627	\$ 45,355,271	\$ 47,547,587	\$ 48,207,855	\$ 48,966,305	\$ 49,304,790	\$ 56,170,304
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	247,638
Operating grants and contributions	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,987,611	4,190,684	4,059,338	3,876,507	5,119,267
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,987,611	4,190,684	4,059,338	3,876,507	5,366,905

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Business-type activities:</b>										
Charges for services										
Food service	\$ 604,085	\$ 569,263	\$ 562,342	\$ 572,540	\$ 499,230	\$ 533,007	\$ 582,591	\$ 607,688	\$ 381,217	\$ 64,830
Child Care	333,160	332,864	381,118	357,986	375,772	366,936	382,875	414,796	279,999	-
Operating grants and contributions	187,875	216,350	209,551	201,381	193,449	201,191	181,627	183,903	168,357	339,800
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	1,125,120	1,118,477	1,153,011	1,131,907	1,068,451	1,101,134	1,147,093	1,206,387	829,573	404,630
Total district program revenues	\$ 4,117,632	\$ 4,855,093	\$ 4,420,766	\$ 3,959,148	\$ 4,111,671	\$ 5,088,745	\$ 5,337,777	\$ 5,265,725	\$ 4,706,080	\$ 5,771,535
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (37,347,433)	\$ (37,284,526)	\$ (38,394,262)	\$ (40,460,870)	\$ (41,215,294)	\$ (42,463,758)	\$ (42,900,078)	\$ (43,816,739)	\$ (44,592,248)	\$ (50,278,990)
Business-type activities	30,360	24,362	46,428	21,391	(28,306)	4,916	30,000	114,259	(6,462)	(119,779)
Total district-wide net expense	\$ (37,317,073)	\$ (37,260,164)	\$ (38,347,234)	\$ (40,439,479)	\$ (41,243,600)	\$ (42,458,842)	\$ (42,870,078)	\$ (43,702,480)	\$ (44,598,710)	\$ (50,398,769)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 29,037,269	\$ 29,683,659	\$ 30,466,932	\$ 31,294,686	\$ 32,064,138	\$ 32,707,297	\$ 33,716,844	\$ 35,251,375	\$ 36,468,350	\$ 37,440,787
Taxes levied for debt service	1,604,425	1,553,426	1,177,423	1,880,378	1,904,172	1,886,711	1,446,771	1,453,790	1,464,315	1,466,446
Unrestricted grants and contributions	7,213,489	7,518,751	7,213,043	7,845,048	7,607,932	6,877,220	7,039,440	6,674,092	6,316,185	6,332,432
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	43,375
Miscellaneous income	524,316	604,052	503,377	556,592	862,941	692,397	654,085	851,285	782,825	706,137
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	38,379,499	39,359,888	39,360,775	41,576,704	42,439,183	42,163,625	42,857,140	44,230,542	45,031,675	45,989,177
Business-type activities:										
Miscellaneous income	-	-	-	-	-	-	-	684	405	2
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	684	405	2
Total district-wide	\$ 38,379,499	\$ 39,359,888	\$ 39,360,775	\$ 41,576,704	\$ 42,439,183	\$ 42,163,625	\$ 42,857,140	\$ 44,231,226	\$ 45,032,080	\$ 45,989,179
<b>Change in Position</b>										
Governmental activities	\$ 1,032,066	\$ 2,075,362	\$ 966,513	\$ 1,115,834	\$ 1,223,889	\$ (300,133)	\$ (42,892)	\$ 415,703	\$ 439,427	\$ (4,289,813)
Business-type activities	30,360	24,362	46,428	21,391	(28,306)	4,916	29,954	114,943	(6,057)	(119,777)
Total district	\$ 1,062,426	\$ 2,099,724	\$ 1,012,941	\$ 1,137,225	\$ 1,195,583	\$ (295,217)	\$ (12,938)	\$ 530,646	\$ 433,370	\$ (4,409,590)

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)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,687,434	\$ 2,393,260	\$ 3,157,915	\$ 3,493,833	\$ 3,531,941
Committed	-	-	-	-	-	678,590	-	-	-	-
Assigned	-	-	-	-	-	1,549,707	2,391,152	2,481,786	2,731,637	3,329,409
Unassigned	-	-	-	-	-	569,888	560,054	681,311	709,875	965,876
Reserved	5,841,731	6,557,225	5,501,195	5,465,918	6,174,742	-	-	-	-	-
Unreserved	284,764	300,152	396,976	417,488	373,101	-	-	-	-	-
<b>Total general fund</b>	<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>	<u>\$ 6,935,345</u>	<u>\$ 7,827,226</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ -	\$ 8,474,260	\$ 1,749,259	\$ 767,196	\$ 219,919	\$ -	\$ -	\$ -	\$ -
Restricted										
Special revenue fund	-	-	-	-	-	-	-	-	-	272,394
Debt service fund	-	87,473	35,252	-	-	-	-	-	-	-
Capital projects fund	-	-	3,008,828	1,171,955	92,694	17,735	22,557	-	-	-
<b>Total all other governmental funds</b>	<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>	<u>\$ -</u>	<u>\$ 272,394</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)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax levy	30,641,694	31,237,085	31,644,355	33,175,064	33,968,310	34,594,008	35,163,615	36,705,165	37,932,665	38,907,233
Tuition charges	287,912	245,274	266,030	189,795	282,985	251,974	195,216	194,618	216,907	259,259
Interest earnings	24,036	32,263	55,814	60,219	-	69,125	29,632	46,904	43,600	43,375
Miscellaneous	181,999	279,783	168,966	234,288	452,032	277,056	294,996	485,368	405,085	663,979
Transportation fees	58,318	54,342	34,830	69,491	121,946	115,234	124,808	113,415	114,893	116,740
State sources	9,040,095	10,039,078	9,530,503	9,699,903	9,687,203	9,868,803	9,868,295	9,645,409	9,195,885	9,464,659
Federal sources	1,165,906	1,216,289	950,295	972,386	963,949	996,028	1,361,829	1,088,021	996,807	1,910,168
Other financing sources	-	-	-	2,799	5,978	1,669	12,065	1,418	4,190	5,500
<b>Total revenue</b>	<b>41,399,960</b>	<b>43,104,114</b>	<b>42,650,793</b>	<b>44,403,945</b>	<b>45,482,403</b>	<b>46,173,897</b>	<b>47,050,456</b>	<b>48,280,318</b>	<b>48,910,032</b>	<b>51,370,913</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	13,062,667	13,261,218	13,000,663	13,235,531	13,294,919	13,595,816	13,746,803	14,270,258	14,558,433	15,886,922
Special education instruction	2,562,097	2,750,500	2,817,495	2,896,191	2,866,897	3,028,010	3,122,889	3,278,797	3,197,979	3,481,374
Other special instruction	970,255	1,035,719	987,914	1,054,665	1,322,734	1,449,414	1,372,220	1,236,608	1,142,665	1,195,000
Support Services:										
Instruction	1,287,160	1,014,132	1,599,491	2,017,361	1,670,092	2,066,596	1,979,328	2,028,457	1,888,230	2,158,491
Attendance and social work	166,807	167,135	181,977	154,912	156,899	169,080	137,300	139,933	145,778	151,294
Health services	404,587	423,198	424,009	462,161	436,770	423,168	464,339	458,352	477,314	447,901
Other support services	2,811,171	2,940,450	3,074,900	3,242,310	3,472,910	3,476,966	3,599,518	3,653,278	3,601,985	3,987,778
Improvement of instruction	99,744	111,442	130,029	133,043	110,031	110,245	131,322	122,300	126,719	183,195
Educational media services	254,831	271,900	350,934	328,310	364,946	373,257	384,880	400,734	391,605	284,260
Instruction staff training	124,189	192,240	180,212	198,381	231,039	239,887	266,735	274,032	230,057	223,044
General administrative services	753,927	748,283	700,125	770,622	712,571	744,034	758,497	718,518	750,159	855,867
School administrative services	1,558,150	1,633,656	1,779,540	1,816,759	1,835,486	1,878,647	1,915,662	1,931,736	2,008,601	2,065,263
School central services	514,830	529,115	535,384	553,778	566,109	572,119	590,110	592,961	596,544	644,288
School admin info technology	94,200	66,341	88,248	90,530	115,541	118,423	121,872	125,403	129,036	134,346
Allowed maintenance for school facilities	810,731	1,103,589	1,168,015	826,065	760,504	822,302	773,300	878,718	865,562	922,342
Other operation & maintenance of plant	2,288,510	2,286,854	2,383,788	2,461,693	2,586,685	2,881,105	2,958,330	2,797,746	2,980,647	3,108,162
Student transportation services	1,079,301	1,160,576	1,256,351	1,466,909	1,294,826	1,401,815	1,424,874	1,419,717	1,523,475	1,341,566
Business and other support services	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	5,511,376	5,773,040	5,918,470	6,287,691	6,307,407	6,394,684	6,780,230	7,197,203	7,976,862	7,845,970
Non-budgeted expenditures	2,992,512	3,736,616	3,267,755	2,827,241	3,043,220	3,036,348	3,202,290	3,026,302	2,910,764	3,237,595
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	773,323	1,416,179	6,994,232	9,856,054	3,405,014	2,769,001	1,860,242	949,911	955,269	653,462
Debt service:										
Principal	1,375,000	1,410,000	1,005,000	1,565,000	1,580,000	1,610,000	1,165,000	1,215,000	1,270,000	1,320,000
Interest and other charges	382,066	305,797	282,600	770,629	744,690	697,440	650,965	610,365	568,015	523,715
<b>Total expenditures</b>	<b>39,877,434</b>	<b>42,337,980</b>	<b>48,127,132</b>	<b>53,015,836</b>	<b>46,879,290</b>	<b>47,858,357</b>	<b>47,406,706</b>	<b>47,326,329</b>	<b>48,295,699</b>	<b>50,651,835</b>
Excess (Deficiency) of revenues over (under) expenditures	1,522,526	766,134	(5,476,339)	(8,611,891)	(1,396,887)	(1,684,460)	(356,250)	953,989	614,333	719,078
<b>Other Financing sources (uses)</b>										
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)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>15,948,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,522,526</b>	<b>766,134</b>	<b>10,471,661</b>	<b>(8,611,891)</b>	<b>(1,396,887)</b>	<b>(1,684,460)</b>	<b>(356,250)</b>	<b>953,989</b>	<b>614,333</b>	<b>719,078</b>
Debt service as a percentage of noncapital expenditures	4.49%	4.19%	3.13%	5.41%	5.35%	5.12%	3.99%	3.94%	3.88%	3.69%

Source: CAFR Schedule B-2 and District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**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
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	-	228,134	66,877	46,244	74,828	113,415	64,030	593,528
2020	-	198,097	32,334	27,938	37,848	114,893	122,443	533,553
2021	5,500	190,043	12,616	6,027	36,969	116,740	80,879	448,774

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 <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
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
2020	24,076,000	3,008,806,700			410,782,300	e	23,838,400	3,467,503,400	169,888,000	-	3,297,615,400	3,624,549,791	c 1.1799
2021	25,966,600	3,028,185,500			411,789,400	e	23,838,400	3,489,779,900	171,229,000	-	3,318,550,900	3,747,234,500	c 1.1953

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

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

	Point Pleasant Borough School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Municipal <sup>c</sup>	Ocean County <sup>c</sup>	
Fiscal Year Ended June 30,						
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
2020	1.1354	0.0445	1.1799	0.4520	0.4450	2.0769
2021	1.1509	0.0444	1.1953	0.4620	0.4440	2.1013

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** Municipal and county tax rate were obtained from county.

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

	2021				2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Clark's Landing	14,192,900		0.43%	Clark's Landing	14,876,300		0.45%
Point 88 Realty	8,007,300		0.24%	Point 88 Realty	8,000,000		0.24%
Johnson Bros Boat Works, LLC	6,126,300		0.18%	Johnson Bros Boat Works, LLC	6,126,300		0.19%
Crest Pointe Property LLC	5,423,400		0.16%	Paglia	4,827,900		0.15%
Taxpayer 1	4,979,100		0.15%	Robelander	4,468,800		0.14%
Robelander Realty Inc.	4,703,900		0.14%	Nassau Tower Realty LLC, Walgreens	4,100,000		0.13%
1501 Richmond Ave LLC	4,043,200		0.12%	Taxpayer 1	4,089,000		0.13%
Canal Point Marine, Inc.	4,703,800		0.14%	CNL Income Crystal Point Marina LLC	3,981,000		0.12%
1299 St. George LLC & 197 West Scott	4,043,200		0.12%	Verizon	3,790,128		0.12%
Taxpayer 2	3,800,000		0.11%	Canal Poin Marine, Inc.	3,499,000		0.11%
<b>Total</b>	<b>\$ 60,023,100</b>		<b>1.81%</b>	<b>Total</b>	<b>\$ 57,758,428</b>		<b>1.78%</b>

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	
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	67,434,429	99.44%	N/A
2020	68,782,141	68,528,451	99.23%	N/A
2021	69,822,523	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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
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	2.24%	1,060.01
2017	18,048,000	-	-	-	-	18,048,000	1.93%	966.94
2018	16,883,000	-	-	-	-	16,883,000	1.74	903.61
2019	15,668,000	-	-	-	-	15,668,000	N/A	834.65
2020	14,398,000	-	-	-	-	14,398,000	N/A	761.72
2021	13,078,000	-	-	-	-	13,078,000	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 General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
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%	834.65
2020	14,398,000	-	14,398,000	0.40%	761.72
2021	13,078,000	-	13,078,000	0.35%	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 J-14.



**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2021**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Point Pleasant Borough's Share (100%)	\$ 13,078,000	100.00% d	\$ 13,078,000
Other debt	-	-	-
County of Ocean - Borough's Share (XXX%)	a \$ 488,649,690	3.43%	\$ 16,748,744
Ocean County Utility Authority	b 111,777,343	3.42%	<u>3,817,753</u>
Subtotal, overlapping debt		0	33,644,498
<b>Point Pleasant School District Direct Debt</b>			<u>13,078,000</u>
<b>Total direct and overlapping debt</b>			<u>\$ 46,722,498</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 Moire DiMartini County of Ocean  
a = December 31, 2020 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										
	2021	\$ 3,747,234,500	a								
	2020	3,723,594,625	b								
	2019	<u>3,610,240,393</u>	b								
	<b>[A]</b>	<u>\$ 11,081,069,518</u>									
Average equalized valuation of	<b>[A/3]</b>	\$ 3,693,689,839									
Debt limit (4 % of average equ:	<b>[B]</b>	147,747,594									
	<b>[C]</b>	<u>\$ 13,078,000</u>									
	<b>[B-C]</b>	<u>\$ 134,669,594</u>									

		Fiscal Year									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$	144,364,034	\$ 134,372,959	\$ 134,337,050	\$ 131,250,565	\$ 131,638,496	\$ 132,035,924	\$ 134,348,151	\$ 139,945,280	\$ 143,711,816	\$ 147,747,594
Total net debt applicable to limit		<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>	<u>14,398,000</u>	<u>13,078,000</u>
Legal debt margin	\$	<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>	<u>\$ 129,313,816</u>	<u>\$ 134,669,594</u>
Total net debt applicable to the limit as a percentage of debt limit		6.42%	5.85%	16.97%	16.18%	14.93%	13.67%	12.57%	11.20%	10.02%	8.85%

**Source:**  
a A4f of budget submission from current year  
b Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>	
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	971,717,472	52,008	4.30%	
2019	18,772	997,525,308	53,139	3.70%	
2020	18,902	N/A	N/A	9.50%	e
2021	N/A	N/A	N/A	7.76%	e

**Source:**

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

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

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

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

<sup>e</sup> Unemployment rate was impacted by COVID-19

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

<u>Employer</u>	<u>2021</u>			<u>2012</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%	-		0.00%
Borough of Point Pleasant	-		0%	-		0.00%
Claremont Nursing Home	-		0%	-		0.00%
Stop and Shop(formerly Grand Union)	-		0%	-		0.00%
Weisleder	-		0%	-		0.00%
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

**Source: Municipal Tax Collector**

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

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	204.0	185.5	185.5	185.5	180.0	181.0	178.5	182.0	183.5	186.0
Special education	41.0	39.5	41.5	42.0	43.0	43.0	45.5	46.5	45.5	47.0
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	23.0	24.5	21.5	21.5	23.0	29.0	30.0	26.0	22.5	23.5 a
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	56.0	63.5	68.0	78.0	74.0	73.0	75.5	77.0	73.5	64.0
General administration	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
School administrative services	11.0	20.0	21.0	21.5	20.5	20.5	20.5	20.5	21.0	21.0
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	6.0	6.5	6.5	6.5	6.5	6.5	6.5	6.0	6.0	6.0
Administrative Information Technology	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant operations and maintenance	5.0	7.5	8.5	8.0	8.5	9.0	9.5	11.5	10.5	12.5
Pupil transportation	11.0	13.0	13.5	13.5	11.0	12.5	15.5	16.5	17.5	16.5
Other support services	14.0	13.0	14.0	14.0	14.0	14.0	13.0	13.0	13.0	13.0
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	14.0	14.0	15.0	15.0	11.5	10.5	9.5	9.0	7.0	7.5
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>390.0</u>	<u>393.0</u>	<u>401.0</u>	<u>411.5</u>	<u>399.0</u>	<u>406.0</u>	<u>411.0</u>	<u>415.0</u>	<u>407.0</u>	<u>404.0</u>

**Source:** District Personnel Records

a - This figure includes special education aides.

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
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	1.78%	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%	244 e	12:1 e	10:1 e	10:1 e	2754	2,631	0.08%	95.53%
2020	2,797 f	41,595,583	14,871 d	1.65%	240 e	13:1 e	11:1 e	11:1 e	2787	2,702	0.12%	96.95%
2021	2,668 f	42,775,503	16,033 d	7.81%	N/A e	N/A e	N/A e	N/A e				

**Sources:** District records

**Note:** Enrollment based on annual October district count ASSA 10/15/20 count for FYE 2021.

- 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 Janet Brannick
- e from School performance report card issued in current fiscal year
- f ASSA total enrollment (count sent and shared time as 1.0)
- N/A Information was not published at the time of this report

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>District Building</b>										
<u>Elementary</u>										
Nellie Bennett										
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	732	741	727	725	765	753	745	764	766	690
<u>Ocean Road</u>										
Square Feet	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406	66,406
Capacity (students)	556	556	556	556	556	556	556	556	556	556
Enrollment	550	577	575	535	554	540	493	502	501	462
<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	720	663	673	641	644	674	656	695	674	660
<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	919	959	901	914	952	888	855	822	846	854
<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, 2021

    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
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
2020	362,689	194,250	145,568	135,011	28,044	865,562
2021	371,871	209,187	184,247	131,923	25,114	922,342
<b>Total School Facilities</b>	<b>\$ 3,738,701</b>	<b>\$ 2,184,897</b>	<b>\$ 1,839,214</b>	<b>\$ 1,474,467</b>	<b>\$ 612,905</b>	<b>\$ 9,850,184</b>

\* 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, 2021**

	<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	10,000	*
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	**

\* Deductible for Mold is \$10,000

\*\* Deductible for Mold is \$50,000

## 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 08742

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, 2021 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 October 4, 2021.

**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) as a basis for designing 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 financial statements. 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

October 4, 2021

**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 08742

**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, 2021. 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, 2021.

### **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". The signature is fluid and cursive, with the first name "Kathy" and the last name "Perry" clearly distinguishable.

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

October 4, 2021

**POINT PLEASANT BOROUGH SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A**  
**For the Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at July 1, 2020	Cash Received	Budgetary Expenditures	Balance at June 30, 2021		
							Deferred Revenue	Accounts Receivable	Due to Grantor
U.S. Department of Education									
Medical Assistance Program	93.778	7/1/20-6/30/21	56,617	\$ -	\$ 56,617	\$ (56,617)	\$ -	\$ -	\$ -
FFCRA/SEMI	93.778	1/1/20-12/31/20	5,502	-	5,502	(5,502)	-	-	-
FEMA	97.036	1/1/20-12/31/20	43,249	-	43,249	(43,249)	-	-	-
<b>Total General Fund</b>				<b>-</b>	<b>105,368</b>	<b>(105,368)</b>	<b>-</b>	<b>-</b>	<b>-</b>
U.S. Department of Education									
Passed-through State Department of Education:									
Title I, Basic Allocation	84.010	7/1/20-6/30/21	348,904	-	195,904	(267,607)	-	(71,703)	-
Title I, Basic Allocation	84.010	7/1/19-6/30/20	315,233	(100,405)	100,405	-	-	-	-
Title II - Part A	84.367	7/1/20-6/30/21	75,198	-	55,596	(74,977)	-	(19,381)	-
Title II - Part A	84.367	7/1/19-6/30/20	74,499	(16,006)	16,006	-	-	-	-
Title IV - Part A	84.424	7/1/19-6/30/20	19,719	(9,689)	9,689	-	-	-	-
Title IV - Part A	84.424	7/1/20-6/30/21	22,518	-	15,010	(22,518)	-	(7,508)	-
CARES	84.425D	7/1/20-6/30/21	258,570	-	249,781	(249,781)	-	-	-
Digital Divide	84.425D	7/1/20-6/30/21	111,206	-	111,206	(111,206)	-	-	-
Coronavirus Relief Fund	84.425D	7/1/20-6/30/21	114,021	-	114,021	(114,021)	-	-	-
ESSER II	84.425D	7/1/20-6/30/21	348,663	-	-	(348,663)	-	(348,663)	-
Learning Acceleration	84.425D	7/1/20-6/30/21	3,468	-	-	(3,468)	-	(3,468)	-
Special Education Cluster:									
I.D.E.A. Part B Basic	84.027	7/1/20-6/30/21	662,178	-	535,607	(547,517)	-	(11,910)	-
I.D.E.A. Part B Basic	84.027	7/1/19-6/30/20	602,102	(42,476)	42,476	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/19-6/31/20	26,681	(20,695)	20,695	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/20-6/30/21	29,419	-	24,783	(24,919)	-	(136)	-
<b>Subtotal of Special Education Cluster</b>				<b>(63,171)</b>	<b>623,561</b>	<b>(572,436)</b>	<b>-</b>	<b>(12,046)</b>	<b>-</b>
<b>Total Special Revenue Fund</b>				<b>(189,271)</b>	<b>1,491,179</b>	<b>(1,764,677)</b>	<b>-</b>	<b>(462,769)</b>	<b>-</b>
U.S. Department of Agriculture									
Passed-through State Department of Education:									
Food Distribution Program	10.550	7/1/20-6/30/21	44,752	-	44,752	(44,752)	-	-	-
Child Nutrition Cluster:									
School Breakfast Program	10.553	7/1/20-6/30/21	1,652	-	1,652	(1,652)	-	-	-
National School Lunch Program	10.555	7/1/19-6/30/20	114,969	(5,377)	5,377	-	-	-	-
National School Lunch Program	10.555	7/1/20-6/30/21	4,560	-	4,560	(4,560)	-	-	-
Summer Food Service Program for Children	10.559	7/1/19-6/30/20	7,283	(2,168)	-	-	-	-	-
Summer Food Service Program for Children	10.559	7/1/20-6/30/21	275,804	-	251,273	(275,804)	-	(24,531)	-
<b>Subtotal of Child Nutrition Cluster</b>				<b>(7,545)</b>	<b>262,862</b>	<b>(282,016)</b>	<b>-</b>	<b>(24,531)</b>	<b>-</b>
<b>Total Enterprise (Food Service) Fund</b>				<b>(7,545)</b>	<b>307,614</b>	<b>(326,768)</b>	<b>-</b>	<b>(24,531)</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$ (196,816)</b>	<b>\$ 1,904,161</b>	<b>\$ (2,196,813)</b>	<b>\$ -</b>	<b>\$ (487,300)</b>	<b>\$ -</b>

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, 2021**

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2020	Cash Received	Budgetary Expenditures	Deferred Revenue at June 30, 2021	(Accounts Receivable) at June 30, 2021	Due to Grantor at June 30, 2021	MEMO	
										Budgetary Receivable	Cumulative Total Expenditures
New Jersey Department of Education											
General Fund:											
Extraordinary Aid	20-100-034-5120-473	7/1/19-6/30/20	\$ 437,378	\$ (437,378)	\$ 437,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extraordinary Aid	21-100-034-5120-473	7/1/20-6/30/21	742,184	-	-	(742,184)	-	(742,184)	-	-	(742,184)
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	1,663,733	-	1,497,371	(1,663,733)	-	-	(166,362)	-	(1,663,733)
Nonpublic Transportation Aid	21-495-034-5120-045	7/1/20-6/30/21	14,233	-	-	(14,233)	-	(14,233)	-	-	(14,233)
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	3,115,374	-	2,814,878	(3,115,374)	-	-	(300,496)	-	(3,115,374)
Categorical Security Aid	21-495-034-5120-084	7/1/20-6/30/21	184,043	-	165,639	(184,043)	-	-	(18,404)	-	(184,043)
Categorical Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	41,071	-	36,964	(41,071)	-	-	(4,107)	-	(41,071)
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	5,434,881	-	5,434,881	(5,434,881)	-	-	-	-	(5,434,881)
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/20-6/30/21	1,703,207	-	1,703,207	(1,703,207)	-	-	-	-	(1,703,207)
On-Behalf TPAF Long-Term Disability Insurance	21-100-034-5095-004	7/1/20-6/30/21	2,369	-	2,369	(2,369)	-	-	-	-	(2,369)
Reimbursed TPAF Social Security Tax Contribution	20-495-034-5094-003	7/1/19-6/30/20	1,413,890	(69,720)	69,720	-	-	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	21-495-034-5094-003	7/1/20-6/30/21	1,532,019	-	1,460,525	(1,532,019)	-	(71,494)	-	-	(1,532,019)
<b>Total General Fund</b>				<u>(507,098)</u>	<u>13,622,932</u>	<u>(14,433,114)</u>	<u>-</u>	<u>(827,911)</u>	<u>-</u>	<u>(489,369)</u>	<u>(14,433,114)</u>
Debt Service Fund:											
Debt service aid	21-495-034-5120-017	7/1/20-6/30/21	377,269	-	377,269	(377,269)	-	-	-	-	-
<b>Total Debt service Aid</b>				<u>-</u>	<u>377,269</u>	<u>(377,269)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Enterprise Fund:											
State School Breakfast Program		7/1/20-6/30/21	25	-	25	(25)	-	-	-	-	-
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	4,365	(119)	119	-	-	-	-	-	-
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	13,007	-	10,812	(13,007)	-	(2,195)	-	-	-
<b>Total Enterprise Fund</b>				<u>(119)</u>	<u>10,956</u>	<u>(13,032)</u>	<u>-</u>	<u>(2,195)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures of State Awards</b>				<u>\$ (507,217)</u>	<u>\$ 14,011,157</u>	<u>\$ (14,823,415)</u>	<u>\$ -</u>	<u>\$ (830,106)</u>	<u>\$ -</u>	<u>\$ (489,369)</u>	<u>\$ (14,433,114)</u>
State Financial Assistance Not Subject to Single Audit Determination											
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	5,434,881	-	5,434,881	(5,434,881)	-	-	-	-	(5,434,881)
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/20-6/30/21	1,703,207	-	1,703,207	(1,703,207)	-	-	-	-	(1,703,207)
On-Behalf TPAF Long-Term Disability Insurance	21-100-034-5095-004	7/1/20-6/30/21	2,369	-	2,369	(2,369)	-	-	-	-	(2,369)
<b>Total State Financial Assistance Not Subject to Single Audit Determination</b>				<u>-</u>	<u>7,140,457</u>	<u>(7,140,457)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,140,457)</u>
<b>Total Expenditures of State Awards Subject to Single Audit Determination</b>				<u>\$ (507,217)</u>	<u>\$ 6,870,700</u>	<u>\$ (7,682,958)</u>	<u>\$ -</u>	<u>\$ (830,106)</u>	<u>\$ -</u>	<u>\$ (489,369)</u>	<u>\$ (7,292,657)</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, 2021

## 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, 2021

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(5,345,724) for the general fund and \$40,123 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	\$ 105,368	\$ 9,087,390	\$ 9,192,758
Special Revenue Fund	1,804,800	-	1,804,800
Capital Projects Fund	-	-	-
Debt Service Fund	-	377,269	377,269
Food Service Fund	<u>326,768</u>	<u>13,032</u>	<u>339,800</u>
Total awards and financial assistance	<u>\$ 2,236,936</u>	<u>\$ 9,477,691</u>	<u>\$ 11,714,627</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, 2021.

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, 2021

**Section I - Summary of Auditor's Results**Financial 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 no

Federal Awards Section

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	Elementary and Secondary School Emergency Relief Fund
<b>Special Education Cluster:</b>	
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, 2021

**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) <b>State Aid-Public (Cluster)</b>	Name of State Program
495-034-5120-089	Special Education Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid

Point Pleasant Borough Board of Education  
Schedule of Findings and Questioned Costs (continued)  
June 30, 2021

Section II - Financial Statement Findings - N/A

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

Point Pleasant Borough Board of Education  
Summary Schedule of Prior Year Audit Findings  
June 30, 2021

Summary Schedule of Prior Year Audit Findings - N/A