

SCHOOL DISTRICT
OF
POINT PLEASANT BEACH
OF OCEAN COUNTY

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Point Pleasant Beach School District
of Ocean County

Point Pleasant Beach, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Point Pleasant Beach Board of Education
Finance Department

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INTRODUCTORY SECTION

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

Dear Board Members:

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

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

1) **REPORTING ENTITY AND ITS SERVICES:** Point Pleasant Beach School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No.3. All funds and account groups of the District are included in this report. The Point Pleasant Beach Board of Education and both its schools constitute the District's reporting entity. The Point Pleasant Beach School District provides a comprehensive full range of educational services appropriate to grade levels Pre-School Handicapped through 12. These include regular, vocational, as well as special education for handicapped youngsters. Additionally community groups such as Pop Warner Football, Scouts, and Baseball Leagues regularly use the facilities.



The programs are provided at two locations: Point Pleasant Beach High School on Bay and Trenton Avenues and the G. Harold Antrim Elementary School on Niblick Street. There are 48 employees at the high school, 72 at the elementary school and 29 in district positions. School enrollment during 2020-2021 was 379 high school, 365 elementary school, which is 1 students below the 2019-2020 student enrollment. The School District receives students from three other communities in the grades indicated: Bay Head (9-12), Lavallette (9-12) and Mantoloking (PKH-12). Additionally, some parents in nearby communities pay tuition to send their children to the District schools. During 2020-2021 there were 110 private tuition students. The following details the changes in the student enrollment of the District over the last ten years.

Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2020-2021	744	(.01%)
2019-2020	745	(2.55%)
2018-2019	764	(11.06%)
2017-2018	859	2.9%
2016-2017	835	0.06%
2015-2016	830	(2.12%)
2014-2015	848	(0.47%)
2013-2014	843	(3.21%)
2012-2013	871	(4.91%)
2011-2012	916	2.46

2) ECONOMIC CONDITION AND OUTLOOK: Point Pleasant Beach is a shore community; tourism and fishing are the biggest industries. The larger state and national economic picture as well as weather, ocean conditions, etc influence these industries. In recent years the town has been having good summers. The Point Pleasant Beach area has reached a point at which there is very limited land to be built on. With there being limited land available for future housing developments there is a constraint on population growth. In a 1999 Long-Range Enrollment and Facility Use Study it was predicted that the population of Point Pleasant Beach area would remain at or near the current figures. The inability for any significant growth will result in a stable tax base in the years to come. The ratable were \$2,031,024,700 in 2020-2021.

3) MAJOR INITIATIVES: Students from Point Pleasant Beach generally continue to score at or above state averages and cutoffs on all measures (EWT, HSPT, SAT, CAT). Point Pleasant Beach High School has been recognized by College Board for having largest percentage in New Jersey of a student body participating in the Advanced Placement program. High School SAT scores averaged 580 Reading and 577 Mathematics. 65% of the Class of 2021 went to college, 1% to vocational training, 2% to the military, and 32% to work/unknown. Students from our school attend the Ocean County Vocational Technical High School for Vocational Training. The District is a member of the Monmouth-Ocean Educational Services Commission, the New Jersey State Inter Scholastic Athletic Association, The Shore Conference of High Schools and the New Jersey School Boards Association. It is accredited by the Middle States Association of College and Schools and certified by the State of New Jersey.

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open purchase encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

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

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

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

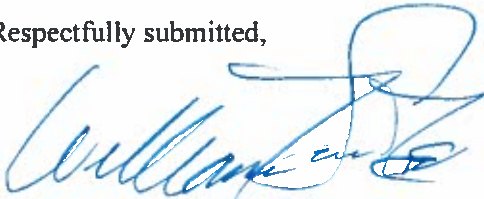
9) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under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

10) **RISK MANAGEMENT:** The Board carries various forms of insurance include 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 accounts. The accounting firm of Jump, Perry and Company, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report in the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

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

Respectfully submitted,



William T. Smith, Ed. D.
Superintendent of Schools

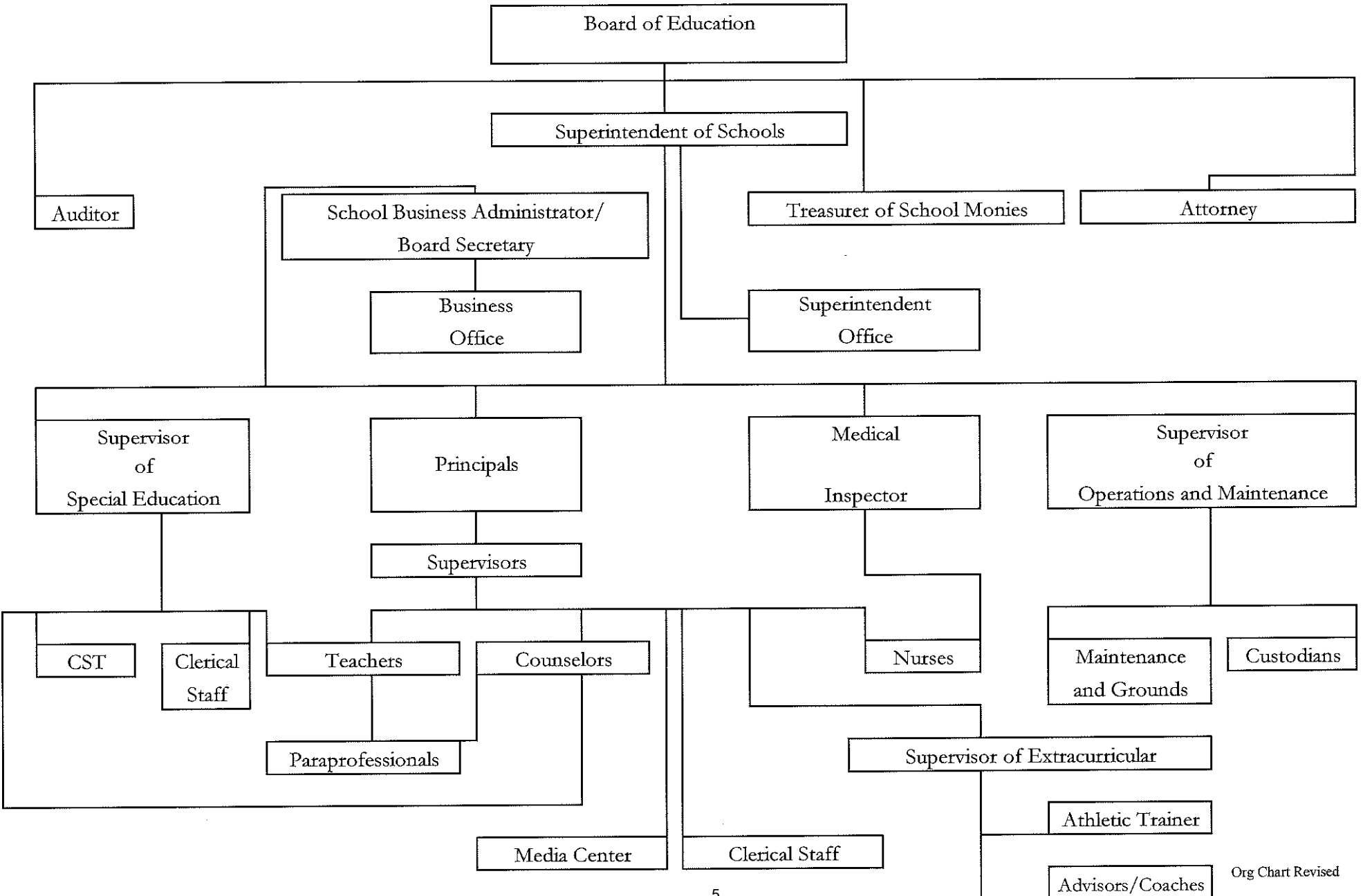


Brian F. Savage, Ed. D.
School Business Administrator
Board Secretary

Point Pleasant Beach Board of Education

Organizational Chart

(Unit Control)



Point Pleasant Beach School District
Point Pleasant Beach, New Jersey

Roster of Officials
June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michael Ramos, President	2021
Stacey McGlinchy, Vice President	2021
Joyce Popaca	2022
James Ireland	2023
Sherry Finn	2022
Eric Pritchard, Bayhead Representative	2023

Other Officials

William T. Smith, Superintendent of Schools

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

Christine Riehl, Treasurer

Frank Campbell, Esq., Solicitor

Point Pleasant Beach School District
Consultants and Advisors

Architect

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

Audit Firm

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

Attorney

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

Point Pleasant Beach School District
Official Depository

Ocean First Bank

Hooper Avenue
Toms River, NJ 08754

NJ Cash Management

2 Montgomery Street
Jersey City, NJ 07302

NJARM

224 Strawbridge Drive
Suite 104
Moorestown, NJ 08057

Bank of America

Arnold Avenue
Point Pleasant Beach, NJ 08742

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Point Pleasant Beach in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 the Board of Education of the Point Pleasant Beach School District 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 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 Beach School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2021 on our consideration of the Board of Education of the Point Pleasant Beach School District in the County of Ocean, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board of Education of the Point Pleasant Beach School District in the County of Ocean, State of New Jersey's internal control over financial reporting and compliance.

Respectfully Submitted,

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


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

Toms River, NJ
December 15, 2021

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Point Pleasant Beach School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Unaudited

The discussion and analysis of Point Pleasant Beach School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 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 \$22,455,123, which represents a 11.05 percent increase from June 30, 2020.

General revenues accounted for \$15,451,594 in revenue or 77.57 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 \$4,466,700 or 22.43 percent of total revenues of \$19,918,294.

Total assets increased by \$1,194,024 as current assets increased by \$1,856,783 and capital assets, net decreased by \$662,759.

The School Board had \$17,942,642 in expenses; only \$4,466,700 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$15,451,594 were adequate to provide for these programs.

Among major funds, the General Fund had \$17,592,834 in revenues and \$16,711,938 in expenditures and transfers. The General Fund's balance increased \$926,735 over June 30, 2020. Included in the increase is a prior period adjustment in the amount of \$45,839 for the implementation of GASB No. 84. The General Fund's balance is \$3,932,830.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

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 Funds and EBS Technology Fund 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	\$ 5,097,268	\$ 453,350	\$ 5,550,618	\$ 3,407,086	\$ 286,749	\$ 3,693,835
Capital assets, net	31,184,895	381,040	31,565,935	31,702,418	526,276	32,228,694
Total assets	36,282,163	834,390	37,116,553	35,109,504	813,025	35,922,529
Deferred outflow of resources	637,494	-	637,494	835,848	-	835,848
Liabilities:						
Current liabilities	641,074	235,350	876,424	136,050	123,766	259,816
Long-term liabilities outstanding	12,610,734	208,093	12,818,827	14,291,187	310,201	14,601,388
Total liabilities	13,251,808	443,443	13,695,251	14,427,237	433,967	14,861,204
Deferred inflow of resources	1,603,673	-	1,603,673	1,675,604	-	1,675,604
Net position:						
Net investment in capital assets	22,424,895	172,947	22,597,842	22,072,418	216,075	22,288,493
Restricted	3,428,923	-	3,428,923	2,936,164	-	2,936,164
Unrestricted	(3,789,642)	218,000	(3,571,642)	(5,166,071)	162,983	(5,003,088)
Total Net Position	\$ 22,064,176	\$ 390,947	\$ 22,455,123	\$ 19,842,511	\$ 379,058	\$ 20,221,569

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 \$22,455,123 on June 30, 2021. This is a change of 11.05% 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
Revenues						
Program revenues:						
Charges for services	\$ 2,391,459	\$ 114,791	\$ 2,506,250	\$ 1,998,788	\$ 217,090	\$ 2,215,878
Operating and capital grants and contributions	1,736,812	223,638	1,960,450	1,052,442	60,730	1,113,172
General revenues:						
Property taxes	14,302,350	-	14,302,350	14,031,411	-	14,031,411
Federal and state aid	971,198	-	971,198	1,373,862	-	1,373,862
Investment earnings	5,617	518	6,135	12,810	945	13,755
Miscellaneous	171,911	-	171,911	26,024	-	26,024
Total revenues	19,579,347	338,947	19,918,294	18,495,337	278,765	18,774,102
Expenses						
Instructional services	7,444,533	-	7,444,533	6,877,604	-	6,877,604
Support services	9,944,323	342,989	10,287,312	10,447,281	296,925	10,744,206
Interest on long-term liabilities	210,797	-	210,797	243,933	-	243,933
Total expenses	17,599,653	342,989	17,942,642	17,568,818	296,925	17,865,743
Change in net position	1,979,694	(4,042)	1,975,652	926,519	(18,160)	908,359
Transfers	-	15,931	15,931	-	-	-
Change in net position after transfers	1,979,694	11,889	1,991,583	-	-	-
Net position - beginning	19,842,511	379,058	20,221,569	18,915,992	397,218	19,313,210
Prior period adjustment	241,971	-	241,971	-	-	-
Net position - beginning Restated	<u>20,084,482</u>	<u>379,058</u>	<u>20,463,540</u>	<u>18,915,992</u>	<u>397,218</u>	<u>19,313,210</u>
Net position (deficit) - ending	\$ 22,064,176	\$ 390,947	\$ 20,479,471	\$ 19,842,511	\$ 379,058	\$ 20,221,569

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

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

Other support services decreased primarily due to the a decrease in other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year June 30, 2021

Business-Type Activities

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

Total Enterprise Fund expenses exceeded revenues by \$4,042. This was mostly due to assets being depreciated from EBS Technology.

Charges for services represent \$114,791 of revenue. This represents the amount paid by patrons for daily food service, catering and royalties.

Federal and state reimbursements for meals, payments for free and reduced lunches and donated commodities was \$223,638.

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	\$ 7,444,533	\$ 4,796,638	\$ 6,877,604	\$ 4,878,816
Support Services:				
Pupils and Instructional Staff	3,981,531	2,501,155	3,614,978	2,562,536
General Administration, School Administration, Business Operation and Maintenance of Facilities	5,632,512	5,632,512	6,477,684	6,477,684
Pupil Transportation	330,280	330,280	354,619	354,619
Interest and Fiscal Charges	<u>210,797</u>	<u>210,797</u>	<u>243,933</u>	<u>243,933</u>
Total Expenses	<u>\$ 17,599,653</u>	<u>\$ 13,471,382</u>	<u>\$ 17,568,818</u>	<u>\$ 14,517,588</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the High School student population participates in extracurricular activities.

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

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

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

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

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

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2021, it reported a combined fund balance of \$4,548,604, which is an increase of \$1,172,807. 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	\$ 16,871,337	86.17 %	\$ 802,304	4.99 %
State Sources	2,205,471	11.26	161,733	7.91
Federal Sources	<u>502,539</u>	<u>2.57</u>	<u>119,973</u>	<u>31.36</u>
Total	<u>\$ 19,579,347</u>	<u>100.00 %</u>	<u>\$ 1,084,010</u>	<u>5.86 %</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	\$ 7,444,533	39.91 %	\$ 566,929	8.24 %
Undistributed				
Expenditures	10,057,611	53.93	625,745	6.63
Capital Outlay	53,219	0.29	(152,690)	(74.15)
Debt Service:				
Principal	870,000	4.67	35,000	4.19
Interest	<u>223,148</u>	<u>1.20</u>	<u>(24,585)</u>	<u>(9.92)</u>
Total	<u>\$ 18,648,511</u>	<u>100.00 %</u>	<u>\$ 1,050,399</u>	<u>5.97 %</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 \$541,565 less than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$484,664 less than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

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

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 551,956
Capital Reserve	908,335
Maintenance Reserve	1,049,144
Unemployment Compensation	45,908
Tuition Reserve	150,000
Excess Surplus - Current Year	399,786

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increase students on district owned vehicles the district transportation costs were lowered for special needs students.

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

The excesses will be carried forward into the beginning fund balance from the 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 \$31,565,935 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	\$ 10,518,100	\$ 10,518,100	\$ -	\$ -	\$ 10,518,100	\$ 10,518,100
Construction in Progress	-	-	-	-	-	-
Building and Improvements	20,609,328	21,069,670	-	-	20,609,328	21,069,670
Machinery and Equipment	57,467	114,648	381,040	526,276	438,507	640,924
Total	\$ 31,184,895	\$ 31,702,418	\$ 381,040	\$ 526,276	\$ 31,565,935	\$ 32,228,694

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

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Bonds Payable (net)	\$ 8,760,000	\$ 9,630,000
Capital Leases payable	208,093	310,201
Pension Liability-PERS	3,333,121	4,149,791
Compensated Absences payable	<u>517,613</u>	<u>511,396</u>
Total long-term liabilities	\$ <u>12,818,827</u>	\$ <u>14,601,388</u>

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

Economic Factors and Next Year's Budget

For the 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 13.83% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 86.17% of total revenue is from local sources.

The \$(3,789,642) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

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

BASIC FINANCIAL STATEMENTS

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,561,136	\$ 374,868	\$ 4,936,004
Receivables - state	175,984	1,138	177,122
Receivables - federal government	11,840	41,594	53,434
Receivables-other	120,728	-	120,728
Interfund receivables	227,580	28,122	255,702
Inventory	-	7,628	7,628
Capital assets, non-depreciable	10,518,100	-	10,518,100
Capital assets, depreciable, net	20,666,795	381,040	21,047,835
Total assets	<u>36,282,163</u>	<u>834,390</u>	<u>37,116,553</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	637,494	-	637,494
Total deferred outflows of resources	<u>637,494</u>	<u>-</u>	<u>637,494</u>
LIABILITIES			
Accounts payable	-	7,770	7,770
Other current liabilities	609,834	-	609,834
Interfund payable	28,122	227,580	255,702
Payable to state government	3,118	-	3,118
Unearned revenue	-	-	-
Noncurrent liabilities:			
Due within one year	438,705	-	438,705
Due beyond one year	12,172,029	208,093	12,380,122
Total liabilities	<u>13,251,808</u>	<u>443,443</u>	<u>13,695,251</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	1,603,673	-	1,603,673
Total deferred inflows of resources	<u>1,603,673</u>	<u>-</u>	<u>1,603,673</u>
NET POSITION			
Net Investment in capital assets	22,424,895	172,947	22,597,842
Restricted for:			
Capital projects	1,278,037	-	1,278,037
Debt service	-	-	-
Other purposes	2,150,886	-	2,150,886
Unassigned	(3,789,642)	218,000	(3,571,642)
Total net position	<u>\$ 22,064,176</u>	<u>\$ 390,947</u>	<u>\$ 22,455,123</u>

POINT PLEASANT BEACH 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
Governmental activities:							
Current:							
Regular instruction	\$ 5,107,091	\$ 2,120,297	\$ 527,598	\$ -	\$ (2,459,196)	\$ -	\$ (2,459,196)
Special schools instruction	1,481,751	-	-	-	(1,481,751)	-	(1,481,751)
Other special instruction	855,691	-	-	-	(855,691)	-	(855,691)
Support services and undistributed costs:							
Instruction	670,869	-	-	-	(670,869)	-	(670,869)
Attendance	246,622	-	-	-	(246,622)	-	(246,622)
Health services	452,862	-	-	-	(452,862)	-	(452,862)
Other support services	1,396,840	271,162 *	94,605	-	(1,031,073)	-	(1,031,073)
Educational media services	99,729	-	-	-	(99,729)	-	(99,729)
General administrative services	433,367	-	-	-	(433,367)	-	(433,367)
School administrative services	437,889	-	-	-	(437,889)	-	(437,889)
Information technology	308,281	-	-	-	(308,281)	-	(308,281)
Allowed maintenance for school facilities	219,076	-	-	-	(219,076)	-	(219,076)
Other operation & maintenance of plant	2,107,259	-	-	-	(2,107,259)	-	(2,107,259)
Student transportation services	330,280	-	-	-	(330,280)	-	(330,280)
Business and other support services	-	-	-	-	-	-	-
Unallocated employee benefits	2,110,709	-	-	-	(2,110,709)	-	(2,110,709)
Undistributed Food Service	15,931	-	-	-	(15,931)	-	(15,931)
Non-budgeted expenses	1,114,609	-	1,114,609	-	-	-	-
Interest on long-term debt	210,797	-	-	-	(210,797)	-	(210,797)
Total governmental activities	17,599,653	2,391,459	1,736,812	-	(13,471,382)	-	(13,471,382)
Business-type activities:							
Food Service program	179,864	6,623	223,638	-	-	50,397	50,397
EBS Technology Program	163,125	108,168	-	-	-	(54,957)	(54,957)
Total business-type activities	342,989	114,791	223,638	-	-	(4,560)	(4,560)
Total primary government	\$ 17,942,642	\$ 2,506,250	\$ 1,960,450	\$ -	\$ (13,471,382)	\$ (4,560)	\$ (13,475,942)
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 13,410,911	-	\$ 13,410,911
Taxes levied for debt service					891,439	-	891,439
Federal and state aid not restricted					769,489	-	769,489
Federal and state aid restricted					201,709	-	201,709
Miscellaneous income					171,911	-	171,911
Miscellaneous restricted income					69 **	-	69
Investment earnings					5,548	518	6,066
Total general revenues					15,451,076	518	15,451,594
Change in net position before transfers					1,979,694	(4,042)	1,975,652
Transfers					-	15,931	15,931
Change in net position after transfers					1,979,694	11,889	1,991,583
Net position July 1					19,842,511	379,058	20,221,569
Prior Period Adjustments					241,971	-	241,971
Net position, July 1 (Restated)					20,084,482	379,058	20,463,540
Net position—ending					\$ 22,064,176	\$ 390,947	\$ 22,455,123

* 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 BEACH SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,048,867	\$ 234,232	\$ 369,702	\$ -	\$ 3,652,801
Capital reserve	908,335	-	-	-	908,335
Due from other funds	227,580	-	-	-	227,580
Receivables from state	175,984	-	-	-	175,984
Receivables from Federal government	-	11,840	-	-	11,840
Other receivables	110,208	3,118	-	-	113,326
Intergovernmental accounts receivables	7,402	-	-	-	7,402
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 4,478,376</u>	<u>\$ 249,190</u>	<u>\$ 369,702</u>	<u>\$ -</u>	<u>\$ 5,097,268</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and payroll liabilities	517,424	-	-	-	517,424
Due to other funds	28,122	-	-	-	28,122
Payable to state government	-	3,118	-	-	3,118
Unearned revenue	-	-	-	-	-
Total liabilities	<u>545,546</u>	<u>3,118</u>	<u>-</u>	<u>-</u>	<u>548,664</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	399,786	-	-	-	399,786
Excess surplus - prior year- designated for Subsequent year's expenditures	551,956	-	-	-	551,956
Capital reserve account	908,335	-	-	-	908,335
Maintenance reserve account	1,049,144	-	-	-	1,049,144
Tuition reserve account	150,000	-	-	-	150,000
Capital projects	-	-	369,702	-	369,702
Unemployment Compensation	45,908	-	-	-	45,908
Student Activities	-	246,072	-	-	246,072
Debt services	-	-	-	-	-
Assigned to:					
Other purposes	-	-	-	-	-
Designated by the BOE for subsequent year's expenditures	79,723	-	-	-	79,723
Unassigned:					
General fund	747,978	-	-	-	747,978
Total Fund balances	<u>3,932,830</u>	<u>246,072</u>	<u>369,702</u>	<u>-</u>	<u>\$ 4,548,604</u>
Total liabilities and fund balances	<u>\$ 4,478,376</u>	<u>\$ 249,190</u>	<u>\$ 369,702</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 \$39,854,018 and the accumulated depreciation is \$8,669,123.	31,184,895
Deferred outflows related to the PERS pension plan	637,494
Deferred inflows related to the PERS pension plan	(1,603,673)
Accrued interest payable	(92,410)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds	<u>(12,610,734)</u>
Net position of governmental activities	<u>\$ 22,064,176</u>

POINT PLEASANT BEACH 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
REVENUES					
Local sources:					
Local tax levy	\$ 13,410,911	\$ -	\$ -	\$ 891,439	\$ 14,302,350
Tuition charges	2,120,297	-	-	-	2,120,297
Interest income	5,548	-	-	-	5,548
Interest income-restricted	69 ***	-	-	-	69
Miscellaneous	171,911	271,162 *	-	-	443,073
Total - Local sources	15,708,736	271,162	-	891,439	16,871,337
State sources	1,884,098	119,664	-	201,709	2,205,471
Federal sources	-	502,539	-	-	502,539
Total revenues	17,592,834	893,365	-	1,093,148	19,579,347
EXPENDITURES					
Current:					
Regular instruction	4,579,493	527,598	-	-	5,107,091
Special education instruction	1,481,751	-	-	-	1,481,751
Other special instruction	855,691	-	-	-	855,691
Undistributed - current:					
Instruction	670,869	-	-	-	670,869
Attendance	246,622	-	-	-	246,622
Health services	452,862	-	-	-	452,862
Other support services	1,081,013	315,827 **	-	-	1,396,840
Educational media services	99,729	-	-	-	99,729
Instruction staff training	-	-	-	-	-
General administrative services	433,367	-	-	-	433,367
School administrative services	437,889	-	-	-	437,889
Information technology	308,281	-	-	-	308,281
Allowed maintenance for school facilities	219,076	-	-	-	219,076
Other operation & maintenance of plant	1,536,517	-	-	-	1,536,517
Student transportation services	330,280	-	-	-	330,280
Business and other support services	-	-	-	-	-
Unallocated employee benefits	2,794,739	-	-	-	2,794,739
Non-budgeted expenditures	1,114,609	-	-	-	1,114,609
Undistributed Food Service	15,931	-	-	-	15,931
Special schools	-	-	-	-	-
Debt service:					
Principal	-	-	-	870,000	870,000
Interest and other charges	-	-	-	223,148	223,148
Capital outlay	53,219	-	-	-	53,219
Total expenditures	16,711,938	843,425	-	1,093,148	18,648,511
Excess of revenues over expenditures	880,896	49,940	-	-	930,836
Net change in fund balances	880,896	49,940	-	-	930,836
Fund balance—July 1	3,006,095	-	369,702	-	3,375,797
Prior period adjustments	45,839	196,132	-	-	241,971
Fund balance—July 1, restated	3,051,934	196,132	369,702	-	3,617,768
Fund balance—June 30	\$ 3,932,830	\$ 246,072	\$ 369,702	\$ -	\$ 4,548,604

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

** Special revenue fund now includes expenditures student activities.

*** Interest income - restricted is from the unemployment account

POINT PLEASANT BEACH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Total net change in fund balances - governmental funds (from B-2)	\$	930,836
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation expense \$ (517,523) Capital outlays <u> -</u>	(517,523)
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		690,247
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.		870,000
In the statement of activities, interest expense is recorded when paid. In the governmental funds, the interest is expensed when due and shown as payable at year end.		12,351
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.		<u>(6,217)</u>
Change in net position of governmental activities	\$	<u>1,979,694</u>

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

	Business-type Activities - Enterprise Fund		
	Food Service	EBS Technology	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 10,169	\$ 364,699	\$ 374,868
Accounts receivable:			
Local	-	-	-
State	1,138	-	1,138
Federal	41,594	-	41,594
Interfunds	28,122	-	28,122
Inventories	7,628	-	7,628
Total current assets	88,651	364,699	453,350
Capital assets:			
Equipment	-	1,331,231	1,331,231
Accumulated depreciation	-	(950,191)	(950,191)
Total capital assets	-	381,040	381,040
Total assets	\$ 88,651	\$ 745,739	\$ 834,390
Liabilities and Net Position:			
Liabilities:			
Accounts payable	\$ 7,770	\$ -	\$ 7,770
Interfund payable	-	227,580	227,580
Lease payable	-	208,093	208,093
Total liabilities	7,770	435,673	443,443
Net position:			
Net investment in capital assets	-	172,947	172,947
Restricted for other purposes	-	-	-
Unassigned	80,881	137,119	218,000
Total net position	80,881	310,066	390,947
Total liabilities and net position	\$ 88,651	\$ 745,739	\$ 834,390

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

	Business-type Activities - Enterprise Fund		
	Food Service	EBS Technology	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 6,623	\$ -	\$ 6,623
Daily sales - non-reimbursable programs	-	-	-
EBS Licensing Revenues	-	108,168	108,168
Total operating revenues	<u>6,623</u>	<u>108,168</u>	<u>114,791</u>
Operating expenses:			
Cost of sales - reimbursable programs	68,094	-	68,094
Cost of sales - non-reimbursable programs	2,329	-	2,329
Salaries	101,671	-	101,671
Employee benefits	-	-	-
Purchased property service	-	775	775
Cleaning, repair and maintenance services	-	-	-
Miscellaneous	-	-	-
Other purchased services:	-	13,206	13,206
Interest expense	-	3,908	3,908
Management fees	7,770	-	7,770
Depreciation	-	145,236	145,236
Total operating expenses	<u>179,864</u>	<u>163,125</u>	<u>342,989</u>
Operating income (loss)	<u>(173,241)</u>	<u>(54,957)</u>	<u>(228,198)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	8,851	-	8,851
Federal sources:			
National school lunch program	-	-	-
Summer Food Service Program for Children	204,104	-	204,104
Special milk program	-	-	-
Food distribution program	10,683	-	10,683
Loss on sale of computers	-	-	-
Interest and investment revenue	32	486	518
Miscellaneous expense	-	-	-
Total nonoperating revenues (expenses)	<u>223,670</u>	<u>486</u>	<u>224,156</u>
Income (loss) before contributions & transfers	<u>50,429</u>	<u>(54,471)</u>	<u>(4,042)</u>
Capital contributions	-	-	-
Transfers in (out)	15,931	-	15,931
Change in net position	<u>66,360</u>	<u>(54,471)</u>	<u>11,889</u>
Total net position—beginning	<u>14,521</u>	<u>364,537</u>	<u>379,058</u>
Total net position—ending	<u>\$ 80,881</u>	<u>\$ 310,066</u>	<u>\$ 390,947</u>

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

	Business-type Activities - Enterprise Funds		
	Food Service	EBS Technology	Total Enterprise
Cash Flows from Operating Activities:			
Operating income (loss)	\$ (173,241)	\$ (54,957)	\$ (228,198)
Adjustments to reconcile operating loss to cash (used in) provided by operating activities:			
Depreciation	-	145,236	145,236
Loss on disposal of capital assets	-	-	-
Federal commodities	10,683	-	10,683
Change in assets and liabilities:			
Decrease (increase) in interfund receivable	(24,383)	111,584	87,201
Decrease (increase) in local receivable	-	-	-
Decrease (increase) in inventory	5,823	-	5,823
Decrease (increase) in accounts payable	-	-	-
Net cash provided by (used in) operating activities	<u>(181,118)</u>	<u>201,863</u>	<u>20,745</u>
Cash Flows from Noncapital Financing Activities:			
Transfers in	15,931	-	15,931
Interest	32	486	518
Cash received from state and federal reimbursements	<u>172,115</u>	<u>-</u>	<u>172,115</u>
Net cash provided by (used in) noncapital financing activities	<u>188,078</u>	<u>486</u>	<u>188,564</u>
Cash flows from Capital Activities:			
Payments on lease payable	-	(102,108)	(102,108)
Sale of equipment	-	-	-
Purchase of equipment	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital activities	<u>-</u>	<u>(102,108)</u>	<u>(102,108)</u>
Net increase (decrease) in cash and cash equivalents	6,960	100,241	107,201
Cash and cash equivalents, July 1	<u>3,209</u>	<u>264,458</u>	<u>267,667</u>
Cash and cash equivalents, June 30	<u>\$ 10,169</u>	<u>\$ 364,699</u>	<u>\$ 374,868</u>
Non cash transactions			
Equipment purchased through lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Point Pleasant Beach School District

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

A. Reporting Entity

Point Pleasant Beach School District is a Type II district located in the county of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members elected to three year terms and one member appointed by the Lavallette Board of Education for a one year term. The purpose of the District is to educate students in grades Pre-K-12. The District has an approximate enrollment at June 30, 2021 of 744 students.

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

B. Basis of Presentation

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

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

B. Basis of Presentation (continued)

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 11.

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

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

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

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

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

B. Basis of Presentation (continued)

The District reports the following governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to 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 the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes. 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.

Point Pleasant Beach School District
Notes to Financial Statements (continued)
For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

The District reports the following proprietary funds:

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

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

Depreciation of all 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
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Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others.

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 and modified 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.D.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all requirements have been satisfied.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

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

C. Basis of Accounting (cont'd)

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

D. Property Taxes

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

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. Budgets are prepared using the modified accrual basis of accounting except for the special reserve fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23:23-16.2(f).

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

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

E. Budgets/Budgetary Control (cont'd)

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

F. Encumbrances

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

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

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

G. Cash, Cash Equivalents and Investments

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

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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

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 when purchased.

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets:

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

L. Capital Assets: (cont'd)

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

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

In the fund financial statements, 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. Compensated Absences

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

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

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

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

N. Unearned Revenue

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

O. Deferred Outflows/Inflows of Resources

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

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

P. Accrued Liabilities and Long-Term Obligations

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

Q. Net Position

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

R. Fund Balance Reserve

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

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

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

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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

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

T. Operating Revenues and Expenses

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

U. Management Estimates

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

V. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2021, the amount earned by these employees but not disbursed was \$397,268.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

W. 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 Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

W. GASB Pronouncements (continued)

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 Beach School District

Notes to Financial Statements (continued)

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 \$6,024,253 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 5,251,094
Uninsured and Uncollateralized	<u>773,159</u>
	<u>\$ 6,024,253</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.

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

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

3. Investments (cont'd)

New Jersey Cash Management Fund ("NJCMF") (Cont'd):

As of June 30, 2021, the District had \$186,900 on deposit with the New Jersey Asset and Rebate Management Program and \$304,508 with the New Jersey Cash Management Fund.

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

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

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

4. Capital Reserve Account

A Capital Reserve Account was established by the Point Pleasant Beach School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

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

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

Balance July 1, 2020	\$ 817,032
Add:	
Interest Earned	1,303
Approved at June 2021 Meeting	<u>90,000</u>
Balance, June 30, 2021	<u><u>\$ 908,335</u></u>

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

5. Maintenance Reserve Account

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

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

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 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	\$ 1,047,474
Add:	
Approved at June 2021 Meeting	-
Interest Earned	<u>1,670</u>
Balance, June 30, 2021	<u>\$ 1,049,144</u>

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

6. Tuition Reserve Account

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

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

Balance, July 1, 2020	\$ 150,000
Add:	
Approved at June 2021 Meeting	60,000
Interest Earned	-
Withdrawals	<u>(60,000)</u>
Balance, June 30, 2021	<u>\$ 150,000</u>

7. Receivables

Receivables at June 30, 2021, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$ 175,984	\$ 177,122
Federal Aid	11,840	53,434
Interfunds	227,580	255,702
Other	<u>120,728</u>	<u>120,728</u>
	536,132	606,986
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 536,132</u>	<u>\$ 606,986</u>

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

8. 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	\$10,518,100	\$ -	\$ -	\$10,518,100
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>10,518,100</u>	<u>-</u>	<u>-</u>	<u>10,518,100</u>
Building and Building Improvements	27,620,496	-	-	27,620,496
Machinery and Equipment	<u>1,715,422</u>	<u>-</u>	<u>-</u>	<u>1,715,422</u>
Totals at Historical Cost	<u>29,335,918</u>	<u>-</u>	<u>-</u>	<u>29,335,918</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(6,550,826)	(460,342)	-	(7,011,168)
Machinery and Equipment	<u>(1,600,774)</u>	<u>(57,181)</u>	<u>-</u>	<u>(1,657,955)</u>
Total Accumulated Depreciation	<u>(8,151,600)</u>	<u>(517,523)</u>	<u>-</u>	<u>(8,669,123)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>21,184,318</u>	<u>(517,523)</u>	<u>-</u>	<u>20,666,795</u>
Government Activity Capital Assets, Net	<u>\$31,702,418</u>	<u>\$ (517,523)</u>	<u>\$ -</u>	<u>\$31,184,895</u>
BUSINESS-TYPE ACTIVITIES:				
Equipment	\$ 1,331,231	\$ -	\$ -	\$ 1,331,231
Less: Accumulated Depreciation	<u>(804,955)</u>	<u>(145,236)</u>	<u>-</u>	<u>(950,191)</u>
Business-type Activities Capital Assets, Net	<u>\$ 526,276</u>	<u>\$ (145,236)</u>	<u>\$ -</u>	<u>\$ 381,040</u>

Depreciation expense was charged to governmental functions as follows:

Operations and Maintenance	\$517,523
Total depreciation expense	<u>\$517,523</u>

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

9. Non-current Liabilities

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

	<u>Balance</u> <u>6-30-20</u>	<u>Increase/</u> <u>Decrease</u>	<u>Balance</u> <u>6-30-21</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Bonds payable	\$ 9,630,000	\$ (870,000)	\$ 8,760,000	\$ 410,000
Obligations under capital lease	310,201	(102,108)	208,093	-
Compensated absences payable	511,396	6,217	517,613	28,705
Pension liability - PERS	4,149,791	(816,670)	3,333,121	-
	<u>\$ 14,601,388</u>	<u>\$ (1,782,561)</u>	<u>\$ 12,818,827</u>	<u>\$ 438,705</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Obligations under capital lease are liquidated by the enterprise fund. Compensated absences payable, and pension liability - PERS are liquidated by the general fund.

A. Bonds Payable

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

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

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

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

<u>Year ending</u> <u>June 30th:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 410,000	\$ 197,523	\$ 607,523
2023	425,000	189,172	614,172
2024	440,000	180,522	620,522
2025	455,000	171,573	626,573
2026	470,000	162,323	632,323
2027-2031	2,640,000	658,278	3,298,278
2032-2036	3,200,000	317,720	3,517,720
2037	720,000	10,080	730,080
	<u>\$ 8,760,000</u>	<u>\$ 1,887,191</u>	<u>\$ 10,647,191</u>

Point Pleasant Beach School District
Notes to Financial Statements (continued)
For the Year Ended June 30, 2021

9. Non-current Liabilities (continued)

B. Bonds Authorized but not Issued

The District does not have authorized but not issued bonds at June 30, 2021.

C. Obligations under Capital Lease

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of varying years. The following is a schedule of the remaining future minimum lease payments at June 30, 2021:

	Year-ending June 30th:		
	2023	\$	106,016
	2024		<u>106,016</u>
Total Minimum Lease Payment			212,032
Less: Amount representing Interest			<u>3,939</u>
Present Value of Lease payments		\$	<u><u>208,093</u></u>

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

10. Contingent Liabilities

Grant Programs

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

11. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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 Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

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

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

June 30, 2020, the School District reported a liability of \$3,333,121 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 .0204393335%, which was an increase of .00002711% 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 \$399,786 in the government-wide financial statements consisting of employer contributions of \$223,596 and non-employer contributions of \$30,033. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 60,691	\$ 11,787
Changes of assumptions	108,130	1,395,609
Net difference between projected and actual earnings on pension plan investments	113,929	196,277
Changes in proportion and differences between District contributions and proportionate share of contributions	118,246	-
District contributions subsequent to the measurement date	236,498	-
Total	<u>\$ 637,494</u>	<u>\$ 1,603,673</u>

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

\$304,508 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	\$ (447,265)
2022	(407,770)
2023	(233,030)
2024	(94,233)
2025	(20,379)
Thereafter	-
Total	\$ <u>(1,202,677)</u>

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
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, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	5.00	5.00

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

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.

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%
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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 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, 2014 to June 30, 2018.

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 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>
Risk Mitigation Strategies	3.00 %	3.40 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Investment Grade Credit	8.00 %	2.67 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
U.S. 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 %

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 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 and the nonemployer contributing entity 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 all 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	4,228,837	3,333,121	2,621,531

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

	<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	.0204393335%	.0204122433%

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit plan with a special-funding situation, by which a State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more 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. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, 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 \$42,891,950. 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 .0651370293%, which was a decrease of .000958921950% 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 \$1,883,677 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 Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. 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 mortality rates 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, 2019 are summarized in the following table:

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	3.40 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Investment Grade Credit	8.00 %	2.67 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
U.S. 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 %

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 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. 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. 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.

Point Pleasant Beach School District
Notes to Financial Statements (continued)
For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 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:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's proportionate share of the net pension liability	50,492,332	42,891,950	36,753,626

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 at June 30, 2021 and June 30, 2020 :

	<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	.0651370293%	.06609595125%

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2021 were \$0. There was no liability for unpaid contributions at June 30, 2021.

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

12. 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 Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

12. Post-Retirement Benefits (cont'd)

General Information about the OPEB Plan (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 imputes

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	2.50%
Salary Increases through 2026	PERS 2.00%-6.00%
	PFRS 3.25%-15.25%
	TPAF 1.55%-3.05%
Thereafter	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 Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

12. Post-Retirement Benefits (cont'd)

Actuarial assumptions and other imputes (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 experiences	11,544,750,637
Changes in assumptions	12,386,549,981
Gross benefit payments by the state	(1,180,515,618)
Contributions from members	<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 of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is Index, which includes tax-exempt general obligation municipal bonds with an average rating not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

12. 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:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
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	\$51,396,167	\$45,866,700	\$38,494,931

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 rates 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 seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Sensitivity of the total OPEB liability to changes in healthcare 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:

	1% Decrease	Trend Rate	1% Increase
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	\$37,025,146	\$45,866,700	\$56,395,025

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

12. Post-Retirement Benefits (cont'd)

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$590,315 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Point Pleasant Beach School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 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 Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

13. Compensated Absences

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

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

14. Deferred Compensation

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

Met Life
AXA Equitable

Teachers Pension/WCC
Valic

15. Risk Management

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

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

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

Point Pleasant Beach School District
Notes to Financial Statements (continued)
For the Year Ended June 30, 2021

15. Risk Management (cont'd)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020 / 2021	\$ 70	\$ -	\$ -	\$ 45,908
2019 / 2020	134	-	-	45,838
2018 / 2019	144	-	-	45,704

16. Interfund Receivables and Payables

The following inter-fund balances remained on the balance sheet at June 30, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 227,580	\$ 28,122
Enterprise Fund	<u>28,122</u>	<u>227,580</u>
	<u>\$ 255,702</u>	<u>\$ 255,702</u>

The General Fund owes the Enterprise Fund for cash advances.

The Enterprise Fund owes the General Fund for cash advances.

17. Inventory

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

Food & Supplies	\$7,628
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18. Fund Balances

General Fund - of the \$3,932,830 general fund balance at June 30, 2021, \$551,956 is restricted for excess surplus for subsequent year expenditures, \$79,723 is designated for subsequent year's expenditures, \$1,049,144 is restricted for the maintenance reserve, \$150,000 is restricted for the tuition reserve, \$908,335 is restricted for the capital reserve. \$45,908 is restricted for unemployment compensation. \$399,786 is restricted for excess surplus and \$747,978 is unassigned.

Special Revenue Fund - of the \$246,072 Special Revenue Fund balance at June 30, 2021, \$246,072 is restricted for student activities.

The Capital Projects Fund of \$369,702 is restricted for the use of capital improvements of the School District.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

19. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$399,786. The excess fund balance at June 30, 2020 was \$551,956.

20. Uncertain Tax Positions

The district had no unrecognized tax benefits. Furthermore, the district had no unrecognized tax benefits at June 30, 2021. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2018.

21. Subsequent Events

Management has evaluated subsequent events through December 15, 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.

22. Tax Abatement

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

Point Pleasant Beach School District

Notes to Financial Statements (continued)

For the Year Ended June 30, 2021

23. Economic Dependency

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.

24. 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
- 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 \$45,839 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 \$3,051,934.

The Student Activity Fund had a fund balance of \$196,132 at June 30, 2020. The balance of \$196,132 is shown as a prior period adjustment to the Special Revenue Fund's beginning fund balance. The restated beginning fund balance is \$196,132.

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 BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General 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 Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 13,410,911	\$ -	\$ 13,410,911	\$ 13,410,911	\$ -
Tuition from other LEA's within the state	1,245,204	(90)	1,245,114	1,361,379	116,265
Tuition-private	707,453	90	707,543	758,918	51,375
Interest income	-	-	-	2,575	2,575
Interest earned on maintenance reserve	100	(100)	-	1,670	1,670
Interest earned on capital reserve funds	100	(100)	-	1,303	1,303
Private Contributions	-	3,700	3,700	3,700	-
Interest income-unemployment - restricted	-	-	-	69 *	69
Miscellaneous	24,500	198	24,698	168,211	143,513
Total - local sources	<u>15,388,268</u>	<u>3,698</u>	<u>15,391,966</u>	<u>15,708,736</u>	<u>316,770</u>
State sources:					
Transportation aid	71,924	-	71,924	71,924	-
Special education aid	454,719	-	454,719	446,629	(8,090)
Security Aid	74,652	-	74,652	74,652	-
Extraordinary aid	-	-	-	175,984	175,984
TPAF-LTDI (on-behalf - Non-budgeted)	-	-	-	979	979
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	590,315	590,315
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	1,883,677	1,883,677
TPAF social security (reimbursed - Non-budgeted)	-	-	-	523,315	523,315
Total state sources	<u>601,295</u>	<u>-</u>	<u>601,295</u>	<u>3,767,475</u>	<u>3,166,180</u>
Total revenues	<u>15,989,563</u>	<u>3,698</u>	<u>15,993,261</u>	<u>19,476,211</u>	<u>3,482,950</u>
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of teachers	209,254	(1,200)	208,054	207,972	82
Grades 1-5 - Salaries of teachers	1,222,122	(170,750)	1,051,372	1,051,222	150
Grades 6-8 - Salaries of teachers	992,648	(77,200)	915,448	915,363	85
Grades 9-12 - Salaries of teachers	2,063,073	(17,000)	2,046,073	2,045,812	261
Regular Programs - Home Instruction:					
Salaries of teachers	10,000	(150)	9,850	7,183	2,667
Regular Programs - Undistributed Instruction:					
Other purchased services (400-500 series)	98,100	117,281	215,381	143,631	71,750
General supplies	182,822	8,000	190,822	173,930	16,892
Textbooks	20,930	13,500	34,430	34,380	50
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>4,798,949</u>	<u>(127,519)</u>	<u>4,671,430</u>	<u>4,579,493</u>	<u>91,937</u>
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of teachers	1,041,230	151,000	1,192,230	1,187,843	4,387
Other salaries for instruction	195,377	30,000	225,377	197,773	27,604
General supplies	13,550	(5,781)	7,769	4,049	3,720
Total Resource Room/Resource Center	<u>1,250,157</u>	<u>175,219</u>	<u>1,425,376</u>	<u>1,389,665</u>	<u>35,711</u>
Preschool Disabilities - Full Time					
Salaries of teachers	85,664	-	85,664	84,482	1,182
Other salaries for instruction	39,381	-	39,381	7,406	31,975
General supplies	1,469	-	1,469	198	1,271
Total Preschool Disabilities - Full Time	<u>126,514</u>	<u>-</u>	<u>126,514</u>	<u>92,086</u>	<u>34,428</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,376,671</u>	<u>175,219</u>	<u>1,551,890</u>	<u>1,481,751</u>	<u>70,139</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction					
Salaries of teachers	\$ 73,664	\$ -	\$ 73,664	\$ 73,296	\$ 368
General supplies	1,300	-	1,300	-	1,300
Textbooks	-	-	-	-	-
Total Bilingual Education - Instruction	<u>74,964</u>	<u>-</u>	<u>74,964</u>	<u>73,296</u>	<u>1,668</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	520,238	95,333	615,571	614,944	627
Purchased services	35,336	(32,299)	3,037	2,975	62
Supplies and materials	151,604	(93,882)	57,722	57,556	166
Other objects	16,700	(1,750)	14,950	14,920	30
Transfer to cover deficit(agency funds)	46,000	46,000	92,000	92,000	-
Total School-Spon. Cocurricular Actvts. - Instruction	<u>769,878</u>	<u>13,402</u>	<u>783,280</u>	<u>782,395</u>	<u>885</u>
Total Instruction	<u>7,020,462</u>	<u>61,102</u>	<u>7,081,564</u>	<u>6,916,935</u>	<u>164,629</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - special	335,521	(335,521)	-	-	-
Tuition to county voc school dist - regular	51,000	(51,000)	-	-	-
Tuition to private schools for the disabled - w/state	365,261	316,021	681,282	670,869	10,413
Tution- Other	4,500	(4,500)	-	-	-
Total Undistributed Expenditures - Instruction:	<u>756,282</u>	<u>(75,000)</u>	<u>681,282</u>	<u>670,869</u>	<u>10,413</u>
Undist. Expend. - Attendance and social work service					
Salaries	241,588	5,034	246,622	246,622	-
Total Undistributed Expenditures - Attendance	<u>241,588</u>	<u>5,034</u>	<u>246,622</u>	<u>246,622</u>	<u>-</u>
Undist. Expend. - Health Services					
Salaries	148,235	1,160	149,395	149,395	-
Other purchased services (400-500 series)	274,000	22,118	296,118	296,118	-
Supplies and materials	4,150	3,222	7,372	7,349	23
Total Undistributed Expenditures - Health Services	<u>426,385</u>	<u>26,500</u>	<u>452,885</u>	<u>452,862</u>	<u>23</u>
Undist. Expend. - Other Support Serv - Speech OT / PT					
Salaries	93,671	-	93,671	91,414	2,257
Other objects	2,157	-	2,157	398	1,759
Total Undist. Expend. - Other Support Serv - Speech OT/PT	<u>95,828</u>	<u>-</u>	<u>95,828</u>	<u>91,812</u>	<u>4,016</u>
Undist. Expend. - Other Support Serv Students-Guidance					
Salaries of other professional staff	267,066	2,180	269,246	269,244	2
Other purchased services (400-500 series)	3,000	(2,675)	325	320	5
Total Undist. Expend. - Other Support Serv - Students-Guidance	<u>270,066</u>	<u>(495)</u>	<u>269,571</u>	<u>269,564</u>	<u>7</u>
Undist. Expend. - Other Support Serv - Child Study					
Salaries of other professional staff	272,444	25,000	297,444	297,418	26
Salaries of secretarial and clerical assistants	46,469	(2,300)	44,169	44,101	68
Supplies and materials	10,269	7,100	17,369	17,358	11
Other objects	8,800	(1,500)	7,300	7,290	10
Total Undist. Expend. - Other Supp Services - Child Study	<u>337,982</u>	<u>28,300</u>	<u>366,282</u>	<u>366,167</u>	<u>115</u>
Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr					
Salaries of supervisor of instruction	338,640	6,501	345,141	345,089	52
Other salaries	15,000	-	15,000	2,100	12,900
Other purchased services (400-500)	-	18,349	18,349	6,281	12,068
Total Undist. Expend.-Improv of Instruct Serv -Other Sup Serv-Instr	<u>353,640</u>	<u>24,850</u>	<u>378,490</u>	<u>353,470</u>	<u>25,020</u>
Undist. Expend. - Educational Media Services/School Library					
Salaries	107,414	(10,800)	96,614	96,526	88
Supplies and materials	8,852	(5,110)	3,742	3,203	539
Total Undist. Expend. - Educational Media Services/School Library	<u>116,266</u>	<u>(15,910)</u>	<u>100,356</u>	<u>99,729</u>	<u>627</u>
Undist. Expend. - Instruction Staff Training Services					
Salaries of other professional staff	4,551	(4,551)	-	-	-
Other purchased services (400-500 series)	24,850	(24,850)	-	-	-
Total Undist. Expend. - Instruction Staff Training Services	<u>29,401</u>	<u>(29,401)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Service - General Administration					
Salaries	\$ 324,623	\$ 4,570	\$ 329,193	\$ 322,977	\$ 6,216
Legal services	2,500	9,500	12,000	11,985	15
Audit Fees	24,000	(24,000)	-	-	-
Other purchased professional services	2,500	17,000	19,500	15,750	3,750
Communications/Telephone	2,000	4,975	6,975	6,975	-
General supplies	7,100	-	7,100	2,743	4,357
BOE membership dues and fees	9,500	4,584	14,084	13,941	143
Miscellaneous expenditures	35,000	24,091	59,091	58,996	95
Total Undist. Expend. - Support Service - General Administration	407,223	40,720	447,943	433,367	14,576
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	228,636	38,230	266,866	265,299	1,567
Salaries of secretarial and clerical assistants	139,612	6,122	145,734	145,729	5
Supplies and materials	37,594	(2,312)	35,282	12,984	22,298
Other objects	17,087	160	17,247	13,877	3,370
Total Undist. Expend. - Support Service - School Administration	422,929	42,200	465,129	437,889	27,240
Undistributed Expenditures - Central Services					
Salaries	262,074	(5,341)	256,733	256,733	-
Purchased professional services	2,500	30,952	33,452	33,452	-
Supplies and materials	7,100	6,277	13,377	13,376	1
Total Undist. Expend. - Central Services	271,674	31,888	303,562	303,561	1
Undist.- Admin. Info. Technology					
Salaries	4,551	663	5,214	4,720	494
Total Undist. Expend - Admin. Info. Technology	4,551	663	5,214	4,720	494
Undist. Expend. - Allowed Maintenance for School Facilities					
Salaries	170,695	(170,695)	-	-	-
Cleaning, repair and maintenance services	108,010	5,230	113,240	111,275	1,965
General supplies	102,533	5,434	107,967	107,801	166
Other objects	21,375	(21,375)	-	-	-
Total Undist. Expend. - Allowed Maintenance for School Facilities	402,613	(181,406)	221,207	219,076	2,131
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	482,636	163,440	646,076	645,936	140
Salaries of Non-Instructional Aides	115,101	(18,300)	96,801	96,759	42
Purchased professional and technical services	40,000	4,100	44,100	44,058	42
Cleaning, repair and maintenance services	-	46,963	46,963	41,550	5,413
Other purchased property services	3,000	(1,235)	1,765	1,754	11
Insurance	230,546	(4,805)	225,741	225,645	96
General supplies	-	96,916	96,916	96,105	811
Energy (natural gas)	112,000	(1,050)	110,950	110,872	78
Energy (electricity)	225,000	(59,100)	165,900	165,874	26
Other objects	-	108,380	108,380	107,964	416
Total Undist. Expend. - Other Operation & Maintenance of Plant	1,208,283	335,309	1,543,592	1,536,517	7,075
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation (bet. home and school) - Special	154,971	-	154,971	134,252	20,719
Cleaning, repair and maintenance services	14,000	1,900	15,900	15,895	5
Contract services (between home & school) - Vendors	106,000	(290)	105,710	105,703	7
Contract services - (oth than between home and school) - Vendors	127,050	(52,510)	74,540	61,297	13,243
Transportation Supplies	7,000	8,000	15,000	12,121	2,879
Miscellaneous expenditures	-	2,100	2,100	1,012	1,088
Total Undist. Expend. - Student Transportation Services	409,021	(40,800)	368,221	330,280	37,941

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ALLOCATED EMPLOYEE BENEFITS					
Unemployment compensation	\$ 20,000	\$ (20,000)	\$ -	\$ -	\$ -
TOTAL ALLOCATED EMPLOYEE BENEFITS	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNALLOCATED EMPLOYEE BENEFITS					
Social security contributions	247,220	(5,600)	241,620	213,557	28,063
Other retirement contributions - PERS	233,500	6,500	240,000	236,498	3,502
Other retirement contributions - regular	-	-	-	-	-
Unemployment compensation	-	500	500	411	89
Workmen's compensation	148,170	(148,170)	-	-	-
Health benefits	2,612,391	(2,612,391)	-	-	-
Tuition reimbursement	50,000	-	50,000	43,147	6,853
Other employee benefits	-	2,509,876	2,509,876	2,301,126	208,750
TOTAL UNALLOCATED EMPLOYEE BENEFITS	<u>3,291,281</u>	<u>(249,285)</u>	<u>3,041,996</u>	<u>2,794,739</u>	<u>247,257</u>
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	979	(979)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	590,315	(590,315)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,883,677	(1,883,677)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	523,315	(523,315)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,998,286</u>	<u>(2,998,286)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>3,311,281</u>	<u>(269,285)</u>	<u>3,041,996</u>	<u>5,793,025</u>	<u>(2,751,029)</u>
Transfers to Cover Deficit (Enterprise Fund)		15,931	15,931	15,931	-
TOTAL UNDISTRIBUTED EXPENDITURES-FOOD SERVICES		<u>15,931</u>	<u>15,931</u>	<u>15,931</u>	<u>-</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>9,065,013</u>	<u>(60,902)</u>	<u>9,004,111</u>	<u>11,625,461</u>	<u>(2,621,350)</u>
INTEREST EARNED ON MAINTENANCE RESERVE					
Interest earned on maintenance reserve	100	(100)	-	-	-
TOTAL INTEREST EARNED ON MAINTENANCE RESERVE	<u>100</u>	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL CURRENT EXPENDITURES	<u>16,085,575</u>	<u>100</u>	<u>16,085,675</u>	<u>18,542,396</u>	<u>(2,456,721)</u>
CAPITAL OUTLAY					
Interest	100	(100)	-	-	-
Equipment					
Regular Programs - Instruction:					
Non-instructional equipment	-	-	-	-	-
Support services-instruct. Staff	-	-	-	-	-
Total Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Assessment for debt service on SDA funding	53,219	-	53,219	53,219	-
Total Facilities Acquisition and Construction Services	<u>53,219</u>	<u>-</u>	<u>53,219</u>	<u>53,219</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>53,319</u>	<u>(100)</u>	<u>53,219</u>	<u>53,219</u>	<u>-</u>
TOTAL EXPENDITURES	<u>16,138,894</u>	<u>-</u>	<u>16,138,894</u>	<u>18,595,615</u>	<u>(2,456,721)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(149,331)</u>	<u>3,698</u>	<u>(145,633)</u>	<u>880,596</u>	<u>1,026,229</u>
Fund Balance, July 1	<u>3,058,294</u>	<u>-</u>	<u>3,058,294</u>	<u>3,058,294</u>	<u>-</u>
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,839</u> **	<u>45,839</u>
Fund Balance, July 1, Restated	<u>3,058,294</u>	<u>-</u>	<u>3,058,294</u>	<u>3,104,133</u>	<u>45,839</u>
Fund Balance, June 30	<u>\$ 2,908,963</u>	<u>\$ 3,698</u>	<u>\$ 2,912,661</u>	<u>\$ 3,984,729</u>	<u>\$ 1,072,068</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				\$ 908,335	
Maintenance reserve				1,049,144	
Tuition reserve				150,000	
Unemployment compensation				45,908	
Excess surplus - Designated for subsequent year's expenditures				551,956	
Excess surplus - Current year				399,786	
Assigned Fund Balance:					
Year-end encumbrances				-	
Designated for subsequent year's expenditures				79,723	
Unassigned Fund Balance				799,877	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				3,984,729	
Last state aid payment not recognized on GAAP basis				(51,899)	
Fund balance per governmental funds (GAAP) - B-1				3,932,830	
Fund balance per governmental funds (GAAP) - B-1				\$ 3,932,830	

* Includes Interest earned on Unemployment compensation
 ** Represents unemployment fund net position as of June 30, 2020

POINT PLEASANT BEACH 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
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 271,162	\$ 271,162
State sources	73,042	73,676	146,718	119,664	(27,054)
Federal sources	302,610	251,757	554,367	502,539	(51,828)
Total Revenues	375,652	325,433	701,085	893,365	192,280
EXPENDITURES					
Instruction:					
Salaries of teachers	113,332	(15,703)	97,629	97,629	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	59,363	189,364	248,727	225,147	23,580
Technology	-	7,159	7,159	6,817	342
Supplies NP	-	2,046	2,046	2,046	-
Tuition	-	186,455	186,455	186,455	-
Textbooks	7,633	2,752	10,385	9,504	881
Miscellaneous expenditures	-	-	-	-	-
Total instruction	180,328	372,073	552,401	527,598	24,803
Support services:					
Other support services					
students - special:					
Other professional staff salaries	195,324	(167,534)	27,790	16,992	10,798
Professional development	-	13,766	13,766	12,617	1,149
Purchased professional services	-	34,406	34,406	-	34,406
Other purchased professional services	-	27,934	27,934	25,588	2,346
Purchased technical services	-	-	-	-	-
Employee benefits	-	39,060	39,060	39,060	-
Travel	-	-	-	-	-
Nursing services	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-
Personal services	-	-	-	-	-
Student Activities	-	-	-	221,222	(221,222)
General supplies	-	5,728	5,728	348	5,380
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	195,324	(46,640)	148,684	315,827	(167,143)
Total expenditures	375,652	325,433	701,085	843,425	(142,340)
Total outflows	375,652	325,433	701,085	843,425	(142,340)
Excess (deficiency) of revenues Over (under) expenditures	\$ -	\$ -	\$ -	\$ 49,940	\$ 49,940
Fund Balance, July 1				-	
Prior Period Adjustment				196,132	
Fund Balance, July 1 (Restated)				196,132	
Fund Balance, June 30				246,072	
Recapitulation:					
Restricted:					
Student Activities				246,072	
Total Fund Balance				\$ 246,072	

POINT PLEASANT BEACH 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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 19,476,211	[C-2]	\$ 893,365
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,883,677)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		52,199		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(51,899)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 17,592,834	[B-2]	\$ 893,365
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 18,595,615	[C-2]	\$ 843,425
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,883,677)		
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.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 16,711,938	[B-2]	\$ 843,425

REQUIRED SUPPLEMENTARY INFORMATION - PART III

POINT PLEASANT BEACH 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	0.0211607293%	0.0223874468%	0.0222293695%	0.0195876869%	0.0206632924%	0.0204122433%	0.0386931001%
District's proportionate share of the net pension liability	\$ 4,154,339	\$ 5,223,587	\$ 6,602,753	\$ 4,559,700	\$ 4,068,499	\$ 4,149,791	\$ 3,333,121
District's covered-employee payroll	-	1,505,817	1,422,969	1,436,396	1,437,314	1,530,517	1,408,148
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	346.89%	21.75%	31.52%	37.62%	33.93%	42.25%
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 BEACH 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	\$ 174,446	\$ 192,472	\$ 198,702	\$ 182,662	\$ 206,201	\$ 199,087	\$ 223,596
Contributions in relation to the contractually required contribution	<u>174,446</u>	<u>192,472</u>	<u>214,730</u>	<u>194,415</u>	<u>218,748</u>	<u>216,433</u>	<u>236,498</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,028)</u>	<u>\$ (11,753)</u>	<u>\$ (12,547)</u>	<u>\$ (17,346)</u>	<u>\$ (12,902)</u>
District's covered-employee payroll	1,505,817	1,422,969	1,436,396	1,437,314	1,530,517	1,408,148	1,408,148
Contributions as a percentage of covered-employee payroll	0.00%	13.53%	13.83%	12.72%	13.47%	14.14%	15.88%

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

POINT PLEASANT BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of 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	0.0660394279%	0.0641240344%	0.0640794619%	0.0649797613%	0.0628915202%	0.0660959513%	0.0651370293%
State's proportionate share of the net pension liability associated with the District	\$ 35,295,925	\$ 40,529,128	\$ 50,408,985	\$ 43,811,698	\$ 40,010,234	\$ 40,541,346	\$ 42,891,950
District's covered-employee payroll	6,668,291	6,487,932	6,948,324	6,959,409	6,981,543	7,018,544	7,172,733
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	529.31%	624.68%	725.48%	629.53%	573.09%	577.63%	597.99%
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 as is not required to make any payments for this liability therefore it is not recorded on the CAFR.

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

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

POINT PLEASANT BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the 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	\$ 1,376,110	\$ 1,146,273	\$ 1,028,088	\$ 1,087,547
Interest cost	1,145,081	1,327,677	1,252,181	1,029,575
Differences between expected and actual experiences	-	(2,604,953)	(4,891,972)	7,432,893
Changes in assumptions	(4,569,168)	(3,643,652)	428,109	8,378,270
Member contributions	30,999	29,344	26,127	24,203
Gross benefit payments	<u>(841,848)</u>	<u>(849,026)</u>	<u>(881,395)</u>	<u>(798,501)</u>
Net change in total OPEB liability	(2,858,826)	(4,594,337)	(3,038,862)	17,153,987
Total State Share of OPEB liability - beginning	<u>39,204,738</u>	<u>36,345,912</u>	<u>31,751,575</u>	<u>28,712,713</u>
Total State Share of OPEB liability - ending	<u>\$ 36,345,912</u>	<u>\$ 31,751,575</u>	<u>\$ 28,712,713</u>	<u>\$ 45,866,700</u>
District's covered employee payroll	<u>\$ 9,832,412</u>	<u>\$ 9,735,680</u>	<u>\$ 9,698,592</u>	<u>\$ 10,012,403</u>
Total State's OPEB liability as a percentage of covered employee payroll	370%	326%	296%	458%

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

Point Pleasant Beach School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 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 BEACH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2021

	Student Activities	Title I Part A 20/21	IDEA Part Basic 20/21	Title II Part A/D 20/21	IDEA-Part B B -Preschool 20/21	Title IV Part A 20/21
Revenues:						
Local sources	\$ 271,162	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	129,763	212,043	12,617	6,926	10,000
Total revenues	<u>271,162</u>	<u>129,763</u>	<u>212,043</u>	<u>12,617</u>	<u>6,926</u>	<u>10,000</u>
Expenditures:						
Instruction:						
Salaries of teachers	-	90,703	-	-	6,926	-
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-
General supplies	-	-	-	-	-	7,954
Technology	-	-	-	-	-	-
Supplies NP	-	-	-	-	-	2,046
Tuition	-	-	186,455	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	<u>-</u>	<u>90,703</u>	<u>186,455</u>	<u>-</u>	<u>6,926</u>	<u>10,000</u>
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-	-
Professional Development	-	-	-	12,617	-	-
Purchased professional services	-	-	-	-	-	-
Other purchased professional services	-	-	25,588	-	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	39,060	-	-	-	-
Travel	-	-	-	-	-	-
Nursing Svcs	-	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
Student Activities	221,222	-	-	-	-	-
General supplies	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total other support services - students - special	<u>221,222</u>	<u>39,060</u>	<u>25,588</u>	<u>12,617</u>	<u>-</u>	<u>-</u>
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 221,222</u>	<u>\$ 129,763</u>	<u>\$ 212,043</u>	<u>\$ 12,617</u>	<u>\$ 6,926</u>	<u>\$ 10,000</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>49,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1						
Prior Period Adjustment	196,132	-	-	-	-	-
Fund Balance, July 1 (Restated)	196,132	-	-	-	-	-
Fund Balance, June 30	<u>\$ 246,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued on next page)

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

(Continued from prior page)

	Nonpublic Technology 20/21	Chapter 192/193 20/21	Nonpublic Textbooks 20/21	Nonpublic Nursing 20/21	Nonpublic Security 20/21
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	6,817	56,253	9,504	17,340	29,750
Federal sources	-	-	-	-	-
Total revenues	<u>6,817</u>	<u>56,253</u>	<u>9,504</u>	<u>17,340</u>	<u>29,750</u>
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	56,253	-	-	29,750
Technology	6,817	-	-	-	-
Supplies NP	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	-	-	9,504	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	<u>6,817</u>	<u>56,253</u>	<u>9,504</u>	<u>-</u>	<u>29,750</u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	16,992	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional Development	-	-	-	-	-
Purchased professional services	-	-	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	-	-	-	-	-
Travel	-	-	-	-	-
Nursing Svcs	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-
Personal Services	-	-	-	-	-
Student Activities	-	-	-	-	-
General supplies	-	-	-	348	-
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,340</u>	<u>-</u>
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 6,817</u>	<u>\$ 56,253</u>	<u>\$ 9,504</u>	<u>\$ 17,340</u>	<u>\$ 29,750</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1					
Prior Period Adjustment	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

(Continued from prior page)

	CARES	ESSR 1	Total
	<u>20/21</u>	<u>20/21</u>	<u>2021</u>
Revenues:			
Local sources	\$ -	\$ -	\$ 271,162
State sources	-	-	119,664
Federal sources	<u>109,960</u>	<u>21,230</u>	<u>502,539</u>
Total revenues	<u>109,960</u>	<u>21,230</u>	<u>893,365</u>
Expenditures:			
Instruction:			
Salaries of teachers	-	-	97,629
Other salaries/instruction	-	-	-
Purchased professional services	-	-	-
General supplies	109,960	21,230	225,147
Technology	-	-	6,817
Supplies NP	-	-	2,046
Tuition	-	-	186,455
Textbooks	-	-	9,504
Miscellaneous expenses	-	-	-
Total instruction	<u>109,960</u>	<u>21,230</u>	<u>527,598</u>
Support services:			
Other support services - students - special:			
Other professional staff salaries	-	-	16,992
Secretarial/Clerical salaries	-	-	-
Professional Development	-	-	12,617
Purchased professional services	-	-	-
Other purchased professional services	-	-	25,588
Purchased technical services	-	-	-
Employee benefits	-	-	39,060
Travel	-	-	-
Nursing Svcs	-	-	-
Miscellaneous purchased services	-	-	-
Personal Services	-	-	-
Student Activities	-	-	221,222
General supplies	-	-	348
Miscellaneous expenses	-	-	-
Total other support services - students - special	<u>-</u>	<u>-</u>	<u>315,827</u>
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 109,960</u>	<u>\$ 21,230</u>	<u>\$ 843,425</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>-</u>	<u>49,940</u>
Fund Balance, July 1			
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>196,132</u>
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>196,132</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,072</u>

F. Capital Projects Fund

POINT PLEASANT BEACH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Year Ended June 30, 2021

Project Title/Issue	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2021
		Prior Years	Current Year	
High School Renovations	\$ 7,185,556	\$ 6,815,854	\$ -	\$ 369,702
	<u>\$ 7,185,556</u>	<u>\$ 6,815,854</u>	<u>\$ -</u>	<u>\$ 369,702</u>

**POINT PLEASANT BEACH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2021**

Revenues and Other Financing Sources

Bond proceeds and transfers	\$ -
Total revenues	-

Expenditures and Other Financing Uses

Purchased professional and technical services	-
Construction services	-
Transfer to debt service fund(Bridge Funding payoff)	-
Total expenditures	-

Excess of revenues over expenditures	-
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Fund balance - beginning	369,702
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Fund balance - ending	\$ 369,702
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POINT PLEASANT BEACH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
High School Renovations
From Inception and For the Year Ended June 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	7,185,556	-	7,185,556	-
Bridge Funding	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>7,185,556</u>	<u>-</u>	<u>7,185,556</u>	<u>-</u>
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	736,861	-	736,861	-
Land and improvements	-	-	-	-
Other Objects	-	-	-	-
Construction Services	6,078,993	-	6,078,993	-
Transfer to debt service fund	-	-	-	-
Total expenditures	<u>6,815,854</u>	<u>-</u>	<u>6,815,854</u>	<u>-</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 369,702</u>	<u>\$ -</u>	<u>\$ 369,702</u>	<u>\$ -</u>

Additional project information:

Project Number	4220-050-15-1000
Grant Date	N/A
Bond Authorization Date	5/23/2016
Bonds Authorized	\$ 7,185,556
Bonds Issued	N/A
Original Authorized Cost	\$ 7,185,556
Additional Authorized Cost	-
Revised Authorized Cost	\$ 7,185,556
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	95%
Original target completion date	8/30/2017
Revised target completion date	8/30/2017

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

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt

POINT PLEASANT BEACH SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Year Ended June 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
Renovation of Elementary School	2/1/2006	\$ 5,434,000				475,000	-	475,000	-
2016 School Bond Series	7/20/2016	\$ 9,900,000							
			7/15/2021	410,000	2.000%				
			7/15/2022	425,000	2.000%				
			7/15/2023	440,000	2.000%				
			7/15/2024	455,000	2.000%				
			7/15/2025	470,000	2.000%				
			7/15/2026	490,000	2.000%				
			7/15/2027	510,000	2.000%				
			7/15/2028	525,000	2.000%				
			7/15/2029	545,000	2.125%				
			7/15/2030	570,000	2.250%				
			7/15/2031	590,000	2.500%				
			7/15/2032	615,000	2.500%				
			7/15/2033	640,000	2.500%				
			7/15/2034	665,000	2.625%				
			7/15/2035	690,000	2.750%				
			7/15/2036	720,000	2.800%				
						9,155,000	-	395,000	8,760,000
						<u>\$ 9,630,000</u>	<u>\$ -</u>	<u>\$ 870,000</u>	<u>\$ 8,760,000</u>

POINT PLEASANT BEACH SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Leases
 June 30, 2021

<u>Date of Issue</u>	<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Principal Balance July 1, 2020</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Adjustment</u>	<u>Principal Balance Outstanding June 30, 2021</u>
6/1/20	Apple computer lease	1.25%	415,586	310,201	-	102,108		208,093
				<u>\$ 310,201</u>	<u>\$ -</u>	<u>\$ 102,108</u>	<u>\$ -</u>	<u>\$ 208,093</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 891,439	\$ -	\$ 891,439	\$ 891,439	\$ -
State Sources:					
Debt Service Aid Type II	201,709	-	201,709	201,709	-
Debt Service Aid Type I	-	-	-	-	-
	<u>201,709</u>	<u>-</u>	<u>201,709</u>	<u>201,709</u>	<u>-</u>
Total - State Sources	201,709	-	201,709	201,709	-
Total Revenues	<u>1,093,148</u>	<u>-</u>	<u>1,093,148</u>	<u>1,093,148</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	223,148	-	223,148	223,148	-
Redemption of Principal	870,000	-	870,000	870,000	-
	<u>1,093,148</u>	<u>-</u>	<u>1,093,148</u>	<u>1,093,148</u>	<u>-</u>
Total expenditures	<u>1,093,148</u>	<u>-</u>	<u>1,093,148</u>	<u>1,093,148</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-	-
Other Financing Uses:					
Transfer from general fund	-	-	-	-	-
Transfer from capital projects	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

**Point Pleasant Beach School District
Statistical Section**

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

POINT PLEASANT BEACH SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 19,676,060	\$ 20,018,320	\$ 20,446,090	\$ 20,850,502	\$ 21,268,526	\$ 11,905,964	\$ 14,601,816	\$ 21,611,704	\$ 22,072,418	\$ 22,424,895
Restricted	1,208,810	1,263,474	1,291,481	1,508,083	1,583,529	11,210,876	8,705,557	2,146,138	2,936,164	3,428,923
Unassigned	(244,506)	(227,733)	(211,627)	(4,544,492)	(4,723,933)	(4,939,079)	(4,903,425)	(4,841,850)	(5,166,071)	(3,789,642)
Total governmental activities net position	<u>\$ 20,640,364</u>	<u>\$ 21,054,061</u>	<u>\$ 21,525,944</u>	<u>\$ 17,814,093</u>	<u>\$ 18,128,122</u>	<u>\$ 18,177,761</u>	<u>\$ 18,403,948</u>	<u>\$ 18,915,992</u>	<u>\$ 19,842,511</u>	<u>\$ 22,064,176</u>
Business-type activities										
Net investment in capital assets	\$ 98,367	\$ 46,576	\$ (110,178)	\$ 12,622	\$ 29,337	\$ 48,475	\$ 25,906	\$ 70,259	\$ 216,075	\$ 172,947
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	235,781	262,667	367,464	273,292	265,401	266,089	318,993	326,959	162,983	218,000
Total business-type activities net position	<u>\$ 334,148</u>	<u>\$ 309,243</u>	<u>\$ 257,286</u>	<u>\$ 285,914</u>	<u>\$ 294,738</u>	<u>\$ 314,564</u>	<u>\$ 344,899</u>	<u>\$ 397,218</u>	<u>\$ 379,058</u>	<u>\$ 390,947</u>
District-wide										
Net investment in capital assets	\$ 19,774,427	\$ 20,064,896	\$ 20,335,912	\$ 20,863,124	\$ 21,297,863	\$ 11,954,439	\$ 14,627,722	\$ 21,681,963	\$ 22,288,493	\$ 22,597,842
Restricted	1,208,810	1,263,474	1,291,481	1,508,083	1,583,529	11,210,876	8,705,557	2,146,138	2,936,164	3,428,923
Unassigned	(8,725)	34,934	155,837	(4,271,200)	(4,458,532)	(4,672,990)	(4,584,432)	(4,514,891)	(5,003,088)	(3,571,642)
Total district net position	<u>\$ 20,974,512</u>	<u>\$ 21,363,304</u>	<u>\$ 21,783,230</u>	<u>\$ 18,100,007</u>	<u>\$ 18,422,860</u>	<u>\$ 18,492,325</u>	<u>\$ 18,748,847</u>	<u>\$ 19,313,210</u>	<u>\$ 20,221,569</u>	<u>\$ 22,455,123</u>

Source: CAFR Schedule A-1 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change 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 BEACH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
 (accrual basis of accounting)
UNAUDITED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Current:										
Regular instruction	\$ (4,774,063)	\$ (4,589,635)	\$ (4,641,838)	\$ (4,921,786)	\$ (4,942,891)	\$ (3,308,202)	\$ (5,207,200)	\$ (5,009,158)	\$ (4,867,929)	\$ (5,107,091)
Special schools instruction	(1,089,601)	(1,150,223)	(1,331,698)	(1,318,468)	(1,228,211)	(1,320,697)	(1,293,534)	(1,299,518)	(1,278,174)	(1,481,751)
Other special instruction	(759,124)	(776,108)	(802,664)	(837,216)	(839,782)	(862,725)	(821,453)	(826,877)	(731,501)	(855,691)
Support services and undistributed costs:										
Instruction	(363,618)	(386,703)	(355,828)	(319,859)	(462,618)	(361,319)	(329,373)	(453,495)	(529,374)	(670,869)
Attendance	(174,248)	(179,947)	(216,904)	(222,074)	(254,817)	(215,401)	(225,428)	(240,485)	(241,853)	(246,622)
Health services	(340,220)	(348,477)	(373,503)	(423,594)	(426,868)	(404,279)	(420,438)	(462,520)	(402,548)	(452,862)
Other support services	(648,252)	(981,075)	(825,300)	(754,145)	(917,724)	(1,040,358)	(1,058,514)	(1,100,568)	(1,278,168)	(1,356,840)
Educational media services	(206,286)	(213,633)	(217,794)	(216,829)	(233,983)	(169,528)	(173,278)	(98,145)	(110,593)	(99,729)
Instruction staff training	-	-	-	-	-	-	-	-	-	-
General administrative services	(286,281)	(304,334)	(327,909)	(331,203)	(304,192)	(339,284)	(353,047)	(379,598)	(393,371)	(433,367)
Central services	(386,592)	(399,959)	(411,485)	(422,098)	(406,054)	(390,582)	(442,497)	(399,078)	(449,911)	(437,889)
School administrative services	(273,850)	(290,501)	(272,808)	(263,147)	(261,994)	(269,955)	(256,908)	(282,247)	(289,083)	(308,281)
Admin info technology	(245,482)	(252,489)	(180,034)	(90,838)	(113,265)	(119,593)	(117,946)	(140,085)	(141,517)	(219,076)
Allowed maintenance for school facilities	(1,536,035)	(1,559,996)	(1,613,088)	(1,711,983)	(1,723,088)	(1,923,262)	(1,940,265)	(1,955,990)	(1,988,445)	(2,107,259)
Other operation & maintenance of plant	(252,871)	(305,212)	(319,328)	(322,118)	(322,133)	(350,151)	(398,826)	(402,953)	(354,619)	(330,280)
Student transportation services	-	-	-	-	-	-	-	-	-	-
Business and other support services	(2,160,115)	(2,215,597)	(2,313,007)	(2,502,584)	(2,842,191)	(2,745,983)	(2,804,044)	(3,081,284)	(3,215,357)	(2,110,709)
Unallocated employee benefits	-	-	-	-	-	-	-	-	-	(15,931)
Undistributed Food Service	-	-	-	-	-	-	-	-	-	-
Non-budgeted expenditures	(1,080,324)	(1,364,798)	(1,173,008)	(1,035,989)	(1,078,099)	(906,685)	(1,113,377)	(1,102,696)	(1,052,442)	(1,114,609)
Special schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	(213,870)	(188,127)	(167,980)	(145,948)	(139,170)	(310,508)	(290,467)	(267,628)	(243,933)	(210,797)
Total governmental activities expenses	(14,790,832)	(15,506,814)	(15,544,176)	(15,839,869)	(16,497,080)	(15,038,512)	(17,246,595)	(17,502,345)	(17,568,818)	(17,599,653)
Business-type activities:										
Food service	\$ (510,370)	\$ (413,087)	\$ (439,319)	\$ (354,213)	\$ (345,027)	\$ (343,180)	\$ (262,499)	\$ (202,538)	\$ (162,751)	\$ (179,864)
EBS Technology Program	-	-	-	-	-	-	(82,476)	(74,133)	(134,174)	(163,125)
Total business-type activities expense	(510,370)	(413,087)	(439,319)	(354,213)	(345,027)	(343,180)	(344,975)	(276,671)	(296,925)	(342,989)
Total district expenses	\$ (15,301,202)	\$ (15,919,901)	\$ (15,983,495.00)	\$ (16,194,082.00)	\$ (16,842,107.00)	\$ (15,381,692)	\$ (17,591,570)	\$ (17,779,016)	\$ (17,865,743)	\$ (17,942,642)
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,071,131	\$ 1,957,558	\$ 1,998,788	\$ 2,391,459
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	622,203
Operating grants and contributions	1,080,324	1,364,798	1,173,008	1,035,989	1,078,099	906,685	1,113,377	1,102,696	1,052,442	1,114,609
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	1,080,324	1,364,798	1,173,008	1,035,989	1,078,099	906,685	3,184,508	3,060,254	3,051,230	4,128,271
Business-type activities:										
Charges for services:										
Food service	\$ 334,958	\$ 273,076	\$ 295,027	\$ 292,720	\$ 268,355	\$ 285,589	\$ 174,449	\$ 143,147	\$ 91,250	\$ 6,623
EBS Technology Program	-	-	-	-	-	-	122,147	114,421	125,840	108,158
Operating grants and contributions	82,842	114,933	92,153	89,944	85,320	77,248	78,316	70,390	60,730	223,638
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	417,800	388,009	387,180	382,664	353,675	362,837	374,912	327,958	277,820	338,429
Total district program revenues	\$ 1,498,124	\$ 1,752,807	\$ 1,560,188	\$ 1,418,653	\$ 1,431,774	\$ 1,269,522	\$ 3,559,420	\$ 3,388,212	\$ 3,329,050	\$ 4,466,700
Net (Expense)/Revenue										
Governmental activities	\$ (13,710,508)	\$ (14,142,016)	\$ (14,371,168)	\$ (14,803,880)	\$ (15,418,981)	\$ (14,131,827)	\$ (14,062,087)	\$ (14,442,091)	\$ (14,517,588)	\$ (13,471,382)
Business-type activities	(92,570)	(25,078)	(52,139)	28,451	8,648	19,657	29,937	51,287	(19,105)	(4,560)
Total district-wide net expense	\$ (13,803,078)	\$ (14,167,094)	\$ (14,423,307)	\$ (14,775,429)	\$ (15,410,333)	\$ (14,112,170)	\$ (14,032,150)	\$ (14,390,804)	\$ (14,536,693)	\$ (13,475,942)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 10,595,936	\$ 10,807,855	\$ 11,065,070	\$ 11,556,952	\$ 11,915,714	\$ 12,154,028	\$ 12,397,109	\$ 12,645,051	\$ 13,147,952	\$ 13,410,911
Taxes levied for debt service	955,974	955,738	965,083	971,315	967,888	988,443	707,546	874,421	853,459	891,439
Unrestricted grants and contributions	439,214	526,150	504,787	518,062	532,370	525,811	544,472	660,619	694,604	769,489
Restricted grants and contributions	382,798	416,570	424,870	424,856	473,187	484,431	609,579	711,801	679,258	201,709
Tuition revenue	1,748,922	1,799,385	1,736,084	1,736,539	1,766,266	-	-	-	-	-
Miscellaneous income	346,472	43,513	144,141	222,184	69,477	24,228	19,528	43,392	26,024	171,911
Miscellaneous income Restricted	-	-	-	-	-	-	-	-	-	69
Investment earnings	843	905	3,016	2,340	8,578	4,525	10,040	18,732	12,810	5,548
Total governmental activities	14,480,159	14,550,116	14,843,051	15,432,248	15,733,280	14,181,466	14,288,274	14,954,135	15,444,107	15,451,076
Business-type activities:										
Investment earnings	\$ 70	\$ 173	\$ 182	\$ 177	\$ 176	\$ 169	\$ 398	\$ 1,032	\$ 945	\$ 518
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	70	173	182	177	176	169	398	1,032	945	518
Total district-wide	\$ 14,480,229	\$ 14,550,289	\$ 14,843,233	\$ 15,432,425	\$ 15,733,456	\$ 14,181,635	\$ 14,288,672	\$ 14,955,167	\$ 15,445,052	\$ 15,451,594
Change in Net Position										
Governmental activities	\$ 769,651	\$ 408,100	\$ 471,883	\$ 628,368	\$ 314,299	\$ 49,639	\$ 226,187	\$ 512,044	\$ 926,519	\$ 1,979,694
Business-type activities	(92,500)	(24,905)	(51,957)	28,628	8,824	19,826	30,335	52,319	(18,160)	(4,042)
Total district	\$ 677,151	\$ 383,195	\$ 419,926	\$ 656,996	\$ 323,123	\$ 69,465	\$ 256,522	\$ 564,363	\$ 908,359	\$ 1,975,652

Source: CAFR Schedule A-2 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change 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 BEACH SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
UNAUDITED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,274,142	\$ 1,360,000	\$ 1,597,300	\$ 2,566,462	\$ 3,105,129
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	36,734	160,000	59,331	89,331	79,723
Unassigned	-	-	-	-	-	283,227	270,657	332,434	350,302	747,978
Reserved	1,208,810	1,263,474	1,291,481	1,508,083	1,583,529	-	-	-	-	-
Unreserved	255,219	248,511	265,976	273,036	294,245	-	-	-	-	-
Total general fund	<u>\$ 1,464,029</u>	<u>\$ 1,511,985</u>	<u>\$ 1,557,457</u>	<u>\$ 1,781,119</u>	<u>\$ 1,877,774</u>	<u>\$ 1,594,103</u>	<u>\$ 1,790,657</u>	<u>\$ 1,989,065</u>	<u>\$ 3,006,095</u>	<u>\$ 3,932,830</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Debt service fund	\$ 5,597	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	1,551,866	1,535,488	727,530	489,507	369,702	369,702
Special revenue fund	-	-	-	-	-	-	-	-	-	246,072
Total all other governmental funds	<u>\$ 5,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,551,866</u>	<u>\$ 1,535,488</u>	<u>\$ 727,530</u>	<u>\$ 489,507</u>	<u>\$ 369,702</u>	<u>\$ 615,774</u>

Source: CAFR Schedule B-1 and District records.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 11,561,910	\$ 11,763,593	\$ 12,030,153	\$ 12,528,267	\$ 12,883,402	\$ 13,142,471	\$ 13,104,655	\$ 13,519,591	\$ 14,031,411	\$ 14,302,350
Tuition charges	1,748,922	1,799,385	1,736,084	1,736,539	1,766,266	1,756,591	2,071,131	1,957,558	1,998,788	2,120,297
Interest earnings	843	905	3,016	2,340	8,578	4,525	10,040	18,732	12,810	5,548
Miscellaneous	346,472	43,513	144,141	222,184	69,477	24,228	19,528	43,392	26,024	443,142
State sources	1,614,273	1,945,389	1,787,067	1,671,555	1,718,818	1,562,367	1,882,920	2,077,234	2,043,738	2,205,471
Federal sources	288,063	319,964	315,598	307,352	364,838	354,560	384,508	397,882	382,566	502,539
Total revenue	15,560,483	15,872,749	16,016,059	16,468,237	16,811,379	16,844,742	17,472,782	18,014,389	18,495,337	19,579,347
Expenditures										
Current:										
Regular instruction	4,774,063	4,589,635	4,641,838	4,921,786	4,942,891	5,064,793	5,207,200	5,009,158	4,867,929	5,107,091
Special education instruction	1,089,601	1,150,223	1,331,698	1,318,468	1,228,211	1,320,697	1,293,534	1,299,518	1,278,174	1,481,751
Other special instruction	759,124	776,108	802,664	837,216	839,782	862,725	821,453	826,877	731,501	855,691
Support services and undistributed costs:										
Instruction	363,618	386,703	355,828	319,859	462,618	361,319	329,373	453,495	529,374	670,869
Attendance	174,248	179,947	216,904	222,074	254,817	215,401	225,428	240,485	241,853	246,622
Health services	340,220	348,477	373,503	423,584	426,868	404,279	420,438	462,520	402,548	452,862
Other support services	648,252	981,075	825,300	754,145	917,724	1,040,358	1,058,514	1,100,588	1,278,168	1,396,840
Educational media services	206,286	213,633	217,794	216,829	233,983	169,528	173,278	98,145	110,593	99,729
Instruction staff training	-	-	-	-	-	-	-	-	-	-
General administrative services	286,281	304,334	327,909	331,203	304,192	339,284	353,047	379,598	393,371	433,367
School administrative services	386,592	399,959	411,485	422,098	406,054	390,582	442,497	399,078	449,911	437,889
Information technology	273,850	290,501	272,808	263,147	261,994	269,955	256,908	282,247	289,083	308,281
Allowed maintenance for school facilities	245,482	252,489	180,034	90,838	113,265	119,593	117,946	140,085	141,517	219,076
Other operation & maintenance of plant	1,037,227	1,065,051	1,161,637	1,201,740	1,208,724	1,420,571	1,360,630	1,390,678	1,408,250	1,536,517
Student transportation services	252,871	305,212	319,328	322,118	322,133	350,151	398,826	402,953	354,619	330,280
Business and other support services	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	2,167,535	2,210,179	2,340,547	2,502,878	2,658,660	2,746,312	2,743,173	3,077,432	2,780,137	2,794,739
Undistributed Food Service	-	-	-	-	-	-	-	-	-	15,931
Non-budgeted expenditures	1,080,324	1,364,798	1,173,008	1,035,989	1,078,099	906,685	1,113,377	1,102,696	1,052,442	1,114,609
Special schools	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	761,737	781,737	806,736	835,000	855,000	3,390,000	420,000	800,000	835,000	870,000
Interest and other charges	204,237	179,598	158,347	136,315	112,688	106,051	399,562	271,278	247,733	223,148
Capital outlay	55,124	50,731	53,219	89,288	1,035,155	7,566,507	949,002	317,173	205,909	53,219
Total expenditures	15,106,672	15,830,390	15,970,587	16,244,575	17,662,858	27,044,791	18,084,186	18,054,004	17,598,112	18,648,511
Excess (Deficiency) of revenues over (under) expenditures	453,811	42,359	45,472	223,662	(851,479)	(10,200,049)	(611,404)	(39,615)	897,225	930,836
Other Financing sources (uses)										
FEMA Aid	-	42,165	-	-	-	-	-	-	-	-
Sale of bonds	-	-	-	-	2,500,000	9,900,000	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	(42,165)	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	4,525	7,608	-	-	-	-
Transfers out	-	-	-	-	(4,525)	(7,608)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	2,500,000	9,900,000	-	-	-	-
Net change in fund balances	453,811	42,359	45,472	223,662	1,648,521	(300,049)	(611,404)	(39,615)	897,225	930,836
Debt service as a percentage of noncapital expenditures	5.06%	4.95%	5.07%	5.17%	5.14%	17.40%	2.45%	4.51%	4.80%	5.88%

Source: CAFR Schedule B-2 and District records.

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

Fiscal Year Ending June 30,	Tuition	Transportation	Interest on Investments	Prior Year Refunds	Rentals	Miscellaneous	Annual Totals
2012	1,748,922	-	843	-	-	346,472	2,096,237
2013	1,799,385	-	905	-	-	43,513	1,843,803
2014	465,418	-	905	-	-	144,141	610,464
2015	595,363	-	2,517	-	-	222,184	820,064
2016	619,553	-	8,754	-	-	69,477	697,784
2017	619,553	-	4,694	-	-	24,228	648,475
2018	624,601	-	10,438	-	-	19,528	654,567
2019	608,997	-	19,764	-	-	35,642	664,403
2020	650,313	-	13,755	-	-	17,924	681,992
2021	758,918	-	6,066	-	-	168,211	933,195

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2012	78,410,100	1,933,842,500	-	-	439,209,200	-	14,195,200	2,465,657,000	130,642,900	525,153	2,335,539,253	2,303,771,826	0.475
2013	56,034,800	1,480,160,500	-	-	327,543,200	-	12,110,700	1,875,849,200	113,658,000	210,914	1,762,402,114	2,061,599,297	0.637
2014	94,330,400	1,485,734,900	-	-	335,788,000	-	12,655,900	1,928,509,200	113,491,300	363,997	1,815,381,897	2,127,374,246	0.646
2015	95,046,200	1,504,470,600	-	-	338,044,400	-	12,779,100	1,950,340,300	114,340,300	363,997	1,836,363,997	2,065,287,933	0.657
2016	87,840,600	1,535,585,500	-	-	338,309,800	-	12,779,100	1,974,515,000	113,721,000	363,997	1,860,794,000	2,095,085,265	0.659
2017	87,996,100	1,548,780,600	-	-	337,182,100	-	12,710,100	1,986,668,900	114,535,800	-	1,872,133,100	2,056,358,050	0.653
2018	75,781,100	1,583,146,300	-	-	333,976,700	-	12,710,700	2,005,614,200	114,649,400	-	1,890,964,800	2,127,521,163	0.668
2019	73,251,400	1,598,326,900	-	-	333,041,400	-	12,710,100	2,017,329,800	115,721,200	-	1,901,608,600	2,017,329,800	0.691
2020	69,916,600	1,616,690,000	-	-	331,708,000	-	12,710,100	2,031,024,700	115,392,400	-	1,915,632,300	2,031,024,700	0.701
2021	63,968,300	1,638,951,900	-	-	324,718,300	-	12,710,000	2,040,348,500	115,996,700	-	1,924,351,900	2,487,926,594	0.685

Source: Municipal Tax Assessor

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

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

^b Tax rates are per \$100

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

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

Assessment Year	Pt. Pleasant Beach School District	Pt. Pleasant Beach Township	Ocean County	Total
2012	0.475	0.292	0.331	1.098
2013	0.637	0.393	0.414	1.444
2014	0.646	0.404	0.449	1.499
2015	0.657	0.409	0.440	1.506
2016	0.659	0.417	0.442	1.518
2017	0.653	0.424	0.434	1.511
2018	0.668	0.429	0.438	1.535
2019	0.691	0.434	0.434	1.559
2020	0.701	0.438	0.442	1.581
2021	0.685	0.449	0.449	1.583

Source: Tax Collector

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

	2021				2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Jenkinson's	\$ 90,753,300		55.12%	Jenkinson's Pavilion	\$ 44,519,000		27.68%
Chef's International, Inc.	12,483,800		7.58%	Jenkinson's South, Inc.	30,408,800		18.91%
1106 Ocean Ave Inc.	12,099,700		7.35%	1106 Ocean Ave Inc. LLC	19,682,400		12.24%
Cameryn & Dalton	11,094,900		6.74%	Tower Beacon Gardens LLC	16,021,600		9.96%
Tower Beacon Gardens	9,158,400		5.56%	Chef's International, Inc.	9,752,450		6.06%
Daniel Cohen Trust	6,768,200		4.11%	Risden's Beach Corp.	9,731,500		6.05%
AFMV LLC	6,377,900		3.87%	Storino, Storino & Storino, LP	9,000,000		5.60%
Lammers, William	6,336,600		3.85%	Lammers, William	7,900,000		4.91%
DL Real Estate Holdings, LLC	5,107,200		3.10%	Cameryn & Dalton, LLC	7,699,200		4.79%
Clayton Family, LLC	4,471,800		2.72%	Clayton Family, LLC	6,132,500		4.81%
Total	<u>\$ 164,651,800</u>		<u>100.00%</u>		<u>\$ 160,847,450</u>		<u>100.00%</u>

Source: Municipal Tax Assessor

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

Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percent of tax Levy Collected
2012	27,125,914	26,239,124	96.73%
2013	27,126,805	26,739,057	98.57%
2014	29,051,282	28,613,337	98.49%
2015	29,366,244	29,179,615	98.68%
2016	29,956,331	29,672,370	99.05%
2017	30,217,293	29,792,797	98.60%
2018	30,783,954	30,520,132	99.14%
2019	31,570,074	31,155,445	98.69%
2020	32,252,829	31,920,156	98.97%
2021	-	-	0.00%

Source: Ocean County Board of Taxation

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

Year Ended June 30,	Governmental Activities		Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Capital Leases			
2012	5,953,473	-	290,236	6,243,709	0.68646697%	42,861
2013	5,171,736	-	197,430	5,369,166	0.80574897%	43,262
2014	4,365,000	-	500,710	4,865,710	0.92379118%	44,949
2015	3,530,000	-	297,801	3,827,801	1.23000125%	47,082
2016	5,175,000	-	200,977	5,375,977	0.90197559%	48,490
2017	11,685,000	-	101,730	11,786,730	0.42207635%	49,749
2018	11,265,000	-	231,446	11,496,446	0.45423833%	52,008
2019	10,465,000	-	157,223	10,622,223	N/A	N/A
2020	9,630,000	-	310,201	9,940,201	N/A	N/A
2021	8,760,000	-	208,093	8,968,093	N/A	N/A

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

NOTE:

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

^a See Exhibit 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 BEACH SCHOOL DISTRICT
Ratio of General Bonded Debt Outstanding
Value and Net Bonded Debt Per Capita
Last ten fiscal years
UNAUDITED

Fiscal Year Ended June 30,	School District Population	Net Assessed Valuation Taxable	Net Bonded Debt	Ratio of Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2012	4,661	2,303,771,826	5,953,473	0.26%	1,277
2013	4,621	1,875,849,200	5,953,473	0.32%	1,288
2014	4,582	1,928,553,100	11,640,000	0.60%	2,540
2015	4,567	1,928,553,100	11,640,000	0.60%	2,549
2016	4,541	1,974,515,000	9,640,000	0.49%	2,123
2017	4,530	1,986,668,900	11,685,000	0.59%	2,579
2018	4,546	2,005,614,200	11,265,000	0.56%	2,478
2019	4,559	2,017,329,800	10,465,000	0.52%	2,295
2020	4,597	2,031,024,700	9,630,000	0.47%	2,095
2021	-	2,487,926,594	8,760,000	0.35%	-

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

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
General Debt	\$ 25,145,871	0.000%	\$ -
Water, Sewer and Utility	2,959,498	0.000%	-
Subtotal, overlapping debt			28,105,369
District Direct Debt			<u>8,760,000</u>
Total direct and overlapping debt			<u><u>\$ 36,865,369</u></u>

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

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

Equalized valuation basis	
	2021 2,487,926,594
	2020 2,031,024,700
	2019 2,017,329,800
	[A] <u>\$ 6,536,281,094</u>
[A/3]	\$ 2,178,760,365
a Debt limit (4 % of average)	[B] 87,150,415
Total Net Debt Applicable	[C] -
Legal debt margin	[B-C] <u>\$ 87,150,415</u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	96,004,305	31,297,302	30,490,459	35,076,819	37,072,884	78,529,827	79,557,308	83,804,256	80,719,583	87,150,415
Total net debt applicable to limit	<u>5,953,473</u>	<u>5,171,736</u>	<u>4,365,000</u>	<u>3,530,000</u>	<u>5,175,000</u>	<u>11,685,000</u>	<u>11,265,000</u>	<u>10,465,000</u>	<u>9,630,000</u>	<u>8,760,000</u>
Legal debt margin	<u>\$ 90,050,832</u>	<u>\$ 26,125,566</u>	<u>\$ 26,125,459</u>	<u>\$ 31,546,819</u>	<u>\$ 31,897,884</u>	<u>\$ 66,844,827</u>	<u>\$ 68,292,308</u>	<u>\$ 73,339,256</u>	<u>\$ 71,089,583</u>	<u>\$ 78,390,415</u>
Total net debt applicable to the limit as a percentage of debt limit	6.20%	16.52%	14.32%	10.06%	13.96%	14.88%	14.16%	12.49%	11.93%	10.05%

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

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

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

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

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2012	4,661	199,747,155	42,855	8.00%
2013	4,621	199,904,460	43,260	6.30%
2014	4,582	205,965,482	44,951	5.90%
2015	4,567	215,174,205	47,115	4.60%
2016	4,541	220,592,698	48,578	4.20%
2017	4,530	225,652,890	49,813	4.00%
2018	4,546	233,450,738	51,353	3.50%
2019	4,559	242,260,701	53,139	3.20%
2020	4,597	-	-	8.40%
2021	-	-	-	0.00%

Source:

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

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

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

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

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

Employer	2021			2012		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
N/A		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
		-	-			-
		-	-			-
		-	-			-
	-		0.00%	-		0.00%
	-		0.00%	-		0.00%

Source:

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

<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	67	64	64	65	63	64	64	65	65	65
Special education teachers	18.5	18	18	17	18.6	20	20	19	19	19
Other instruction	17.5	24	25	27	25.5	20	20	21	20	20
Support Services:										
Student & instruction related services	7	7	7	7	7	7	7	7	7	7
General administration	1	1	1	1	1	1	1	1	1	1
School administrative services	3	3	3	3.5	4	5	5.5	5.5	5.5	5.5
Other administrative services	4	3	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	10.5	11	10	10.5	9	10	10.5	10.5	11	11
Pupil transportation	2	2	2	2	2	2	2	2	3	3
Other support services	8	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5
Total	<u>139.5</u>	<u>147.5</u>	<u>147.5</u>	<u>150.5</u>	<u>147.6</u>	<u>146.5</u>	<u>147.5</u>	<u>148.5</u>	<u>149.0</u>	<u>149.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2012	916.0	13,757,900	15,020	0.16%	85.50	10.7:1	877.3	833.4	-1.94%	95.00%
2013	871.0	14,452,485	16,593	10.48%	82.00	10.6:1	812.1	809.7	-7.43%	99.70%
2014	843.0	14,580,634	17,296	4.24%	82.00	10.3:1	824.6	774.9	1.54%	93.97%
2015	848.0	15,195,082	17,919	3.60%	82.00	10.3:1	847.0	800.1	2.72%	94.46%
2016	830.0	15,786,894	19,020	6.15%	81.60	10.2:1	822.3	773.9	-2.92%	94.12%
2017	835.0	16,378,825	19,734	10.13%	84.00	9:9:1	798.8	752.0	-5.69%	94.14%
2018	859.0	14,845,726	17,283	-3.22%	84.00	10.2:1	806.3	766.5	0.94%	95.06%
2019	764.0	16,665,553	21,814	19.74%	84.00	9.1:1	758.0	717.0	-5.11%	94.59%
2020	745.0	16,309,470	21,892	20.13%	84.00	8.9:1	745.0	719.0	-6.74%	96.51%
2021	744.0	17,502,144	23,524	28.41%	84.00	8.1:1	744.0	716.0	-6.86%	96.24%

Sources: District records

Note: Enrollment based on annual October district count.

- ^a Operating expenditures equal total expenditures less debt service and capital outlay.
- ^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).

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
District Building										
<u>Elementary</u>										
G. Harold Antrim Elementary School										
Square Feet	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200
Capacity (students)	615	615	615	615	615	615	615	615	615	615
Enrollment	494	482	473	450	431	417	441	380	361	365
<u>High School</u>										
Point Pleasant Beach High School										
Square Feet	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000
Capacity (students)	580	580	580	580	580	580	580	580	580	580
Enrollment	422	389	370	398	399	413	418	384	384	379

Number of Schools at June 30, 2021
 Elementary = 1
 Middle School = 0
 Senior High School = 1

Source: District Facilities Office

POINT PLEASANT BEACH SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
Undistributed Expenditures - required
Maintenance For School Facilities
11-000-261-XXX
UNAUDITED

		<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>
School Facilities:	Project # (s)										
G. Harold Antrim Elementary School	N/A	43,903	60,526	78,498	36,335	45,306	71,884	64,870	78,762	77,834	99,474
Point Pleasant Beach High School	N/A	65,854	53,674	117,748	54,503	67,959	47,709	53,076	78,761	63,683	119,602
Total School Facilities		<u>109,757</u>	<u>114,200</u>	<u>196,246</u>	<u>90,838</u>	<u>113,265</u>	<u>119,593</u>	<u>117,946</u>	<u>157,523</u>	<u>141,517</u>	<u>219,076</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u><u>\$ 109,757</u></u>	<u><u>\$ 114,200</u></u>	<u><u>\$ 196,246</u></u>	<u><u>\$ 90,838</u></u>	<u><u>\$ 113,265</u></u>	<u><u>\$ 119,593</u></u>	<u><u>\$ 117,946</u></u>	<u><u>\$ 157,523</u></u>	<u><u>\$ 141,517</u></u>	<u><u>\$ 219,076</u></u>

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

POINT PLEASANT BEACH SCHOOL DISTRICT
Insurance Schedule
June 30, 2021
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Multi Peril Package Policy		
Property - NJ School Board Insurance		
Blanket Building and Contents	\$ 500,000,000	5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Papers and Records	10,000,000	5,000
Demolition & Increased Costs of Construction	25,000,000	5,000
Fire Department Service Charge/Arson Reward	10,000	5,000
Flood Zones A & V	25,000,000	500,000
Flood Zone B	75,000,000	10,000
Earthquake	50,000,000	-
Terrorism	1,000,000	-
General Liability - New Jersey School Boards		
Comprehensive General Liability	-	-
Bodily Injury, Property Damage, Sexual Abuse Each Occurrence	31,000,000 -	-
Sexual Abuse	27,000,000	-
Medical Expense	10,000	100
Employee Benefits Programs	31,000,000	1,000
Crime - NJ School Boards		
Employee Dishonesty	250,000	1,000
Forgery or Alteration	250,000	1,000
Money and Securities	25,000	500
Money Orders/Counterfeit	25,000	500
Computer Fraud	1,000,000	1,000
Automobile - NJSBAIG		
Comprehensive Automobile Liability	31,000,000	-
Uninsured/Underinsured Motorist	1,000,000	-
Personal Injury Protection	250,000	-
Garage keepers Liability	Included	-
Comprehensive & Collision Deductibles		1,000
Inland Marine		
Blanket Hardware/Software	1,250,000	1,000
Flood	1,000,000	500,000
Errors and Omissions - N.J. School Boards		
Association Insurance Group	31,000,000	5,000
Boiler and Machinery - N.J. School Boards Association Insurance Group	100,000,000	5,000
Umbrella Liability - N.J. School Boards Association Insurance Group		
CAP - Fireman's Fund		
Limit of Liability	25,000,000	-
Workers Compensation - NJ School Boards		
Section A	Statutory	
Section B	3,000,000	Each Accident
	3,000,000	Each Employee
	3,000,000	Aggregate Limit
Student Accident Insurance		
Maximum Benefit Blanket Athletic Coverage Including Football	5,000,000	
Public Official Bonds - Selective Insurance Co.		
Christine Riehl, Treasurer	200,000	
Brian Savage, Business Administrator/ Board Secretary	200,000	
Flood Insurance		
299 Cooks Lane	Buildings 500,000	5,000
	Contents 500,000	5,000
Cooks Lane & Niblick Ave	Buildings 500,000	5,000
	Contents 500,000	5,000

Source: District Records

SINGLE AUDIT SECTION

INDEPENDENT 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 Beach
County of Ocean
Pt. Pleasant Beach, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Board of Education of the Point Pleasant Beach in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Board of Education of the Point Pleasant Beach basic financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Education of the Point Pleasant Beach in the County of Ocean, State of New Jersey's internal control over financial reporting (internal control) 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 Board of Education of the Point Pleasant Beach in the County of Ocean, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of Board of Education of the Point Pleasant Beach internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of Point Pleasant Beach financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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, LLP
Toms River, New Jersey



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

Toms River, New Jersey
December 15, 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 Beach
County of Ocean
Pt. Pleasant Beach, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited Point Pleasant Beach School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Point Pleasant Beach's major federal programs for the year ended June 30, 2021. Point Pleasant Beach's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, Point Pleasant Beach complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

Purpose of Report

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

Respectfully submitted,

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



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

Toms River, New Jersey
December 15, 2021

POINT PLEASANT BEACH 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 June 30, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2021	(Accounts Receivable) at June 30, 2021	Due to Grantor at June 30, 2021
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Enterprise Fund:											
Food Distribution Program	10.565	7/1/20-6/30/21	\$ 10,683	\$ -	\$ -	\$ 10,683	\$ (10,683)	\$ -	\$ -	\$ -	\$ -
Child Nutrition Cluster:											
National School Lunch Program	10.555	7/1/20-6/30/21	-	-	-	-	-	-	-	-	-
Summer Food Service Program for Children	10.559	7/1/19-6/30/20	8,986	(1,874)	-	1,874	-	-	-	-	-
Summer Food Service Program for Children	10.559	7/1/20-6/30/21	204,104	-	-	162,510	(204,104)	-	-	(41,594)	-
Subtotal of Child Nutrition Cluster				(1,874)	-	164,384	(204,104)	-	-	-	-
Total Enterprise Fund				(1,874)	-	175,067	(214,787)	-	-	(41,594)	-
U.S. Department of Education											
Passed-through State Department of Education:											
Special Revenue Fund:											
Special Education Cluster:											
I.D.E.A. Part B Basic Regular	84.027	7/1/20-6/30/21	214,389	-	-	200,579	(212,043)	-	-	(11,464)	-
I.D.E.A. Part B Preschool	84.173	7/1/19-6/30/20	7,243	(2,836)	-	2,836	-	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/20-6/30/21	6,926	-	-	6,926	(6,926)	-	-	-	-
Subtotal of Special Education Cluster				(2,836)	-	210,341	(218,969)	-	-	(11,464)	-
Title I	84.010	7/1/20-09/30/21	129,763	-	-	129,763	(129,763)	-	-	-	-
Title I	84.010	7/1/19-6/30/20	129,057	(129,057)	-	129,057	-	-	-	-	-
Title II	84.365	7/1/19-6/30/20	16,252	(16,252)	-	16,252	-	-	-	-	-
Title II	84.365	7/1/20-9/30/21	13,766	-	-	12,241	(12,617)	-	-	(376)	-
Title IV	84.424	7/1/19-6/30/20	12,958	(12,958)	-	12,958	-	-	-	-	-
Title IV	84.424	7/1/20-9/30/21	10,000	-	-	10,000	(10,000)	-	-	-	-
CARES Emergency Relief Grant	84.525D	03/13/20-9/30/22	130,659	-	-	103,231	(103,231)	-	-	-	-
Coronavirus Relief Fund Grant	84.525D	03/13/20-9/30/22	27,959	-	-	27,959	(27,959)	-	-	-	-
Total Special Revenue Fund				(161,103)	-	651,802	(502,539)	-	-	(11,840)	-
Total Expenditures of Federal Financial Awards				\$ (162,977)	\$ -	\$ 826,869	\$ (717,326)	\$ -	\$ -	\$ (53,434)	\$ -

See accompanying notes to schedules of expenditures.

POINT PLEASANT BEACH 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	Balance at June 30, 2020					Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2021	(Accounts Receivable) at June 30, 2021	Due to Grantor at June 30, 2021	MEMO	
			Award Amount	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover Amount								Budgetary Receivable	Total Expenditures
State Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program (State Share)	20-100-010-3350-023	7/1/19-6/30/20	\$ 1,173	\$ (18)	\$ -	\$ -	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
National School Lunch Program (State Share)	21-100-010-3350-023	7/1/20-6/30/21	8,851	-	-	-	7,713	(8,851)	-	-	(1,138)	-	-	-	8,851
Total Enterprise Fund				(18)	-	-	7,731	(8,851)	-	-	(1,138)	-	-	-	8,851
State Department of Education:															
General Fund:															
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	446,629	-	-	-	394,730	(446,629)	-	-	-	-	51,899	-	446,629
Extraordinary Aid	21-495-034-5120-011	7/1/20-6/30/21	175,984	-	-	-	-	(175,984)	-	-	(175,984)	-	-	-	175,984
Extraordinary Aid	20-495-034-5120-011	7/1/19-6/30/20	105,238	(105,238)	-	-	105,238	-	-	-	-	-	-	-	-
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	74,652	-	-	-	74,652	(74,652)	-	-	-	-	-	-	74,652
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	71,924	-	-	-	71,924	(71,924)	-	-	-	-	-	-	71,924
On-behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	1,883,677	-	-	-	1,883,677	(1,883,677)	-	-	-	-	-	-	1,883,677
On-Behalf TPAF Post-Retirement Medic	21-100-034-5095-001	7/1/20-6/30/21	590,315	-	-	-	590,315	(590,315)	-	-	-	-	-	-	590,315
On-Behalf TPAF Long-Term Disability Ir	21-100-034-5095-004	7/1/20-6/30/21	979	-	-	-	979	(979)	-	-	-	-	-	-	979
Reimbursed TPAF Social															
Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	523,315	-	-	-	523,315	(523,315)	-	-	-	-	-	-	523,315
Total General Fund				(105,238)	-	-	3,644,830	(3,767,475)	-	-	(175,984)	-	51,899	-	3,767,475
Special Revenue Fund:															
Chapter 192/193	20-100-034-5120-067	7/1/19-6/30/20	64,204	-	20,987	-	-	-	(20,987)	-	-	-	-	-	-
Chapter 192/193	21-100-034-5120-067	7/1/20-6/30/21	58,148	-	-	-	58,148	(56,253)	-	-	-	1,895	-	-	56,253
Security	20-100-034-5120-068	7/1/19-6/30/20	27,150	-	5,214	-	-	-	(5,214)	-	-	-	-	-	-
Security	21-100-034-5120-068	7/1/20-6/30/21	29,750	-	-	-	29,750	(29,750)	-	-	-	-	-	-	29,750
Technology	20-100-034-5120-372	7/1/19-6/30/20	6,516	-	3	-	-	-	(3)	-	-	-	-	-	-
Technology	21-100-034-5120-373	7/1/20-6/30/21	7,159	-	-	-	7,159	(6,817)	-	-	-	342	-	-	6,817
Textbooks	21-100-034-5120-064	7/1/20-6/30/21	10,385	-	-	-	10,385	(9,504)	-	-	-	881	-	-	9,504
Nursing	21-100-034-5120-070	7/1/20-6/30/21	17,340	-	-	-	17,340	(17,340)	-	-	-	-	-	-	17,340
Nursing	20-100-034-5120-070	7/1/19-6/30/20	17,557	-	1,346	-	-	-	(1,346)	-	-	-	-	-	-
Total Special Revenue Fund				-	27,550	-	122,782	(119,664)	(27,550)	-	-	3,118	-	-	119,664
Debt Service Fund:															
Debt Service Aid Type II	21-495-034-5120-075	7/1/20-6/30/21	201,709	-	-	-	201,709	(201,709)	-	-	-	-	-	-	201,709
Total Debt Service Fund				-	-	-	201,709	(201,709)	-	-	-	-	-	-	201,709
Total State Financial Assistance for testing				\$ (105,256)	\$ 27,550	\$ -	\$ 3,977,052	\$ (4,097,699)	\$ (27,550)	\$ -	\$ (177,122)	\$ 3,118	\$ 51,899	\$ -	\$ 4,097,699
State Financial Assistance Not Subject to Single Audit Determination															
General Fund:															
On-behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	1,883,677	-	-	-	1,883,677	(1,883,677)	-	-	-	-	-	-	1,883,677
On-Behalf TPAF Post-Retirement Medic	21-100-034-5095-001	7/1/20-6/30/21	590,315	-	-	-	590,315	(590,315)	-	-	-	-	-	-	590,315
On-Behalf TPAF Long-Term Disability Ir	21-100-034-5095-004	7/1/20-6/30/21	979	-	-	-	979	(979)	-	-	-	-	-	-	979
Total State Financial Assistance Not Subject to Single Audit Determination				-	-	-	2,474,971	(2,474,971)	-	-	-	-	-	-	2,474,971
Total State Financial Assistance				\$ (105,256)	\$ 27,550	\$ -	\$ 1,502,081	\$ (1,622,728)	\$ (27,550)	\$ -	\$ (177,122)	\$ 3,118	\$ 51,899	\$ -	\$ 6,572,670

See accompanying notes to schedules of expenditures.

Point Pleasant Beach School District

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

Point Pleasant Beach School District

Notes to the Schedules of Expenditures 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 \$(1,883,377) for the general fund and \$- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,884,098	\$ 1,884,098
Special Revenue Fund	502,539	119,664	622,203
Debt Service Fund	-	201,709	201,709
Food Service Fund	<u>214,787</u>	<u>8,851</u>	<u>223,638</u>
Total awards and financial assistance	<u>\$ 717,326</u>	<u>\$ 2,214,322</u>	<u>\$ 2,931,648</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 Beach School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor’s report issued: Unmodified Opinion

Internal control over financial reporting:

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

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

Federal Awards Section - N/A

Internal Control over major programs: N/A

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? _____ yes _____ no

Point Pleasant Beach School District
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 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? 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 no

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

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

Identification of major programs:

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

Section II - Financial Statement Findings - N/A

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

Point Pleasant Beach School District
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2021

Summary Schedule of Prior Audit Findings - N/A