

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, 2015

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, 2015

Prepared by

Point Pleasant Beach Board of Education  
Finance Department

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## INTRODUCTORY SECTION

# Point Pleasant Beach School District

299 Cook's Lane

Point Pleasant Beach, New Jersey 08742

Renee LaPrete  
INTERIM SUPERINTENDENT OF SCHOOLS

TEL : 732-899-8840  
FAX : 732-899-1730

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, 2015, 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 of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". 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 47 employees at the high school, 80 at the elementary school and 20 in district positions. School enrollment during 2014-2015 was 398 high school, 450 elementary school, which is 5 students more than the 13-14 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 2014-2015 there were 113 private tuition students. The following details the changes in the student enrollment of the District over the last nine years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2014-15	848	0.59%
2013-14	843	(3.21%)
2012-13	871	(4.91%)
2011-12	916	2.46%
2010-11	894	(0.33%)
2009-10	897	2.51%
2008-09	875	2.82%
2007-08	851	(1.62%)
2006-07	865	(1.59%)

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. Point Pleasant Beach recently reassessed the town which has dramatically increased the ratable base. The ratable were \$1,876,360,114 in 2014-2015.

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, ACT). This year, due to the new PARCC testing the Eighth Grade results have not been finalized in the areas of language arts and math. 98% passed science on the Grade Eight Proficiency Assessment. In each tested area (Algebra I, Geometry, Algebra II and ELA in Grades 9,10, 11) the students in Point Pleasant Beach High School exceeded the State and PARCC averages. High School SAT scores averaged 518 Critical Reading and 529 Mathematics and 531 Writing. 94% of the Class of 2014 went to college, 1% to vocational training, 0% to the military, 0% to work, and 5% other. Students from our school attend the Ocean County Vocational Technical High School for Vocational Training. The District is a member of the Monmouth-Ocean Educational Services Commission, the New Jersey State Inter Scholastic Athletic Association, The Shore Conference of High Schools and the New Jersey School Boards Association. It is accredited by the Middle States Association of College and Schools and certified by the State of New Jersey.

The School District has focused on physical plant needs and academic technology in recent years. Multi year plans have been developed for both schools and there has been a sizable financial commitment as well. The voters of Point Pleasant Beach have recently approved the financing of a \$9,900,000 renovation project to the G. Harold Antrim Elementary School, Point Pleasant Beach High School and the Administration Building. The project includes bleacher replacement, fire alarm system replacements, roof replacement and HVAC replacements and will begin construction during the 2015-16 school year. The district was granted state aid of 39.5% of the project or \$3,911,806.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open purchase encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

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: At June 30, 2015, the District's outstanding debt issues included \$2,575,000 through the 2006 Antrim Elementary School renovation project and \$955,000 through the 2010 refunding of 2001 Bond series. The new debt from the 2015 Referendum will begin shortly to repay the \$9,900,000 project. The State Aid of \$3,911,806 will be received from the State in the form of debt service aid.

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 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. 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,



Renae LaPrete  
Interim Superintendent of Schools

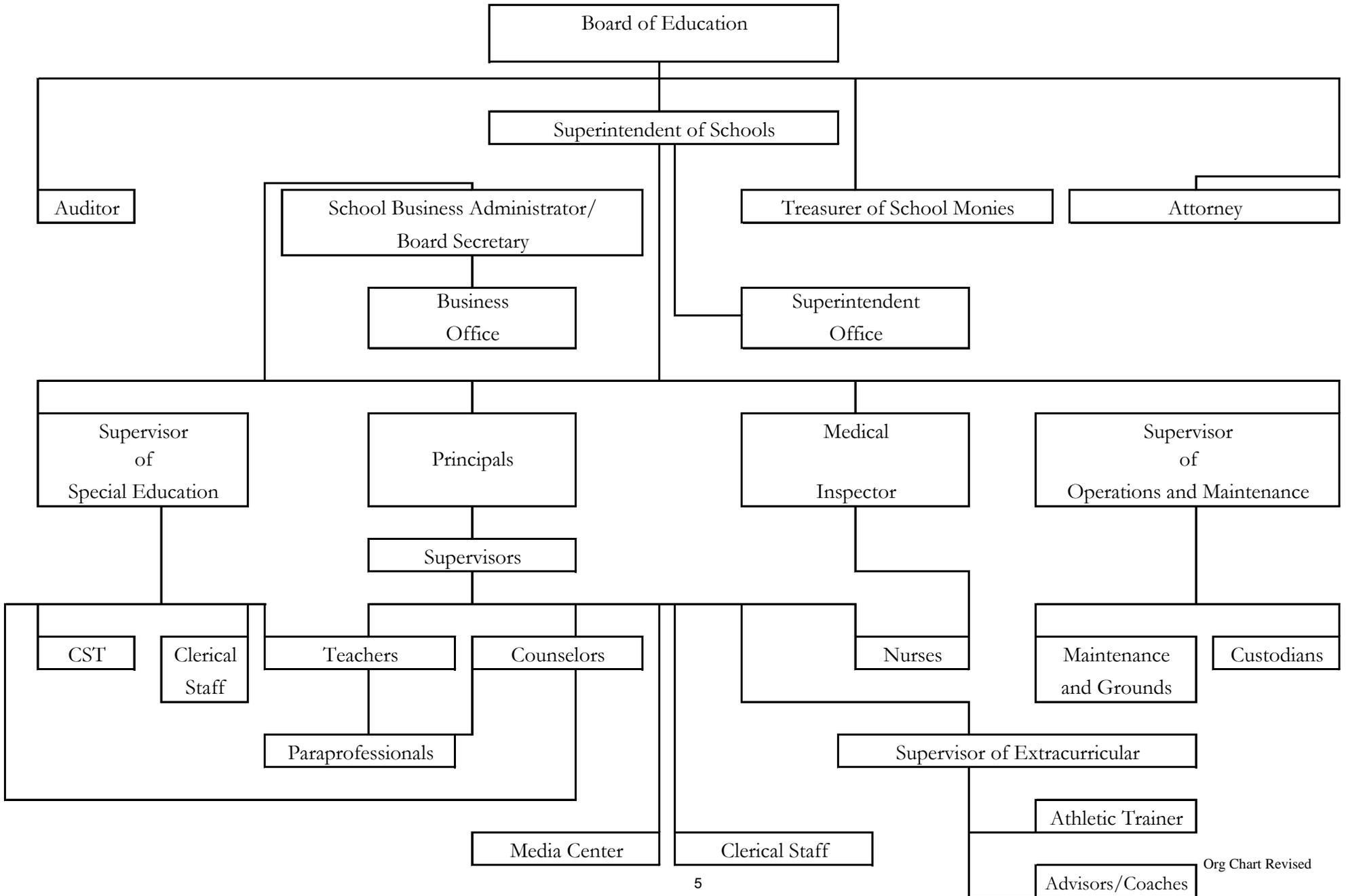


Brian F. Savage, Ed. D.  
School Business Administrator/  
Board Secretary

# 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, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Eileen Laterza, President	2016
James Ireland, Vice President	2015
Joyce Papaca	2016
Michael Spader	2015
Michael Ramos	2016
Steve Shohfi, Lavallette Representative	2015
<u>Other Officials</u>	
Renae LaPrete, Superintendent of Schools	
Dr. Brian F. Savage, School Business Administrator/Board Secretary	
Barbara Scharmann, Treasurer	
Frank Campbell, Esq., Solicitor	

Point Pleasant Beach School District  
Consultants and Advisors

Architect

The 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

Fiscal Agent

N/A

Official Depository

Ocean First Bank  
Hooper Avenue  
Toms River, NJ 08754

NJ Cash Management  
2 Montgomery Street  
Jersey City, NJ 07302

First Fidelity  
2201 Bridge Avenue  
Point Pleasant, NJ 08742

MBIA  
113 King Street  
Armonk, NY 10504

NJARM  
224 Strawbridge Drive  
Suite 104  
Moorestown, NJ 08057

Bank of America  
Arnold Avenue  
Point Pleasant Beach, NJ 08742

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

**Report of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Point Pleasant Beach in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2015, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **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, 2015, 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 as presented 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 U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 04-04 and/or 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is presented for purposes of additional analysis and are also not a required part of the basic financial statements.

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2015 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, NJ

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

November 19, 2015

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Point Pleasant Beach School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015

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, 2015. 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 2015 are as follows:

In total, net position totaled \$18,100,007, which represents a (16.91) percent decrease from 2014.

General revenues accounted for \$15,432,425 in revenue or 97.58 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 \$382,664 or 2.42 percent of total revenues of \$15,815,089.

Total assets decreased by \$253,481 as cash and cash equivalents decreased by \$(323,734), receivables decreased by \$(189,963) and capital assets increased by \$501,064.

The School Board had \$15,158,093 in expenses; only \$382,664 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$15,432,425 were adequate to provide for these programs.

Among major funds, the General Fund had \$15,419,510 in revenues and \$15,195,082 in expenditures and transfers. The General Fund's balance increased \$224,428 over 2015. The General Fund's balance is \$1,821,694.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

## **Reporting the School Board as a Whole**

### **Statement of Net Position and the Statement of Activities**

This document contains all funds used by the School Board to provide programs and activities viewing the School Board as a whole and reports the culmination of all financial transactions. The report answers the question "How Did We Do Financially During Fiscal Year 2015?" The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

## **Reporting the School Board's Most Significant Funds**

### **Fund Financial Statement**

The Analysis of the School Board's major funds begins on page 23. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue 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 2015 and 2014.

Table 1

Net Position as of June 30, 2015 and 2014

	2015	2014
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 1,724,037	\$ 1,400,303
Receivables, Net	336,716	526,679
Inventory	4,958	6,365
Other Assets	134,485	19,266
Capital Assets, Net	<u>24,681,292</u>	<u>25,182,356</u>
<b>Total Assets</b>	<b><u>26,881,488</u></b>	<b><u>27,134,969</u></b>
<b>Liabilities:</b>		
Accounts Payable	8,515	7,739
Due to Grantor	-	-
Unearned Revenue	2,785	687
Other liabilities	328,758	-
<b>Noncurrent Liabilities:</b>		
Due Within One Year	1,144,296	1,014,710
Due Beyond One Year	<u>7,297,127</u>	<u>4,328,603</u>
<b>Total Liabilities</b>	<b><u>8,781,481</u></b>	<b><u>5,351,739</u></b>
<b>Net Position:</b>		
Invested in Capital Assets, Net of Related Debt	20,863,124	20,335,912
<b>Restricted for:</b>		
Capital Projects	-	-
Debt Service	-	-
General Fund	1,508,083	1,291,481
Unrestricted	<u>(4,271,200)</u>	<u>155,837</u>
<b>Total Net Position</b>	<b><u>\$18,100,007</u></b>	<b><u>\$21,783,230</u></b>

The School Board's combined net position were \$18,100,007 on June 30, 2015. This is a change of (16.91)% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years 2015 and 2014.

Table 2

Changes in Net Position

	2015	2014
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 292,720	\$ 295,027
Operating Grants and Contributions	89,944	92,153
Capital Grants and Contributions	-	-
General Revenues:		
Property Taxes	12,528,267	12,030,153
Grants and Entitlements	942,918	942,720
Other	<u>1,961,240</u>	<u>1,843,976</u>
Total Revenues	<u>15,815,089</u>	<u>15,204,029</u>
<u>Program Expenses</u>		
Instruction	7,077,470	6,776,200
Support Services:		
Pupils and Instructional Staff	1,936,491	1,989,329
General Administration, School Administration		
Business Operations and Maintenance of		
Facilities	5,321,853	5,118,331
Pupil Transportation	322,118	319,328
Food Service	354,213	439,319
Interest on Long-Term Debt	<u>145,948</u>	<u>167,980</u>
Total Expenses	<u>15,158,093</u>	<u>14,810,487</u>
Increase in Net Position	\$ <u>656,996</u>	\$ <u>393,542</u>

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

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

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

## **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, 2015, it reported a combined fund balance of \$18,100,007, which is an increase of \$656,996. The Reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

## **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 \$517,164 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$336,831 better 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 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 2014-2015 fiscal year and will be used to reduce the local tax levy for the 2015-2016 fiscal year.

**Capital Assets**

At the end of the fiscal year 2015, the School Board had \$24,681,292 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2015 and 2014

	2015	2014
Land	\$10,518,100	\$10,518,100
Construction in Progress	-	-
Site Improvements	-	-
Building and Improvements	13,840,372	14,202,221
Machinery and Equipment	<u>322,820</u>	<u>462,035</u>
 Total	 <u>\$24,681,292</u>	 <u>\$25,182,356</u>

During the current fiscal year, \$36,069 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

**Economic Factors and Next Year's Budget**

For the 2014-2015 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 5.96% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 79.2% of total revenue is from local tax levy.

The \$273,036 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 2014-2015 budget was adopted in April 29, 2015 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Township of Point Pleasant Beach for increased aid.

The School Board anticipates a slight increase in enrollment for the 2015-2016 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 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, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,539,264	\$ 184,773	\$ 1,724,037
Receivables - state	37,363	343	37,706
Receivables - federal government	8,814	11,082	19,896
Receivables-other	139,825	-	139,825
Interfund receivables	58,638	80,651	139,289
Inventory	-	4,958	4,958
Other assets	-	-	-
Capital assets, depreciable, net:	24,370,869	310,423	24,681,292
Total assets	<u>26,154,773</u>	<u>592,230</u>	<u>26,747,003</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - PERS	124,852	-	124,852
Deferred charges on refunding	9,633	-	9,633
Total deferred outflows of resources	<u>134,485</u>	<u>-</u>	<u>134,485</u>
<b>LIABILITIES</b>			
Accounts payable	-	8,515	8,515
Accrued payroll	-	-	-
Other current liabilities	-	-	-
Interfund payable	-	-	-
Payable to state government	-	-	-
Payable to federal government	-	-	-
Unearned revenue	2,785	-	2,785
Noncurrent liabilities:			
Due within one year	1,047,472	96,824	1,144,296
Due beyond one year	7,096,150	200,977	7,297,127
Total liabilities	<u>8,146,407</u>	<u>306,316</u>	<u>8,452,723</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	328,758	-	328,758
Total deferred inflows of resources	<u>328,758</u>	<u>-</u>	<u>328,758</u>
<b>NET POSITION</b>			
Net investment in capital assets	20,850,502	12,622	20,863,124
Restricted for:			
Capital projects	100,000	-	100,000
Debt service	-	-	-
Other purposes	1,408,083	-	1,408,083
Unassigned	(4,544,492)	273,292	(4,271,200)
Total net position	<u>\$ 17,814,093</u>	<u>\$ 285,914</u>	<u>\$ 18,100,007</u>

See accompanying notes to the financial statements.

POINT PLEASANT BEACH SCHOOL DISTRICT  
Statement of Activities  
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 4,921,786	\$ -	\$ -	\$ -	\$ (4,921,786)	\$ -	\$ (4,921,786)
Special schools instruction	1,318,468	-	-	-	(1,318,468)	-	(1,318,468)
Other special instruction	837,216	-	-	-	(837,216)	-	(837,216)
Support services and undistributed costs:							
Instruction	319,859	-	-	-	(319,859)	-	(319,859)
Attendance	222,074	-	-	-	(222,074)	-	(222,074)
Health services	423,584	-	-	-	(423,584)	-	(423,584)
Other support services	754,145	-	-	-	(754,145)	-	(754,145)
Educational media services	216,829	-	-	-	(216,829)	-	(216,829)
General administrative services	331,203	-	-	-	(331,203)	-	(331,203)
School administrative services	422,098	-	-	-	(422,098)	-	(422,098)
Information technology	263,147	-	-	-	(263,147)	-	(263,147)
Allowed maintenance for school facilities	90,838	-	-	-	(90,838)	-	(90,838)
Other operation & maintenance of plant	1,711,983	-	-	-	(1,711,983)	-	(1,711,983)
Student transportation services	322,118	-	-	-	(322,118)	-	(322,118)
Business and other support services	-	-	-	-	-	-	-
Unallocated employee benefits	2,502,584	-	-	-	(2,502,584)	-	(2,502,584)
Non-budgeted expenditures	1,035,989	-	1,035,989	-	-	-	-
Interest on long-term debt	145,948	-	-	-	(145,948)	-	(145,948)
Total governmental activities	15,839,869	-	1,035,989	-	(14,803,880)	-	(14,803,880)
Business-type activities:							
Enterprise funds	354,213	292,720	89,944	-	-	28,451	28,451
Total business-type activities	354,213	292,720	89,944	-	-	28,451	28,451
Total primary government	\$ 16,194,082	\$ 292,720	\$ 1,125,933	\$ -	\$ (14,803,880)	\$ 28,451	\$ (14,775,429)
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					11,556,952	-	11,556,952
Taxes levied for debt service					971,315	-	971,315
Federal and state aid not restricted					518,062	-	518,062
Federal and state aid restricted					424,856	-	424,856
Tuition revenues					1,736,539	-	1,736,539
Miscellaneous income					222,184	-	222,184
Investment earnings					2,340	177	2,517
Total general revenues, special items, extraordinary items and transfers					15,432,248	177	15,432,425
<b>Change in net position</b>					628,368	28,628	656,996
<b>Net position—beginning</b>					17,185,725	257,286	17,443,011
<b>Net position—ending</b>					\$ 17,814,093	\$ 285,914	\$ 18,100,007

See accompanying notes to the financial statements.

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,548,076	\$ (8,814)	\$ -	\$ 2	\$ 1,539,264
Capital reserve	-	-	-	-	-
Due from other funds	139,292	-	-	-	139,292
Receivables from state	37,363	-	-	-	37,363
Receivables from Federal government	-	8,814	-	-	8,814
Other receivables	-	2,785	-	-	2,785
Intergovernmental accounts	137,040	-	-	-	137,040
Restricted cash and cash equivalents	-	-	-	-	-
<b>Total assets</b>	<u>\$ 1,861,771</u>	<u>\$ 2,785</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 1,864,558</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-	-
Due to other funds	80,652	-	-	2	80,654
Payable to federal government	-	-	-	-	-
Payable to state government	-	-	-	-	-
Other liabilities	-	-	-	-	-
Deferred revenue	-	2,785	-	-	2,785
<b>Total liabilities</b>	<u>80,652</u>	<u>2,785</u>	<u>-</u>	<u>2</u>	<u>83,439</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess surplus - current year	183,201	-	-	-	183,201
Excess surplus - prior year- designated for Subsequent year's expenditures	168,745	-	-	-	168,745
Capital reserve account	100,000	-	-	-	100,000
Maintenance reserve account	830,000	-	-	-	830,000
Tuition reserve account	200,000	-	-	-	200,000
Debt services	-	-	-	-	-
<b>Committed to:</b>					
Other purposes	-	-	-	-	-
<b>Assigned to:</b>					
Designated by the BOE for subsequent year's expenditures	26,137	-	-	-	26,137
<b>Unassigned:</b>					
General fund	273,036	-	-	-	273,036
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Permanent fund	-	-	-	-	-
<b>Total Fund balances</b>	<u>1,781,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,781,119</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,861,771</u>	<u>\$ 2,785</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 1,864,558</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$30,038,190 and the accumulated depreciation is \$5,667,321	24,370,869
Deferred outflows related to the PERS pension plan	124,852
Deferred inflows related to the PERS pension plan	(328,758)
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$52,981.	9,633
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 9)	(8,143,622)
<b>Net assets of governmental activities</b>	<u>\$ 17,814,093</u>

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 11,556,952	\$ -	\$ -	\$ 971,315	\$ 12,528,267
Tuition charges	1,736,539	-	-	-	1,736,539
Interest on investments	2,340	-	-	-	2,340
Miscellaneous	222,184	-	-	-	222,184
Total - Local sources	13,518,015	-	-	971,315	14,489,330
State sources	1,554,051	117,504	-	-	1,671,555
Federal sources	-	307,352	-	-	307,352
Total revenues	15,072,066	424,856	-	971,315	16,468,237
<b>EXPENDITURES</b>					
Current:					
Regular instruction	4,548,354	373,432	-	-	4,921,786
Special education instruction	1,318,468	-	-	-	1,318,468
Other special instruction	837,216	-	-	-	837,216
Support services and undistributed costs:					
Instruction	319,859	-	-	-	319,859
Attendance	222,074	-	-	-	222,074
Health services	423,584	-	-	-	423,584
Other support services	702,721	51,424	-	-	754,145
Educational media services	216,829	-	-	-	216,829
Instruction staff training	-	-	-	-	-
General administrative services	331,203	-	-	-	331,203
School administrative services	422,098	-	-	-	422,098
Information technology	263,147	-	-	-	263,147
Allowed maintenance for school facilities	90,838	-	-	-	90,838
Other operation & maintenance of plant	1,201,740	-	-	-	1,201,740
Student transportation services	322,118	-	-	-	322,118
Business and other support services	-	-	-	-	-
Unallocated employee benefits	2,502,878	-	-	-	2,502,878
Non-budgeted expenditures	1,035,989	-	-	-	1,035,989
Debt service:					
Principal	-	-	-	835,000	835,000
Interest and other charges	-	-	-	136,315	136,315
Capital outlay	89,288	-	-	-	89,288
Total expenditures	14,848,404	424,856	-	971,315	16,244,575
Excess of revenues over expenditures	223,662	-	-	-	223,662
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	223,662	-	-	-	223,662
Fund balance—July 1	1,557,457	-	-	-	1,557,457
Fund balance—June 30	\$ 1,781,119	\$ -	\$ -	\$ -	\$ 1,781,119

See accompanying notes to the financial statements.

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2015

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$</b>	<b>223,662</b>
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation expense \$	(457,024)
	Capital outlays	(420,955)
		<u>36,069</u>
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		(18,026)
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.		835,000
In the statement of activities, the amortization of bond issuance costs is recorded as interest expense. In the governmental funds, the amortization is not recorded.		(9,633)
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>18,320</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>628,368</u></b>

See accompanying notes to the financial statements.

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Proprietary Funds  
 Statement of Net Position  
 as of June 30, 2015

	Business-type Activities - Enterprise Fund		
	Food Service	EBS Technology	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 24,435	\$ 160,338	\$ 184,773
Accounts receivable:			
Local	-	-	-
State	343	-	343
Federal	11,082	-	11,082
Interfunds	5,605	75,046	80,651
Inventories	4,958	-	4,958
Total current assets	46,423	235,384	281,807
Fixed assets:			
Equipment	-	1,005,594	1,005,594
Accumulated depreciation	-	(695,171)	(695,171)
Total fixed assets	-	310,423	310,423
Total assets	\$ 46,423	\$ 545,807	\$ 592,230
Liabilities and Net Position:			
Liabilities:			
Accounts payable	8,515	-	8,515
Lease payable	-	297,801	297,801
Total liabilities	8,515	297,801	306,316
Net position:			
Net investment in capital assets	-	12,622	12,622
Restricted for other purposes	-	-	-
Unassigned	37,908	235,384	273,292
Total net position	37,908	248,006	285,914
Total liabilities and net position	\$ 46,423	\$ 545,807	\$ 592,230

See accompanying notes to the financial statements.

POINT PLEASANT BEACH SCHOOL DISTRICT  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Fund		
	Food Service	EBS Technology	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 159,808	\$ -	\$ 159,808
Daily sales - non-reimbursable programs	24,974	-	24,974
Miscellaneous	-	107,938	107,938
Total operating revenues	<u>184,782</u>	<u>107,938</u>	<u>292,720</u>
Operating expenses:			
Cost of sales	134,507	-	134,507
Salaries	123,603	-	123,603
Miscellaneous	-	4,867	4,867
Interest expense	-	2,612	2,612
Management fees	8,515	-	8,515
Depreciation	-	80,109	80,109
Total operating expenses	<u>266,625</u>	<u>87,588</u>	<u>354,213</u>
Operating income (loss)	<u>(81,843)</u>	<u>20,350</u>	<u>(61,493)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	2,048	-	2,048
Federal sources:			
National school lunch program	62,909	-	62,909
Special milk program	-	-	-
Food distribution program	24,987	-	24,987
Loss on sale of computers	-	-	-
Interest and investment revenue	32	145	177
Total nonoperating revenues (expenses)	<u>89,976</u>	<u>145</u>	<u>90,121</u>
Income (loss) before contributions & transfers	<u>8,133</u>	<u>20,495</u>	<u>28,628</u>
Capital contributions	-	-	-
Transfers in (out)	-	-	-
Change in net position	<u>8,133</u>	<u>20,495</u>	<u>28,628</u>
Total net position—beginning	29,775	227,511	257,286
Total net position—ending	<u>\$ 37,908</u>	<u>\$ 248,006</u>	<u>\$ 285,914</u>

See accompanying notes to the financial statements.

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	<b>Business-type Activities -</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service</b>	<b>EBS Technology</b>	<b>Total Enterprise</b>
Cash Flows from Operating Activities:			
Operating income (loss)	\$ (81,843)	\$ 20,350	\$ (61,493)
Adjustments to reconcile operating loss to cash (used in) provided by operating activities:			
Depreciation	-	80,109	80,109
Loss on disposal of fixed assets	-	-	-
Federal commodities	24,987	-	24,987
Change in assets and liabilities:			
Decrease (increase) in interfund receivable	201	-	201
Decrease (increase) in local receivable	-	101,250	101,250
Decrease (increase) in inventory	1,407	-	1,407
Decrease (increase) in accounts payable	776	-	776
Net cash provided by (used in) operating activities	<u>(54,472)</u>	<u>201,709</u>	<u>147,237</u>
Cash Flows from Noncapital Financing Activities:			
Transfers out	-	-	-
Interest	32	145	177
Cash received from state and federal reimbursements	<u>69,294</u>	<u>-</u>	<u>69,294</u>
Net cash provided by noncapital financing activities	<u>69,326</u>	<u>145</u>	<u>69,471</u>
Cash flows from Capital Activities:			
Payments on lease payable	-	(202,909)	(202,909)
Sale of equipment	-	-	-
Purchase of equipment	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in capital activities	<u>-</u>	<u>(202,909)</u>	<u>(202,909)</u>
Net increase (decrease) in cash and cash equivalents	14,854	(1,055)	13,799
Cash and cash equivalents, July 1	<u>9,581</u>	<u>161,393</u>	<u>170,974</u>
Cash and cash equivalents, June 30	<u>\$ 24,435</u>	<u>\$ 160,338</u>	<u>\$ 184,773</u>
Non cash transactions			
Equipment purchased through lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**June 30, 2015**

	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Agency Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 45,358	\$ 187,089	\$ 629,176	\$ 861,623
Intergovernmental accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>45,358</u>	<u>187,089</u>	<u>629,176</u>	<u>861,623</u>
<b>LIABILITIES</b>				
Accrued wages and salaries	-	-	397,541	397,541
Interfund payable	-	-	139,290	139,290
Payroll deductions and withholdings	-	-	92,345	92,345
Payable to student groups	-	187,089	-	187,089
Other current liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>187,089</u>	<u>629,176</u>	<u>816,265</u>
<b>NET POSITION</b>				
Held in trust for unemployment claims and other purposes	45,358	-	-	45,358
Reserved for scholarships	-	-	-	-
Total net position	<u>45,358</u>	<u>-</u>	<u>-</u>	<u>45,358</u>
Total liabilities and net position	<u>\$ 45,358</u>	<u>\$ 187,089</u>	<u>\$ 629,176</u>	<u>\$ 861,623</u>

See accompanying notes to the financial statements.

POINT PLEASANT BEACH SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2015

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Plan member	\$ -
Other	-
Total Contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	59
Dividends	-
Less investment expense	-
Net investment earnings	59
Total additions	59
<b>DEDUCTIONS</b>	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	-
Change in net position	59
Net position—beginning of the year	45,299
Net position—end of the year	\$ 45,358

See accompanying notes to the financial statements.

Point Pleasant Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2015

**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, 2015 of 839 students.

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

**b. Basis of Presentation**

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

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

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

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

The School District did have bond costs which were being amortized and had previously been included on the Statement of Net Assets. Following these new guidelines the bond costs have been classified as a Deferred Outflow on the Statement of Net Position.

GASB to be Implemented in the current Fiscal Year: In June, 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 ("GASB No. 68). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2014.

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 report financial information of the District as a whole excluding the 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 supported through taxes and user fees, from business-type 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.

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

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

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.

The District reports the following governmental funds:

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

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

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

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

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

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

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

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

The District reports the following proprietary funds:

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

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

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

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

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

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

**c. Basis of Accounting**

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

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

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".

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

**e. Budgets/Budgetary Control**

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

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

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.

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

**g. Cash, Cash Equivalents and Investments**

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

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

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

**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 2014-2015 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 in the enterprise funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

**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.

**1. 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 fair market 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.

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

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

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

**m. Compensated Absences**

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

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

**m. Compensated Absences (continued)**

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.

**n. Unearned/Deferred Revenue**

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

**o. Deferred Outflows/Inflows of Resources**

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

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

**p. Accrued Liabilities and Long-Term Obligations**

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

**q. Net Position**

Net Position represents the difference between assets and liabilities. Net Position invested in capital assets, net of related debt 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)

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

**r. Fund Balance Resources**

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

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

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

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

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

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

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.

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, 2015, the amount earned by these employees but not disbursed was \$397,541.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

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

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2015, the carrying amount of the District's deposits (including Fiduciary funds) was \$2,587,020 and the bank balance was \$2,900,347 of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

Pursuant to Governmental Accounting Standards, the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2015, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

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

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

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

**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: 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.

As of June 30, 2015, the District had \$463,895 on deposit with the New Jersey Asset and Rebate Management Program.

**Custodial Credit Risk:** Pursuant to GASB 40, the NJARM, which is a pooled investment, is exempt from custodial credit risk disclosure. The District does not have a policy for custodial credit risk.

**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 sole investment, the NJARM, is less than one year.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

**4. Capital Reserve Account**

A Capital Reserve Account was established by the Point Pleasant Beach School District by inclusion of \$165,641 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 balance of the Capital Reserve account is \$100,000 at June 30, 2015.

**5. Maintenance Reserve Account**

A Maintenance Reserve Account was established by the Point Pleasant Beach School District by inclusion of \$200,000 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, 2015.

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

The activity of the Maintenance Reserve for the July 01, 2014 to June 30, 2015 fiscal year is as follows:

Balance, July 01, 2014	\$	770,000
Add:		
Board Contributions		60,000
Withdrawals		<u>          -</u>
Balance, June 30, 2015	\$	<u>830,000</u>

**6. Tuition Reserve Account**

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

The activity of the Tuition Reserve for the July 01, 2014 to June 30, 2015 fiscal year is as follows:

Balance, July 01, 2014	\$	150,000
Add:		
Board Contributions		140,000
Withdrawals		<u>(90,000)</u>
Balance, June 30, 2015	\$	<u>200,000</u>

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

**7. Receivables**

Receivables at June 30, 2015, 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	\$ 37,633	\$ 37,632
Federal Aid	8,814	19,896
Interfunds	58,638	139,289
Other	<u>139,825</u>	<u>139,825</u>
	244,910	336,642
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 244,910</u>	<u>\$ 336,642</u>

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

**8. Fixed Assets**

Capital Assets consisted of the following at June 30, 2015:

	<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	18,092,466	-	-	18,092,466
Machinery and Equipment	<u>1,391,555</u>	<u>36,069</u>	<u>-</u>	<u>1,427,624</u>
Totals at Historical Cost	<u>19,484,021</u>	<u>36,069</u>	<u>-</u>	<u>19,520,090</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(3,890,245)	(361,849)	-	(4,252,094)
Machinery and Equipment	<u>(1,320,052)</u>	<u>(95,175)</u>	<u>-</u>	<u>(1,415,227)</u>
Total Accumulated Depreciation	<u>(5,210,297)</u>	<u>(457,024)</u>	<u>-</u>	<u>(5,667,321)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>14,273,724</u>	<u>(420,955)</u>	<u>-</u>	<u>13,852,769</u>
Government Activity Capital Assets, Net	<u>\$ 24,791,824</u>	<u>(420,955)</u>	<u>-</u>	<u>\$ 24,370,869</u>
BUSINESS-TYPE ACTIVITIES:				
Equipment	1,005,594	-	-	1,005,594
Less: Accumulated Depreciation	<u>(615,062)</u>	<u>(80,109)</u>	<u>-</u>	<u>(695,171)</u>
Business-type Activities Capital Assets, Net	<u>\$ 390,532</u>	<u>(80,109)</u>	<u>-</u>	<u>\$ 310,423</u>

Depreciation expense was charged to governmental functions as follows:

Operations and Maintenance	<u>\$457,024</u>
Total depreciation expense	<u>\$457,024</u>

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

**9. Non-current Liabilities**

During the fiscal year ended June 30, 2015, the following changes occurred in the Non-current Liabilities:

	<u>Balance</u> <u>6-30-14</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>6-30-15</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Bonds payable	\$4,365,000	-	(835,000)	3,530,000	855,000
Obligations under capital lease	500,710	-	(202,909)	297,801	96,824
Compensated absences payable	477,603	-	(18,320)	459,283	-
Pension liability - PERS	<u>-</u>	<u>4,154,339</u>	<u>-</u>	<u>4,154,339</u>	<u>192,472</u>
	<u>5,343,313</u>	<u>4,154,339</u>	<u>(1,056,229)</u>	<u>8,441,423</u>	<u>1,144,296</u>

a. Bonds Payable

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

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>
2016	855,000	112,687	967,687
2017	890,000	87,092	977,092
2018	420,000	66,045	486,045
2019	435,000	50,505	485,505
2020	455,000	34,410	489,410
2021	<u>475,000</u>	<u>17,575</u>	<u>49,575</u>
	<u>\$ 3,530,000</u>	<u>\$ 368,314</u>	<u>\$ 3,455,314</u>

b. Bonds Authorized but not Issued

As of June 30, 2015 the School District had no authorized but not issued bonds.

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

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, 2015:

	Year-ending June 30th:	
	2016	104,275
	2017	104,275
	2018	<u>104,276</u>
Total Minimum Lease Payment		312,826
Less: Amount representing Interest		<u>15,025</u>
Present Value of Lease payments		<u>297,801</u>

**10. Contingent Liabilities**

Grant Programs

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

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

**11. Pension Plans**

**Description of Systems**

All required employees of the District are covered by either the Public Employees' Retirement System ("PERS"), the Teachers' Pension and Annuity Fund ("TPAF") or the Defined Contribution Retirement Program (DCRP) which have been established by State statute and are administered by the New Jersey Division of Pension and Benefits ("Division"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

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

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

TPAF was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. TPAF is considered a cost sharing multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

For the year ended Point Pleasant Beach, the District recognized pension expense of \$346,678 and revenue of \$346,678 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.

At June 30, 2015, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.0660394279% of the total plan. The information below was provided from the State of New Jersey June 30, 2014 audit of the TPAF fund and has been adjusted to the District's proportionate share:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual expenditure	\$ -	\$ 14,409
Changes of assumptions	1,512,912	-
Net difference between projected and actual earnings on pension plan investments	-	1,142,075
Changes in proportion and differences between District contributions and proportionate share of contributions	-	55,034
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 1,512,912</u>	<u>\$ 1,211,518</u>

The District's proportionate share of the pension liability at June 30, 2014 as it relates to the District is \$35,295,925.

Point Pleasant Beach School District

Notes to Financial Statements (continued)

11. Pension Plans (continued)

Teachers' Pension and Annuity Fund (TPAF) (continued)

The District's proportionate share of other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense by the State of New Jersey as follows:

Year ended June 30:	
2015	\$ (86,306)
2016	(86,306)
2017	(86,306)
2018	(86,306)
2019	201,170
Thereafter	<u>502,924</u>
Total	<u>358,870</u>

Public Employees' Retirement System (PERS)

PERS was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. PERS is a cost-sharing multi-employer plan. Membership is mandatory for substantially all fulltime employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

For the year ended Point Pleasant Beach, the District recognized pension expense of \$192,472. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.0211607293% of the total plan. The information below was provided from the State of New Jersey June 30, 2014 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	124,582	-
Net difference between projected and actual earnings on pension plan investments	-	236,106
Changes in proportion and differences between District contributions and proportionate share of contributions	-	92,652
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 124,582</u>	<u>\$ 328,758</u>

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

**11. Pension Plans (continued)**

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

The District's proportionate share of the pension liability at June 30, 2014 as it relates to the District as shown on the State of New Jersey PERS audit is \$3,961,867 and has been recorded on the district-wide financials. The current portion due in April 2016 for the June 30, 2015 liability is \$192,472 and has been included on the district-wide financials. The total PERS pension liability at June 30, 2015 is \$4,154,339.

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:		
2015	\$	(36,125)
2016		(36,125)
2017		(36,125)
2018		(36,125)
2019		22,901
Thereafter		<u>10,077</u>
Total		<u>(111,522)</u>

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00 %	0.80 %
Core Bonds	1.00 %	2.49 %
Intermediate-Term Bonds	11.20 %	2.26 %
Mortgages	2.50 %	2.17 %
High Yield Bonds	5.50 %	4.82 %
Inflation-Indexed Bonds	2.50 %	3.51 %
Broad US Equities	25.90 %	8.22 %
Developed Foreign Equities	12.70 %	8.12 %
Emerging Market Equities	6.50 %	9.91 %
Private Equity	8.25 %	13.02 %
Hedge Funds/Absolute Return	12.25 %	4.92 %
Real Estate (Property)	3.20 %	5.80 %
Commodities	2.50 %	5.35 %

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

**12. Pension Plans (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2014, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease ( 4.39 %)</b>	<b>Current Discount Rate ( 5.39 %)</b>	<b>1% Increase ( 6.39 %)</b>
District's proportionate share of the net pension liability	4,984,164	3,961,867	3,103,398

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

**11. Pension Plans (continued)**

**Vesting and Benefit Provisions (PERS & TPAF)**

Vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/15	\$185,109	100%	\$-
6/30/14	170,548	100%	-
6/30/13	168,659	100	-

**Contribution Requirements**

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

11. **Pension Plans (continued)**

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/15	\$897,028	0%	\$-
6/30/14	737,441	0	-
6/30/13	887,975	0	-

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$897,028 to the TPAF for normal and post retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:6666 the State of New Jersey reimbursed the District \$485,639 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements.

**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, 2015 were \$8,425. There was no liability for unpaid contributions at June 30, 2015.

**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)

**12. Post-Retirement Benefits**

P.L. 198, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits of those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, c.126, which provides paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**13. Compensated Absences**

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

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

**14. Deferred Compensation**

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

AXA Equitable

Valic

Point Pleasant Beach School District  
Notes to Financial Statements (continued)

**15. Risk Management**

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014 / 2015	\$ -	\$ -	\$ 59	\$ 45,358
2013 / 2014	-	-	66	45,299
2012 / 2013	-	-	60	45,233

**16. Interfund Receivables and Payables**

The following inter-fund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 150,307	80,852
Special Revenue Fund	-	-
Capital Projects Fund	-	-
Debt Service Fund	-	2
Enterprise Fund	80,852	-
Trust and Agency Fund	-	139,290
	<u>\$ 231,159</u>	<u>220,144</u>

**17. Inventory**

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food & supplies	\$4,958
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Point Pleasant Beach School District  
Notes to Financial Statements (continued)

**18. Fund Balances**

General Fund – Of the \$1,781,119 general fund balance at June 30, 2015, \$168,745 is restricted for excess surplus for subsequent year expenditures, \$26,137 is designated for subsequent year's expenditures, \$830,000 is restricted for the maintenance reserve, \$200,000 is restricted for the tuition reserve, \$100,000 is restricted for the capital reserve, \$183,201 is restricted for excess surplus and \$273,036 is unassigned.

**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, 2015 is \$183,201. The excess fund balance at June 30, 2014 was \$168,745.

**20. Uncertain Tax Positions**

The district had no unrecognized tax benefits. Furthermore, the district had no unrecognized tax benefits at June 30, 2015. 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, 2012.

**21. Subsequent Events**

Management has evaluated subsequent events through November 19, 2015, the date the financial statements were available to be issued.

**22. Prior Period Adjustment**

The implementation of GASB 68 resulted in recording the Deferred Outflows, Deferred Inflows and Pension liability on the June 30, 2015 district-wide financials. The balances at June 30, 2014 have been recorded into the beginning net position (A-1) for a total adjustment of \$4,340,219. This net recording into the net position 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 Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 11,556,952	\$ -	\$ 11,556,952	\$ 11,556,952	\$ -
Tuition from other LEA's within the state	1,596,745	2	1,596,743	1,141,176	(455,567)
Tuition-private	-	-	-	595,363	595,363
Interest on investments	-	-	-	2,340	2,340
Miscellaneous	54,500	(10,352)	64,852	222,184	157,332
<b>Total - local sources</b>	<b>13,208,197</b>	<b>(10,350)</b>	<b>13,218,547</b>	<b>13,518,015</b>	<b>299,468</b>
State sources:					
Transportation aid	10,732	-	10,732	10,732	-
Special education aid	395,137	-	395,137	395,137	-
Security Aid	62,548	-	62,548	62,548	-
Adjustment Aid	221	(167)	388	388	-
Other State Aid	12,827	167	12,660	12,660	-
Extraordinary aid	-	-	-	37,363	37,363
TPAF pension (on-behalf - Non-budgeted)	-	-	-	897,028	897,028
TPAF social security (reimbursed - Non-budgeted)	-	-	-	485,639	485,639
<b>Total state sources</b>	<b>481,465</b>	<b>-</b>	<b>481,465</b>	<b>1,901,495</b>	<b>1,420,030</b>
<b>Total revenues</b>	<b>13,689,662</b>	<b>(10,350)</b>	<b>13,700,012</b>	<b>15,419,510</b>	<b>1,719,498</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Preschool/Kindergarten - Salaries of teachers	195,696	(9,269)	186,427	186,427	-
Grades 1-5 - Salaries of teachers	1,237,032	8,199	1,245,231	1,244,890	341
Grades 6-8 - Salaries of teachers	902,811	(114,800)	788,011	784,994	3,017
Grades 9-12 - Salaries of teachers	1,828,044	59,800	1,887,844	1,887,761	83
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	10,000	-	10,000	7,978	2,022
<b>Regular Programs - Undistributed Instruction:</b>					
Other purchased services (400-500 series)	68,885	32,800	101,685	99,543	2,142
General supplies	190,437	146,100	336,537	311,839	24,698
Textbooks	27,317	(2,100)	25,217	24,922	295
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>4,460,222</b>	<b>120,730</b>	<b>4,580,952</b>	<b>4,548,354</b>	<b>32,598</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	922,428	64,630	987,058	987,053	5
Other salaries for instruction	206,681	2,432	209,113	209,086	27
General supplies	8,500	(900)	7,600	7,564	36
<b>Total Resource Room/Resource Center</b>	<b>1,137,609</b>	<b>66,162</b>	<b>1,203,771</b>	<b>1,203,703</b>	<b>68</b>
<b>Preschool Disabilities - Full Time</b>					
Salaries of teachers	80,669	(4,900)	75,769	75,769	-
Other salaries for instruction	46,431	(4,800)	41,631	38,586	3,045
General supplies	2,000	(1,500)	500	410	90
<b>Total Preschool Disabilities - Full Time</b>	<b>129,100</b>	<b>(11,200)</b>	<b>117,900</b>	<b>114,765</b>	<b>3,135</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>1,266,709</b>	<b>54,962</b>	<b>1,321,671</b>	<b>1,318,468</b>	<b>3,203</b>

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Bilingual Education - Instruction</b>					
Salaries of teachers	\$ 60,869	\$ 3,400	\$ 64,269	\$ 64,215	\$ 54
Purchased professional-Educational services	-	-	-	-	-
General supplies	2,000	(912)	1,088	609	479
<b>Total Bilingual Education - Instruction</b>	<u>62,869</u>	<u>2,488</u>	<u>65,357</u>	<u>64,824</u>	<u>533</u>
<b>School-Spon. Cocurricular Activities - Instruction</b>					
Salaries	495,551	118,346	613,897	613,724	173
Purchased services	35,336	(4,500)	30,836	30,804	32
Supplies and materials	133,008	(65,443)	67,565	67,532	33
Other objects	14,315	25	14,340	14,332	8
Transfer to cover deficit (agency funds)	46,000	-	46,000	46,000	-
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<u>724,210</u>	<u>48,428</u>	<u>772,638</u>	<u>772,392</u>	<u>246</u>
<b>Total Instruction</b>	<u>6,514,010</u>	<u>226,608</u>	<u>6,740,618</u>	<u>6,704,038</u>	<u>36,580</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to private schools for the disabled - w/state	320,884	(5,519)	315,365	315,359	6
Tuition - State Facilities	4,500	-	4,500	4,500	-
<b>Total Undistributed Expenditures - Instruction:</b>	<u>325,384</u>	<u>(5,519)</u>	<u>319,865</u>	<u>319,859</u>	<u>6</u>
<b>Undist. Expend. - Attendance and social work service</b>					
Salaries	220,144	2,109	222,253	222,074	179
<b>Total Undistributed Expenditures - Attendance</b>	<u>220,144</u>	<u>2,109</u>	<u>222,253</u>	<u>222,074</u>	<u>179</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	151,522	12,630	164,152	161,508	2,644
Other purchased services (400-500 series)	240,000	20,400	260,400	257,432	2,968
Supplies and materials	4,500	239	4,739	4,644	95
<b>Total Undistributed Expenditures - Health Services</b>	<u>396,022</u>	<u>33,269</u>	<u>429,291</u>	<u>423,584</u>	<u>5,707</u>
<b>Undist. Expend. - Other Support Serv - Speech OT / PT</b>					
Salaries	75,469	3,200	78,669	78,591	78
Purchased professional - educational services	-	-	3,600	3,600	-
Other objects	1,200	400	1,600	1,452	148
<b>Total Undist. Expend. - Other Support Serv - Speech OT/PT</b>	<u>76,669</u>	<u>3,600</u>	<u>83,869</u>	<u>83,643</u>	<u>226</u>
<b>Undist. Expend. - Other Support Serv Students-Guidance</b>					
Salaries of other professional staff	227,007	(22,900)	204,107	204,028	79
Other purchased services (400-500 series)	4,000	(460)	3,540	2,991	549
<b>Total Undist. Expend. - Other Support Serv - Students-Guidance</b>	<u>231,007</u>	<u>(23,360)</u>	<u>207,647</u>	<u>207,019</u>	<u>628</u>
<b>Undist. Expend. - Other Support Serv - Child Study</b>					
Salaries of other professional staff	231,544	11,100	242,644	242,636	8
Salaries of secretarial and clerical assistants	36,036	250	36,286	36,286	-
Supplies and materials	12,000	(5,400)	6,600	6,571	29
Other objects	8,300	(890)	7,410	7,331	79
<b>Total Undist. Expend. - Other Supp Services - Child Study</b>	<u>287,880</u>	<u>5,060</u>	<u>292,940</u>	<u>292,824</u>	<u>116</u>
<b>Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr</b>					
Salaries of supervisor of instruction	98,451	6,900	105,351	105,345	6
Other salaries	5,000	-	5,000	2,400	2,600
Other purchased services (400-500)	-	22,750	22,750	11,490	11,260
<b>Total Undist. Expend. - Improv of Instruct Serv - Other Sup S</b>	<u>103,451</u>	<u>29,650</u>	<u>133,101</u>	<u>119,235</u>	<u>13,866</u>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	202,612	7,000	209,612	209,501	111
Purchased professional and technical services	-	-	-	-	-
Supplies and materials	14,470	(4,000)	10,470	7,328	3,142
<b>Total Undist. Expend. - Educational Media Services/School Libr</b>	<u>217,082</u>	<u>3,000</u>	<u>220,082</u>	<u>216,829</u>	<u>3,253</u>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Salaries of other professional staff	3,778	(3,778)	-	-	-
Other purchased services (400-500 series)	21,350	(21,350)	-	-	-
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<u>25,128</u>	<u>(25,128)</u>	<u>-</u>	<u>-</u>	<u>-</u>

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	\$ 241,208	\$ 26,715	\$ 267,923	\$ 267,863	\$ 60
Legal services	2,500	6,910	9,410	9,406	4
Audit Fees	17,000	(17,000)	-	-	-
Other purchased professional services	2,500	20,850	23,350	23,201	149
Communications/Telephone	2,000	-	2,000	2,000	-
General supplies	7,100	(4,480)	2,620	2,616	4
BOE membership dues and fees	7,000	84	7,084	7,083	1
Miscellaneous expenditures	22,500	(3,129)	19,371	19,034	337
<b>Total Undist. Expend. - Support Service - General Administration</b>	<b>301,808</b>	<b>29,950</b>	<b>331,758</b>	<b>331,203</b>	<b>555</b>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of principals/Assistant principals	233,528	20,270	253,798	253,464	334
Salaries of secretarial and clerical assistants	117,588	17,700	135,288	135,261	27
Supplies and materials	28,097	(2,700)	25,397	24,350	1,047
Other objects	12,790	(1,280)	11,510	9,023	2,487
<b>Total Undist. Expend. - Support Service - School Administration</b>	<b>392,003</b>	<b>33,990</b>	<b>425,993</b>	<b>422,098</b>	<b>3,895</b>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	232,098	(7,700)	224,398	224,187	211
Purchased professional services	2,500	22,138	24,638	23,492	1,146
Supplies and materials	7,100	2,960	10,060	10,056	4
<b>Total Undist. Expend. - Central Services</b>	<b>241,698</b>	<b>17,398</b>	<b>259,096</b>	<b>257,735</b>	<b>1,361</b>
<b>Undist.- Admin. Info. Technology</b>					
Salaries	3,778	1,680	5,458	5,412	46
<b>Total Undist. Expend - Admin. Info. Technology</b>	<b>3,778</b>	<b>1,680</b>	<b>5,458</b>	<b>5,412</b>	<b>46</b>
<b>Undist. Expend. - Allowed Maintenance for School Facilities</b>					
Salaries	148,735	(148,735)	-	-	-
Cleaning, repair and maintenance services	131,060	(72,230)	58,830	58,828	2
General supplies	101,533	(69,522)	32,011	32,010	1
Other objects	21,953	(21,953)	-	-	-
<b>Total Undist. Expend. - Allowed Maintenance for School Facilities</b>	<b>403,281</b>	<b>(312,440)</b>	<b>90,841</b>	<b>90,838</b>	<b>3</b>
<b>Undist. Expend. - Other Operation &amp; Maintenance of Plant</b>					
Salaries	414,398	160,035	574,433	572,752	1,681
Salaries of Non-Instructional Aides	94,778	(94,778)	95,768	80,990	14,778
Purchased professional and technical services	20,000	-	20,000	20,000	-
Cleaning, repair and maintenance services	-	47,570	47,570	47,446	124
Other purchased property services	2,000	-	2,000	1,747	253
Insurance	166,832	(15,800)	151,032	119,561	31,471
General supplies	-	84,847	84,847	81,547	3,300
Energy (natural gas)	133,000	(133,000)	107,700	97,324	10,376
Energy (energy and electricity)	300,000	(114,000)	186,000	159,625	26,375
Other objects	-	22,463	22,463	20,748	1,715
<b>Total Undist. Expend. - Other Operation &amp; Maintenance Of Plant</b>	<b>1,131,008</b>	<b>(42,663)</b>	<b>1,291,813</b>	<b>1,201,740</b>	<b>90,073</b>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries for pupil transportation (between home and school)	120,137	(9,400)	110,737	110,736	1
Cleaning, repair and maintenance services	12,000	(3,350)	8,650	8,648	2
Contract services (between home & school) - Vendors	111,000	(28,350)	82,650	82,563	87
Contract services - (other than between home and school) -	109,200	(1,925)	107,275	104,550	2,725
Transportation - Gasoline	6,000	12,000	18,000	14,496	3,504
Miscellaneous expenditures	-	1,200	1,200	1,125	75
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>358,337</b>	<b>(29,825)</b>	<b>328,512</b>	<b>322,118</b>	<b>6,394</b>

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Social security contributions	\$ 213,180	\$ -	\$ 213,180	\$ 212,372	\$ 808
Other retirement contributions - PERS	192,473	(6,098)	186,375	185,109	1,266
Other retirement contributions - regular	-	-	-	-	-
Unemployment compensation	20,000	(6,000)	14,000	8,880	5,120
Workmen's compensation	120,439	(120,439)	-	-	-
Health benefits	2,050,474	(2,050,474)	-	-	-
Tuition reimbursement	67,000	(8,700)	58,300	51,510	6,790
Other employee benefits	24,000	2,021,414	2,045,414	2,045,007	407
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<b>2,687,566</b>	<b>(170,297)</b>	<b>2,517,269</b>	<b>2,502,878</b>	<b>14,391</b>
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	897,028	(897,028)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	485,639	(485,639)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,382,667</b>	<b>(1,382,667)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>2,687,566</b>	<b>(170,297)</b>	<b>2,517,269</b>	<b>3,885,545</b>	<b>(1,368,276)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>7,402,246</b>	<b>(242,458)</b>	<b>7,159,788</b>	<b>8,401,756</b>	<b>(1,241,968)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>13,916,256</b>	<b>(15,850)</b>	<b>13,900,406</b>	<b>15,105,794</b>	<b>(1,205,388)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Grades 9-12	2,923	-	2,923	-	2,923
Undistributed Expend. - Required Maint for	10,000	26,200	36,200	36,069	131
<b>Total Equipment</b>	<b>12,923</b>	<b>26,200</b>	<b>39,123</b>	<b>36,069</b>	<b>3,054</b>
<b>Facilities Acquisition and Construction Services</b>					
Assessment for debt service on SDA funding	53,219	-	53,219	53,219	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>53,219</b>	<b>-</b>	<b>53,219</b>	<b>53,219</b>	<b>-</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>66,142</b>	<b>26,200</b>	<b>92,342</b>	<b>89,288</b>	<b>3,054</b>
<b>TOTAL EXPENDITURES</b>	<b>13,982,398</b>	<b>10,350</b>	<b>13,992,748</b>	<b>15,195,082</b>	<b>(1,202,334)</b>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	(292,736)	-	(292,736)	224,428	(517,164)
<b>Fund Balance, July 1</b>	<b>1,597,266</b>		<b>1,597,266</b>	<b>1,597,266</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ 1,304,530</b>	<b>\$ -</b>	<b>\$ 1,304,530</b>	<b>\$ 1,821,694</b>	<b>\$ (517,164)</b>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				100,000	
Maintenance reserve				830,000	
Tuition reserve				200,000	
Excess surplus - Designated for subsequent year's expenditures				168,745	
Excess surplus - Current year				183,201	
Committed Fund Balance:					
Year-end encumbrances				-	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				26,137	
Unassigned Fund Balance				313,611	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				(40,575)	
<b>Fund balance per governmental funds (GAAP)</b>				<b>\$ 273,036</b>	

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	88,833	31,456	120,289	117,504	(2,785)
Federal sources	215,644	91,708	307,352	307,352	-
<b>Total Revenues</b>	<b>304,477</b>	<b>123,164</b>	<b>427,641</b>	<b>424,856</b>	<b>(2,785)</b>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of teachers	75,192	(17,266)	57,926	57,926	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	205,714	90,560	296,274	296,274	-
General supplies	-	-	-	-	-
Technology	-	6,720	6,720	6,720	-
Supplies NP	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	9,791	2,721	12,512	12,512	-
Miscellaneous expenses	-	-	-	-	-
<b>Total instruction</b>	<b>290,697</b>	<b>82,735</b>	<b>373,432</b>	<b>373,432</b>	<b>-</b>
<b>Support services:</b>					
<b>Other support services</b>					
<b>students - special:</b>					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional development	-	-	-	-	-
Purchased professional services	13,780	27,073	40,853	38,068	2,785
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	-	13,356	13,356	13,356	-
Travel	-	-	-	-	-
Nursing services	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-
Personal services	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
<b>Total other support services - students - special</b>	<b>13,780</b>	<b>40,429</b>	<b>54,209</b>	<b>51,424</b>	<b>2,785</b>
<b>Facilities acquisition and const. serv.:</b>					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>304,477</b>	<b>123,164</b>	<b>427,641</b>	<b>424,856</b>	<b>2,785</b>
<b>Other financing sources (uses)</b>					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
<b>Total outflows</b>	<b>304,477</b>	<b>123,164</b>	<b>427,641</b>	<b>424,856</b>	<b>2,785</b>
<b>Excess (deficiency) of revenues</b>					
<b>Over (under) expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				-	
<b>Fund balance per governmental funds (GAAP)</b>				<b>\$ -</b>	

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2015

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

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 15,419,510	[C-2]	\$ 424,856
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.		(346,678)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		39,809		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(40,575)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 15,072,066	[B-2]	\$ 424,856
 <b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 15,195,082	[C-2]	\$ 424,856
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(346,678)		
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]	\$ 14,848,404	[B-2]	\$ 424,856

REQUIRED SUPPLEMENTARY INFORMATION - PART III

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of Net Pension Liability-PERS  
 For the Fiscal Year Ended June 30, 2015

Last 10 Fiscal Years\*

	<u>2015</u>
District's proportion of the net pension liability	0.0211607293%
District's proportionate share of the net pension liability	\$ 4,154,339
District's covered-employee payroll	1,505,817
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	36.25%
Plan fiduciary net position as a percentage of the total pension liability	67.89%

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

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

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of the District Contributions-PERS  
 For the Fiscal Year Ended June 30, 2015

Last 10 Fiscal Years\*

	<u>2015</u>
Contractually required contributions	\$ 174,446
Contributions in relation to the contractually required contribution	<u>174,446</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 1,505,817
Contributions as a percentage of covered-employee payroll	11.58%

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

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of Net Pension Liability-TPAF  
 For the Fiscal Year Ended June 30, 2015

Last 10 Fiscal Years\*

	2015
District's proportion of the net pension liability	0.0660394279%
District's proportionate share of the net pension liability	\$ 35,295,925
District's covered-employee payroll	6,668,291
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	18.89%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2015

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01 %
Salary increases: 2012-2021	2.15 - 4.40 % based on age
Thereafter	3.15 - 5.40 % based on age
Investment rate of return	7.90 %

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

OTHER SUPPLEMENTARY INFORMATION

POINT PLEASANT BEACH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2015

	Title I Part A 14/15	IDEA Part B -Preschool 14/15	Title II Part A/D 14/15	IDEA-Part B Basic 14/15	IDEA-Part B Basic 13/14
<b>Revenues:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	<u>64,726</u>	<u>6,556</u>	<u>20,934</u>	<u>213,534</u>	<u>1,602</u>
<b>Total revenues</b>	<u><b>64,726</b></u>	<u><b>6,556</b></u>	<u><b>20,934</b></u>	<u><b>213,534</b></u>	<u><b>1,602</b></u>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of teachers	51,370	6,556	-	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	213,534	1,602
General supplies	-	-	-	-	-
Technology	-	-	-	-	-
Supplies NP	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
<b>Total instruction</b>	<u><b>51,370</b></u>	<u><b>6,556</b></u>	<u><b>-</b></u>	<u><b>213,534</b></u>	<u><b>1,602</b></u>
<b>Support services:</b>					
<b>Other support services - students - special:</b>					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional Development	-	-	-	-	-
Purchased professional services	-	-	20,934	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	13,356	-	-	-	-
Travel	-	-	-	-	-
Nursing Svcs	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-
Personal Services	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
<b>Total other support services - students - special</b>	<u><b>13,356</b></u>	<u><b>-</b></u>	<u><b>20,934</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Equipment:</b>					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
<b>Total equipment</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Total expenditures</b>	<u><b>\$ 64,726</b></u>	<u><b>\$ 6,556</b></u>	<u><b>\$ 20,934</b></u>	<u><b>\$ 213,534</b></u>	<u><b>\$ 1,602</b></u>

(Continued on next page)

POINT PLEASANT BEACH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2015

(Continued from prior page)

	Nonpublic Technology 14/15	Title 192 14/15	Nonpublic Textbooks 14/15	Nonpublic Nursing 14/15	Total 2015
<b>Revenues:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	6,720	81,138	12,512	17,134	117,504
Federal sources	-	-	-	-	307,352
<b>Total revenues</b>	<u>6,720</u>	<u>81,138</u>	<u>12,512</u>	<u>17,134</u>	<u>424,856</u>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of teachers	-	-	-	-	57,926
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	81,138	-	-	296,274
General supplies	-	-	-	-	-
Technology	6,720	-	-	-	6,720
Supplies NP	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	-	-	12,512	-	12,512
Miscellaneous expenses	-	-	-	-	-
<b>Total instruction</b>	<u>6,720</u>	<u>81,138</u>	<u>12,512</u>	<u>-</u>	<u>373,432</u>
<b>Support services:</b>					
<b>Other support services - students - special:</b>					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-
Professional Development	-	-	-	-	-
Purchased professional services	-	-	-	17,134	38,068
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	-	-	-	-	13,356
Travel	-	-	-	-	-
Nursing Svcs	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-
Personal Services	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
<b>Total other support services - students - special</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,134</u>	<u>51,424</u>
<b>Equipment:</b>					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 6,720</u>	<u>\$ 81,138</u>	<u>\$ 12,512</u>	<u>\$ 17,134</u>	<u>\$ 424,856</u>

POINT PLEASANT BEACH SCHOOL DISTRICT  
Enterprise Fund  
Combining Statement of Net Position  
as of June 30, 2015

	<u>Food Services</u>	<u>EBS Technology</u>
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 24,435	\$ 160,338
Accounts receivable:		
Local	-	-
State	343	-
Federal	11,082	-
Interfunds	5,605	75,046
Inventories	4,958	-
<b>Total current assets</b>	<u>46,423</u>	<u>235,384</u>
<b>Fixed assets:</b>		
Equipment	-	1,005,594
Accumulated depreciation	-	(695,171)
<b>Total fixed assets</b>	<u>-</u>	<u>310,423</u>
<b>Total assets</b>	<u>\$ 46,423</u>	<u>\$ 545,807</u>
<b>Liabilities and Net Position</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 8,515	\$ -
Lease payable	-	297,801
<b>Total liabilities</b>	<u>8,515</u>	<u>297,801</u>
<b>Net position:</b>		
Net investment in capital assets	-	12,622
Restricted for other purposes	-	-
Unassigned	37,908	235,384
<b>Total net position</b>	<u>37,908</u>	<u>248,006</u>
<b>Total liabilities and net position</b>	<u>\$ 46,423</u>	<u>\$ 545,807</u>

POINT PLEASANT BEACH SCHOOL DISTRICT  
Enterprise Fund  
Combining Statement of Revenues, Expenses and  
Changes in Net Position  
for the Fiscal Years ended June 30, 2015

	<u>Food Services</u>	<u>EBS Technology</u>
Operating revenues:		
Local sources:		
Daily sales-reimbursable programs:		
School lunch program	\$ 159,808	\$ -
Total-daily sales-reimbursable programs	159,808	-
Daily sales non-reimbursable programs	24,974	-
Technology fee	-	-
EBS licensing revenue	-	107,938
Total operating revenues	<u>184,782</u>	<u>107,938</u>
Operating expenses:		
Salaries	123,603	-
Management fee	8,515	-
Cost of sales	134,507	-
Depreciation	-	80,109
Miscellaneous	-	4,867
Interest expense	-	2,612
Total operating expenses	<u>266,625</u>	<u>87,588</u>
Operating income (loss)	<u>(81,843)</u>	<u>20,350</u>
Nonoperating revenues:		
State sources:		
State school lunch program	2,048	-
Federal sources:		
National school lunch program	62,909	-
Food distribution program	24,987	-
Special milk program	-	-
Loss on sale of computers	-	-
Interest income	32	145
Total nonoperating revenues	<u>89,976</u>	<u>145</u>
Change in net position	8,133	20,495
Transfer in	-	-
Total net position beginning	<u>29,775</u>	<u>227,511</u>
Total net position ending	<u>\$ 37,908</u>	<u>\$ 248,006</u>

POINT PLEASANT BEACH SCHOOL DISTRICT  
Enterprise Fund  
Combining Statement of Cash Flows  
for the Fiscal Years ended June 30, 2015

	<u>Food Services</u>	<u>EBS Technology</u>
<b>Cash Flows from Operating Activities:</b>		
Operating loss	\$ (81,843)	\$ 20,350
Adjustments to reconcile operating loss to cash provided by (used in) operating activities:		
Depreciation expense	-	80,109
Loss on disposal of fixed assets	-	-
Food distribution program	24,987	-
Change in assets and liabilities:		
Decrease in inventory	1,407	-
Decrease in local receivable		101,250
Decrease in interfund receivable	201	-
Increase in accounts payable	776	-
	<u>(54,472)</u>	<u>201,709</u>
<b>Net cash provided by (used) in operating activities</b>		
<b>Cash Flows from Noncapital Financing Activities:</b>		
Transfer out	-	
Interest income	32	145
Cash received from state and federal reimbursements	69,294	-
	<u>69,326</u>	<u>145</u>
<b>Net cash provided by noncapital financing activities</b>		
<b>Cash flows from Capital Activities:</b>		
Payments on lease payable	-	(202,909)
Sale of equipment	-	-
Purchase of equipment	-	-
	<u>-</u>	<u>(202,909)</u>
<b>Net cash used in capital activities</b>		
<b>Net increase in cash and cash equivalents</b>	14,854	(1,055)
Cash and cash equivalents, July 1	9,581	161,393
Cash and cash equivalents, June 30	<u>\$ 24,435</u>	<u>\$ 160,338</u>
<b>Non-cash transaction:</b>		
Equipment purchased through lease	<u>\$ -</u>	<u>\$ -</u>

POINT PLEASANT BEACH SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2015

	Trust		Student Activity	Agency	
	Unemployment Compensation Trust	Total Trust		Agency Fund	Total Agency
<b>ASSETS</b>					
Cash and cash equivalents	\$ 45,358	\$ 45,358	\$ 187,089	\$ 629,176	\$ 816,265
Intergovernmental accounts receivable	-	-	-	-	-
Interfund receivable	-	-	-	-	-
Total assets	<u>45,358</u>	<u>45,358</u>	<u>187,089</u>	<u>629,176</u>	<u>816,265</u>
<b>LIABILITIES</b>					
Accrued salaries and wages	-	-	-	397,541	397,541
Payroll deductions and withholdings	-	-	-	92,345	92,345
Payable to student groups	-	-	187,089	-	187,089
Interfund payable	-	-	-	139,290	139,290
Due to County Office	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>187,089</u>	<u>629,176</u>	<u>816,265</u>
<b>NET POSITION</b>					
Held in trust for unemployment claims and other purposes	45,358	45,358	-	-	-
Reserved for scholarships	-	-	-	-	-
Total net position	<u>45,358</u>	<u>45,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 45,358</u>	<u>\$ 45,358</u>	<u>\$ 187,089</u>	<u>\$ 629,176</u>	<u>\$ 816,265</u>

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Fiscal Year Ended June 30, 2015

	Unemployment Compensation Trust
<b>ADDITIONS</b>	
Contributions:	
Plan member	\$ -
Other	-
Total Contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	59
Dividends	-
Less investment expense	-
Net investment earnings	59
Total additions	59
<b>DEDUCTIONS</b>	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	-
Change in net position	59
Net position—beginning of the year	45,299
Net position—end of the year	\$ 45,358

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Statement of Activity  
 For the Fiscal Year ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Elementary School	\$ 39,396	205,121	209,298	\$ 35,219
High School	<u>164,688</u>	<u>537,625</u>	<u>550,443</u>	<u>151,870</u>
Total all schools	<u>\$ 204,084</u>	<u>742,746</u>	<u>759,741</u>	<u>\$ 187,089</u>

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Payroll Agency Fund  
 Statement of Changes in Assets and Liabilities  
 For the Fiscal Year ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and cash equivalents	\$ 726,714	11,369,954	11,467,492	\$ 629,176
Total assets	<u>\$ 726,714</u>	<u>11,369,954</u>	<u>11,467,492</u>	<u>\$ 629,176</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 155,957	3,638,385	3,701,997	\$ 92,345
Accrued salaries and wages	431,467	7,731,569	7,765,495	397,541
Interfund payable	139,290	-	-	139,290
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 726,714</u>	<u>11,369,954</u>	<u>11,467,492</u>	<u>\$ 629,176</u>

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Long-Term Debt  
 Statement of Serial Bonds  
 for the Fiscal Years ended June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
Renovation of Elementary School	2/1/2006	\$ 5,434,000	1/14/2016	385,000	3.70%				
			1/13/2017	405,000	3.70%				
			1/13/2018	420,000	3.70%				
			1/13/2019	435,000	3.70%				
			1/13/2020	455,000	3.70%				
			1/12/2021	475,000	3.70%	2,945,000	-	370,000	2,575,000
2010 Refunding of 2001 Bond series	12/10/2010	\$ 2,345,000	7/15/2015	470,000	2.25%				
			7/15/2016	485,000	2.50%	1,420,000	-	465,000	955,000
						<u>\$ 4,365,000</u>	<u>\$ -</u>	<u>\$ 835,000</u>	<u>\$ 3,530,000</u>

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Long-Term Debt  
 Statement of Obligations Under Capital Leases  
 June 30, 2015

<u>Date of Issue</u>	<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Principal Balance July 1, 2014</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Adjustment</u>	<u>Principal Balance Outstanding June 30, 2015</u>
7/1/11	Apple computer lease	3.33%	393,987	100,166	-	100,166	-	-
4/11/14	Apple computer lease	2.50%	400,544	400,544	-	102,743	-	297,801
				<u>\$ 500,710</u>	<u>\$ -</u>	<u>\$ 202,909</u>	<u>\$ -</u>	<u>\$ 297,801</u>

**POINT PLEASANT BEACH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**for the Fiscal Years ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 971,315	\$ -	\$ 971,315	\$ 971,315	\$ -
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	-	-	-	-	-
<b>Total Revenues</b>	<b>971,315</b>	<b>-</b>	<b>971,315</b>	<b>971,315</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	136,315	-	136,315	136,315	-
Redemption of Principal	835,000	-	835,000	835,000	-
Total Regular Debt Service	971,315	-	971,315	971,315	-
<b>Total expenditures</b>	<b>971,315</b>	<b>-</b>	<b>971,315</b>	<b>971,315</b>	<b>-</b>
Excess of Revenues Over Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

**Point Pleasant Beach School District  
Statistical Section**

**Contents****Page****Financial Trends**

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

**86-90****Revenue Capacity**

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

**91-94****Debt Capacity**

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

**95-98****Demographic and Economic Information**

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

**99-100****Operating Information**

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

**101-105**

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Net capital assets	\$ 15,715,333	\$ 17,690,225	\$ 18,579,272	\$ 18,934,134	\$ 19,188,686	\$ 19,367,640	\$ 19,676,060	\$ 20,018,320	\$ 20,446,090	\$ 20,850,502
Restricted	2,898,761	1,423,099	588,789	391,265	497,010	719,171	1,208,810	1,263,474	1,291,481	1,508,083
Unassigned	77,856	(205,743)	(288,656)	(346,331)	(345,565)	(216,098)	(244,506)	(227,733)	(211,627)	(4,544,492)
<b>Total governmental activities net assets/position</b>	<b>\$ 18,691,950</b>	<b>\$ 18,907,581</b>	<b>\$ 18,879,405</b>	<b>\$ 18,979,068</b>	<b>\$ 19,340,131</b>	<b>\$ 19,870,713</b>	<b>\$ 20,640,364</b>	<b>\$ 21,054,061</b>	<b>\$ 21,525,944</b>	<b>\$ 17,814,093</b>
<b>Business-type activities</b>										
Net capital assets	\$ -	\$ 7,344	\$ 139,386	\$ 196,279	\$ 191,799	\$ 150,097	\$ 98,367	\$ 46,576	\$ (110,178)	\$ 12,622
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	15,957	526,254	416,914	291,878	255,447	276,549	235,781	262,667	367,464	273,292
<b>Total business-type activities net assets/position</b>	<b>\$ 15,957</b>	<b>\$ 533,598</b>	<b>\$ 556,300</b>	<b>\$ 488,157</b>	<b>\$ 447,246</b>	<b>\$ 426,646</b>	<b>\$ 334,148</b>	<b>\$ 309,243</b>	<b>\$ 257,286</b>	<b>\$ 285,914</b>
<b>District-wide</b>										
Net capital assets	\$ 15,715,333	\$ 17,697,569	\$ 18,718,658	\$ 19,130,413	\$ 19,380,485	\$ 19,517,737	\$ 19,774,427	\$ 20,064,896	\$ 20,335,912	\$ 20,863,124
Restricted	2,898,761	1,423,099	588,789	391,265	497,010	719,171	1,208,810	1,263,474	1,291,481	1,508,083
Unassigned	93,813	320,511	128,258	(54,453)	(90,118)	60,451	(8,725)	34,934	155,837	(4,271,200)
<b>Total district net assets/position</b>	<b>\$ 18,707,907</b>	<b>\$ 19,441,179</b>	<b>\$ 19,435,705</b>	<b>\$ 19,467,225</b>	<b>\$ 19,787,377</b>	<b>\$ 20,297,359</b>	<b>\$ 20,974,512</b>	<b>\$ 21,363,304</b>	<b>\$ 21,783,230</b>	<b>\$ 18,100,007</b>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities										
Current:										
Regular instruction	\$ (3,995,987)	\$ (4,127,250)	\$ (4,268,562)	\$ (4,383,688)	\$ (4,536,753)	\$ (4,602,596)	\$ (4,774,063)	\$ (4,589,635)	\$ (4,641,838)	\$ (4,921,786)
Special schools instruction	(893,805)	(962,458)	(1,021,073)	(1,002,427)	(988,846)	(1,067,875)	(1,089,601)	(1,150,223)	(1,331,698)	(1,318,468)
Other special instruction	(568,202)	(643,903)	(678,512)	(715,317)	(741,070)	(702,175)	(759,124)	(776,108)	(802,664)	(837,216)
Support services and undistributed costs:										
Instruction	(198,303)	(201,317)	(266,182)	(315,766)	(360,499)	(339,214)	(363,618)	(386,703)	(355,828)	(319,859)
Attendance	(71,326)	(74,406)	(78,545)	(124,999)	(141,526)	(170,134)	(174,248)	(179,947)	(216,904)	(222,074)
Health services	(217,355)	(234,581)	(192,490)	(224,486)	(284,491)	(309,749)	(340,220)	(348,477)	(373,503)	(423,584)
Other support services	(777,773)	(803,932)	(933,910)	(978,258)	(1,187,339)	(882,517)	(648,252)	(981,075)	(825,300)	(754,145)
Educational media services	(75,960)	(75,712)	(80,514)	(139,382)	(184,759)	(197,853)	(206,286)	(213,633)	(217,794)	(216,829)
Instruction staff training	-	-	-	-	-	-	-	-	-	-
General administrative services	(393,836)	(332,331)	(328,127)	(324,326)	(339,506)	(297,585)	(286,281)	(304,334)	(327,909)	(331,203)
Central services	(406,198)	(397,870)	(394,368)	(398,941)	(421,889)	(410,715)	(386,592)	(399,959)	(411,485)	(422,098)
School administrative services	(55,982)	(33,608)	(335,468)	(290,637)	(294,694)	(293,716)	(273,850)	(290,501)	(272,808)	(263,147)
Admin info technology	(50,336)	(56,241)	(82,427)	(94,094)	(144,108)	(86,822)	(245,482)	(252,489)	(180,034)	(90,838)
Allowed maintenance for school facilities	(1,198,870)	(1,491,395)	(1,625,415)	(1,741,295)	(1,696,834)	(1,789,325)	(1,536,035)	(1,559,996)	(1,613,088)	(1,711,983)
Other operation & maintenance of plant	(201,457)	(192,201)	(236,715)	(241,352)	(161,806)	(200,706)	(252,871)	(305,212)	(319,328)	(322,118)
Student transportation services	(268,698)	(281,149)	-	-	-	-	-	-	-	-
Business and other support services	(1,870,295)	(2,063,653)	(2,089,796)	(2,055,789)	(2,031,232)	(1,967,115)	(2,160,115)	(2,215,597)	(2,313,007)	(2,502,584)
Unallocated employee benefits	-	-	-	-	-	-	-	-	-	-
Non-budgeted expenditures	(981,630)	(1,139,658)	(1,407,192)	(838,697)	(880,468)	(900,956)	(1,080,324)	(1,364,798)	(1,173,008)	(1,035,989)
Special schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	(188,298)	(374,877)	(351,907)	(328,301)	(303,737)	(315,560)	(213,870)	(188,127)	(167,980)	(145,948)
Total governmental activities expenses	<u>(12,414,311)</u>	<u>(13,486,542)</u>	<u>(14,371,203)</u>	<u>(14,197,755)</u>	<u>(14,699,557)</u>	<u>(14,534,613)</u>	<u>(14,790,832)</u>	<u>(15,506,814)</u>	<u>(15,544,176)</u>	<u>(15,839,869)</u>
Business-type activities:										
Food service	\$ (295,623)	\$ (361,487)	\$ (365,605)	\$ (458,143)	\$ (433,153)	\$ (410,391)	\$ (510,370)	\$ (413,087)	\$ (439,319)	\$ (354,213)
Total business-type activities expense	<u>(295,623)</u>	<u>(361,487)</u>	<u>(365,605)</u>	<u>(458,143)</u>	<u>(433,153)</u>	<u>(410,391)</u>	<u>(510,370)</u>	<u>(413,087)</u>	<u>(439,319)</u>	<u>(354,213)</u>
Total district expenses	<u>\$ (12,709,934)</u>	<u>\$ (13,848,029)</u>	<u>\$ (14,736,808)</u>	<u>\$ (14,655,898)</u>	<u>\$ (15,132,710)</u>	<u>\$ (14,945,004)</u>	<u>\$ (15,301,202)</u>	<u>\$ (15,919,901)</u>	<u>\$ (15,983,495.00)</u>	<u>\$ (16,194,082)</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	981,630	1,139,658	1,407,192	838,697	880,468	900,956	1,080,324	1,364,798	1,173,008	1,035,989
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>981,630</u>	<u>1,139,658</u>	<u>1,407,192</u>	<u>838,697</u>	<u>880,468</u>	<u>900,956</u>	<u>1,080,324</u>	<u>1,364,798</u>	<u>1,173,008</u>	<u>1,035,989</u>
Business-type activities:										
Charges for services										
Food service	\$ 253,599	\$ 835,357	\$ 334,711	\$ 350,255	\$ 339,654	\$ 331,601	\$ 334,958	\$ 273,076	\$ 295,027	\$ 292,720
Internal Service Fund	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	37,782	43,362	38,348	39,547	52,022	56,766	82,842	114,933	92,153	89,944
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>291,381</u>	<u>878,719</u>	<u>373,059</u>	<u>389,802</u>	<u>391,676</u>	<u>388,367</u>	<u>417,800</u>	<u>388,009</u>	<u>387,180</u>	<u>382,664</u>
Total district program revenues	<u>\$ 1,273,011</u>	<u>\$ 2,018,377</u>	<u>\$ 1,780,251</u>	<u>\$ 1,228,499</u>	<u>\$ 1,272,144</u>	<u>\$ 1,289,323</u>	<u>\$ 1,498,124</u>	<u>\$ 1,752,807</u>	<u>\$ 1,560,188</u>	<u>\$ 1,418,653</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (11,432,681)	\$ (12,346,884)	\$ (12,964,011)	\$ (13,359,058)	\$ (13,819,089)	\$ (13,633,657)	\$ (13,710,508)	\$ (14,142,016)	\$ (14,371,168)	\$ (14,803,880)
Business-type activities	(4,242)	517,232	7,454	517,658	(41,477)	(22,024)	(92,570)	(25,078)	(52,139)	28,451
Total district-wide net expense	<u>\$ (11,436,923)</u>	<u>\$ (11,829,652)</u>	<u>\$ (12,956,557)</u>	<u>\$ (13,427,399)</u>	<u>\$ (13,860,566)</u>	<u>\$ (13,655,681)</u>	<u>\$ (13,803,078)</u>	<u>\$ (14,167,094)</u>	<u>\$ (14,423,307)</u>	<u>\$ (14,775,429)</u>
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 8,323,247	\$ 8,689,532	\$ 8,936,113	\$ 9,293,558	\$ 9,665,300	\$ 10,483,546	\$ 10,595,936	\$ 10,807,855	\$ 11,065,070	\$ 11,556,952
Taxes levied for debt service	490,035	970,614	963,644	965,047	965,472	969,946	965,974	955,738	965,083	971,315
Unrestricted grants and contributions	4,366,180	766,571	818,868	735,300	709,920	316,096	439,214	526,150	504,787	518,062
Restricted grants and contributions	400,530	353,201	434,460	406,784	583,342	387,056	382,798	416,570	424,870	424,856
Tuition revenue	1,477,632	1,426,296	1,669,918	2,010,352	2,037,167	1,967,368	1,748,922	1,799,385	1,736,084	1,736,539
Miscellaneous income	45,372	214,836	67,030	30,341	202,749	35,814	346,472	43,513	144,141	222,184
Investment earnings	107,966	141,465	45,802	17,339	6,202	10,010	843	905	3,016	2,340
Total governmental activities	<u>15,210,962</u>	<u>12,962,515</u>	<u>12,935,835</u>	<u>13,458,721</u>	<u>14,170,152</u>	<u>14,169,836</u>	<u>14,480,159</u>	<u>14,550,116</u>	<u>14,843,051</u>	<u>15,432,248</u>
Business-type activities:										
Investment earnings	\$ 283	\$ 409	\$ 15,248	\$ 198	\$ 566	\$ 1,424	\$ 70	\$ 173	\$ 182	\$ 177
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>283</u>	<u>409</u>	<u>15,248</u>	<u>198</u>	<u>566</u>	<u>1,424</u>	<u>70</u>	<u>173</u>	<u>182</u>	<u>177</u>
Total district-wide	<u>\$ 15,211,245</u>	<u>\$ 12,962,924</u>	<u>\$ 12,951,083</u>	<u>\$ 13,458,919</u>	<u>\$ 14,170,718</u>	<u>\$ 14,171,260</u>	<u>\$ 14,480,229</u>	<u>\$ 14,550,289</u>	<u>\$ 14,843,233</u>	<u>\$ 15,432,425</u>
<b>Change in Net Assets/Position</b>										
Governmental activities	\$ 3,778,281	\$ 215,631	\$ (28,176)	\$ 99,663	\$ 351,063	\$ 536,179	\$ 769,651	\$ 408,100	\$ 471,883	\$ 628,368
Business-type activities	(3,959)	517,641	22,702	(68,143)	(40,911)	(20,600)	(92,500)	(24,905)	(51,957)	28,628
Total district	<u>\$ 3,774,322</u>	<u>\$ 733,272</u>	<u>\$ (5,474)</u>	<u>\$ 31,520</u>	<u>\$ 310,152</u>	<u>\$ 515,579</u>	<u>\$ 677,151</u>	<u>\$ 383,195</u>	<u>\$ 419,926</u>	<u>\$ 656,996</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 178,068	\$ 535,552	\$ 406,377	\$ 127,905	\$ 106,755	\$ 719,171	\$ 1,208,810	\$ 1,263,474	\$ 1,291,481	\$ 1,508,083
Unreserved	190,174	221,862	221,574	183,729	205,290	291,047	255,219	248,511	265,976	273,036
Total general fund	<u>\$ 368,242</u>	<u>\$ 757,414</u>	<u>\$ 627,951</u>	<u>\$ 311,634</u>	<u>\$ 312,045</u>	<u>\$ 1,010,218</u>	<u>\$ 1,464,029</u>	<u>\$ 1,511,985</u>	<u>\$ 1,557,457</u>	<u>\$ 1,781,119</u>
All Other Governmental Funds										
Reserved	\$ 8,084,205	\$ 2,687,597	\$ 182,412	\$ 3,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	(76)	(50)	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	5,597	5,597	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 8,084,129</u>	<u>\$ 2,687,547</u>	<u>\$ 182,412</u>	<u>\$ 3,069</u>	<u>\$ -</u>	<u>\$ 5,597</u>	<u>\$ 5,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax levy	\$ 8,813,282	\$ 9,660,146	\$ 9,899,757	\$ 10,258,605	\$ 10,630,772	\$ 11,453,492	\$ 11,561,910	\$ 11,763,593	\$ 12,030,153	\$ 12,528,267
Tuition charges	1,477,632	1,426,296	1,669,918	2,010,352	2,037,167	1,967,368	1,748,922	1,799,385	1,736,084	1,736,539
Interest earnings	107,966	141,465	45,802	17,339	6,202	10,010	843	905	3,016	2,340
Miscellaneous	45,372	214,836	67,030	30,341	202,749	35,814	346,472	43,513	144,141	222,184
State sources	5,497,695	2,018,654	2,347,666	1,704,145	1,726,630	1,268,955	1,614,273	1,945,389	1,787,067	1,671,555
Federal sources	250,645	240,776	312,854	276,636	457,100	335,153	288,063	319,964	315,598	307,352
<b>Total revenue</b>	<b>16,192,592</b>	<b>13,702,173</b>	<b>14,343,027</b>	<b>14,297,418</b>	<b>15,060,620</b>	<b>15,070,792</b>	<b>15,560,483</b>	<b>15,872,749</b>	<b>16,016,059</b>	<b>16,468,237</b>
<b>Expenditures</b>										
<b>Current:</b>										
Regular instruction	3,995,987	4,127,250	4,268,562	4,383,688	4,536,753	4,602,596	4,774,063	4,589,635	4,641,838	4,921,786
Special education instruction	893,805	962,458	1,021,073	1,002,427	988,846	1,067,875	1,089,601	1,150,223	1,331,698	1,318,468
Other special instruction	568,202	643,903	678,512	715,317	741,070	702,175	759,124	776,108	802,664	837,216
Support services and undistributed costs:										
Instruction	198,303	201,317	266,182	315,766	360,499	339,214	363,618	386,703	355,828	319,859
Attendance	71,326	74,406	78,545	124,999	170,134	170,134	174,248	179,947	216,904	222,074
Health services	217,355	234,581	192,490	224,486	284,491	309,749	340,220	348,477	373,503	423,584
Other support services	777,773	803,932	933,910	978,258	1,187,339	882,517	648,252	981,075	825,300	754,145
Educational media services	75,960	75,712	80,514	139,382	184,759	197,853	206,286	213,633	217,794	216,829
Instruction staff training	393,836	332,331	328,127	324,326	339,506	297,585	286,281	304,334	327,909	331,203
General administrative services	406,198	397,870	394,368	398,941	421,889	410,715	386,592	399,959	411,485	422,098
School administrative services	55,982	33,608	335,468	290,637	294,694	293,716	273,850	290,501	272,808	263,147
Information technology	50,336	56,241	82,427	94,094	144,108	86,822	245,482	252,489	180,034	90,838
Allowed maintenance for school	1,043,349	1,065,044	1,167,021	1,279,282	1,283,694	1,212,713	1,037,227	1,065,051	1,161,637	1,201,740
Other operation & maintenance o	201,457	192,201	236,715	241,352	161,806	200,706	252,871	305,212	319,328	322,118
Student transportation services	268,698	281,149	-	-	-	-	-	-	-	-
Business and other support serv.	1,780,480	1,926,434	2,007,171	2,035,950	2,010,437	2,010,834	2,167,535	2,210,179	2,340,547	2,502,878
Unallocated employee benefits	981,630	1,139,658	1,407,192	838,697	880,468	900,956	1,080,324	1,364,798	1,173,008	1,035,989
Non-budgeted expenditures	-	-	-	-	-	-	-	-	-	-
Special schools	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	301,737	595,737	611,737	636,737	661,735	691,737	761,737	781,737	806,736	835,000
Interest and other charges	188,298	374,877	351,907	328,301	303,737	235,602	204,237	179,598	158,347	136,315
Capital outlay	972,165	5,439,506	2,535,704	180,138	5,957	106,768	55,124	50,731	53,219	89,288
<b>Total expenditures</b>	<b>13,442,877</b>	<b>18,958,215</b>	<b>16,977,625</b>	<b>14,532,778</b>	<b>14,933,314</b>	<b>14,720,267</b>	<b>15,106,672</b>	<b>15,830,390</b>	<b>15,970,587</b>	<b>16,244,575</b>
Excess (Deficiency) of revenues over (under) expenditures	2,749,715	(5,256,042)	(2,634,598)	(235,360)	127,306	350,525	453,811	42,359	45,472	223,662
<b>Other Financing sources (uses)</b>										
FEMA Aid	-	-	-	-	-	-	-	42,165	-	#REF!
Proceeds from borrowing	5,434,000	-	-	-	-	-	-	-	-	#REF!
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	2,345,000	-	-	-	-
Payments to escrow agent	-	-	-	-	-	(2,382,019)	-	(42,165)	-	#REF!
Transfers in	100,316	141,465	23,863	5,839	928	-	-	-	-	-
Transfers out	(100,316)	(141,465)	(23,863)	(5,839)	(928)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>5,434,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(37,019)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>#REF!</b>
<b>Net change in fund balances</b>	<b>8,183,715</b>	<b>(5,256,042)</b>	<b>(2,634,598)</b>	<b>(235,360)</b>	<b>127,306</b>	<b>313,506</b>	<b>453,811</b>	<b>42,359</b>	<b>45,472</b>	<b>#REF!</b>
Debt service as a percentage of noncapital expenditures	2.42%	4.41%	4.24%	4.44%	4.43%	4.73%	5.06%	4.95%	5.07%	5.17%

Source: District records

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

Fiscal Year Ending June 30,	Tuition	Transportation	Interest on Investments	Prior Year Refunds	Rentals	Miscellaneous	Annual Totals
2006	1,477,632	-	7,650	-	-	43,199	1,528,481
2007	1,426,296	-	-	-	-	212,922	1,639,218
2008	1,669,918	-	21,939	-	-	67,030	1,758,887
2009	2,010,352	-	11,500	-	-	30,341	2,052,193
2010	2,037,167	-	5,274	-	-	202,749	2,245,190
2011	-	-	525	-	-	85,000	85,525
2012	1,748,922	-	843	-	-	346,472	2,096,237
2013	1,799,385	-	905	-	-	43,513	1,843,803
2014	465,418	-	905	-	-	144,141	610,464
2015	595,363	-	2,517	-	-	222,184	820,064

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities *	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2006	21,784,000	495,839,900	-	-	146,584,100	-	6,738,300	670,946,300	61,989,000	214,657	609,171,957	1,201,500,434	1.439
2007	82,184,400	495,839,900	-	-	510,319,100	-	20,941,600	1,109,285,000	125,142,980	611,853	984,753,873	5,524,473	0.387
2008	95,929,700	1,939,485,200	-	-	503,915,800	-	15,557,500	2,554,888,200	127,013,600	643,577	2,428,518,177	2,417,985,047	0.402
2009	88,482,500	1,948,969,850	-	-	491,688,300	-	15,202,900	2,544,343,550	131,215,700	684,138	2,413,811,988	2,450,702,000	0.418
2010	95,255,000	1,942,089,980	-	-	481,993,000	14,195,300	496,188,300	3,029,721,580	130,642,900	667,244	2,899,745,924	2,363,907,845	0.448
2011	85,367,400	1,936,501,300	-	-	437,524,700	-	14,195,250	2,473,588,650	130,642,900	1,629,103	2,344,574,853	2,532,643,224	0.464
2012	78,410,100	1,933,842,500	-	-	439,209,200	-	14,195,200	2,465,657,000	130,642,900	525,153	2,335,539,253	2,303,771,826	0.475
2013	56,034,800	1,480,160,500	-	-	327,543,200	-	12,110,700	1,875,849,200	113,658,000	210,914	1,762,402,114	2,061,599,297	0.637
2014	94,330,400	1,485,734,900	-	-	335,788,000	-	12,655,900	1,928,509,200	113,491,300	363,997	1,815,381,897	2,127,374,246	0.646
2015	95,046,200	1,504,470,600	-	-	338,044,400	-	12,779,100	1,950,340,300	114,340,300	363,997	1,836,363,997	2,065,287,933	0.657

Source: Municipal Tax Assessor

\* A revaluation was enacted for 2007

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

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**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Per \$100 of Assessed Valuation**  
**Last ten fiscal years**  
**UNAUDITED**

<b>Assessment Year</b>	<b>Pt. Pleasant Beach School District</b>	<b>Pt. Pleasant Beach Township</b>	<b>Ocean County</b>	<b>Total</b>
2006	1.439	0.642	0.941	3.022
2007	0.387	0.177	0.264	0.828
2008	0.402	0.221	0.282	0.905
2009	0.418	0.226	0.292	0.936
2010	0.448	0.242	0.315	1.005
2011	0.464	0.262	0.318	1.044
2012	0.475	0.292	0.331	1.098
2013	0.637	0.393	0.414	1.444
2014	0.646	0.404	0.449	1.499
2015	0.657	0.409	0.440	1.506

Source: Tax Collector

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

	2015			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Jenkinson's	\$ 92,687,600	1	4.86%	\$ -		0.00%
Chef's International, Inc.	12,330,400	2	0.64%	-		0.00%
1106 Ocean Ave Inc.	12,666,400	3	0.63%	-		0.00%
Cameryn & Dalton	11,570,200	4	0.60%	-		0.00%
Tower Beacon Gardens	9,158,400	5	0.47%	-		0.00%
Senkle Corporation	8,080,200	6	0.42%	-		0.00%
Risden's Beach Corp.	7,360,600	7	0.38%	-		0.00%
Lammers, William	5,453,300	8	0.28%	-		0.00%
Clayton Family, LLC	4,415,400	9	0.23%	-		0.00%
DL Real Estate Holdings	4,221,800	10	0.19%	-		0.00%
Total	\$ 167,944,300		8.70%	\$ -		0.00%

Source: Municipal Tax Assessor

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

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of tax Levy Collected</u>
2006	20,412,394	20,030,590	98.13%
2007	21,205,122	20,691,113	97.58%
2008	23,221,858	22,633,123	97.46%
2009	23,890,944	23,167,721	96.97%
2010	25,519,529	24,779,817	97.10%
2011	25,930,644	25,336,851	97.71%
2012	27,125,914	26,239,124	96.73%
2013	27,126,805	26,739,057	98.57%
2014	29,051,282	28,613,337	98.49%
2015	29,366,244	-	0.00%

Source: Ocean County Board of Taxation

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

Fiscal Year Ended June 30,	Governmental Activities		Business- Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Capital Leases			
2006	9,822,893	-	-	9,822,893	0.003967263	38,970
2007	9,227,156	-	-	9,227,156	0.004374912	40,368
2008	8,615,419	-	327,771	8,943,190	0.46232944%	41,347
2009	7,978,682	-	240,348	8,219,030	0.49412157%	40,612
2010	7,316,947	-	164,240	7,481,187	0.54388428%	40,689
2011	5,171,736	-	197,430	5,369,166	0.78449800%	42,121
2012	5,953,473	-	290,236	6,243,709	0.68894947%	43,016
2013	5,171,736	-	197,430	5,369,166	0.80485498%	43,214
2014	4,365,000	-	500,710	4,865,710	0.00000000%	-
2015	3,530,000	-	297,801	3,827,801	0.00000000%	-

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

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

Fiscal Year Ended <u>June 30, ___</u>	School District <u>Population</u>	Net Assessed Valuation <u>Taxable</u>	Net <u>Bonded Debt</u>	Ratio of Bonded Debt to Assessed <u>Value</u>	Net Bonded Debt per <u>Capita</u>
2006	5,397	661,457,125	5,953,473	0.90%	1,103
2007	5,416	2,149,149,181	9,227,156	0.43%	1,704
2008	5,429	2,149,149,181	8,615,419	0.40%	1,587
2009	5,445	2,149,149,181	7,978,682	0.37%	1,465
2010	4,670	2,149,149,181	7,316,947	0.34%	1,567
2011	4,677	2,532,643,224	6,715,210	0.27%	1,436
2012	4,680	2,303,771,826	5,953,473	0.26%	1,272
2013	4,646	1,875,849,200	5,953,473	0.32%	1,281
2014	4,640	1,928,553,100	11,640,000	0.60%	2,509
2015	4,640	1,928,553,100	11,640,000	0.60%	2,509

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, 2015  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
General Debt	\$ 26,314,795	0.000%	\$ -
Water, Sewer and Utility	5,232,024	0.000%	\$ -
Subtotal, overlapping debt			31,546,819
<b>District Direct Debt</b>			<u>3,530,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 35,076,819</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  
 2015 1,928,553,100  
 2014 1,928,553,100  
 2013 1,875,849,200  
**[A]** \$ 5,732,955,400

**[A/3]** \$ 1,910,985,133

Debt limit (4 % of average equalization vs **[B]** 76,439,405 <sup>a</sup>  
 Total Net Debt Applicable to Limit **[C]** -  
 Legal debt margin **[B-C]** \$ 76,439,405

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 26,631,484	\$ 46,467,378	\$ 46,467,378		0	33,346,580	5,953,473	5,171,736	30,490,459	35,076,819
Total net debt applicable to limit	<u>4,365,000</u>	<u>7,978,682</u>	<u>7,674,058</u>		<u>7,316,947</u>	<u>6,715,210</u>	<u>5,953,473</u>	<u>5,171,736</u>	<u>4,365,000</u>	<u>3,530,000</u>
Legal debt margin	<u>\$ 22,266,484</u>	<u>\$ 38,488,696</u>	<u>\$ 38,793,320</u>		<u>\$ (7,316,947)</u>	<u>26,631,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,125,459</u>	<u>\$ 31,546,819</u>
Total net debt applicable to the limit as a percentage of debt limit	16.39%	17.17%	16.51%		0.00%	20.14%	100.00%	100.00%	14.32%	10.06%

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through L2 district; other % limits would be applicable for other district types.

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

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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2006	5,397	150,350,494	27,852	3.70%
2007	5,416	195,176,392	36,037	3.40%
2008	5,429	214,559,509	39,521	4.30%
2009	5,445	215,191,845	39,521	7.10%
2010	4,670	207,267,256	39,004	9.60%
2011	4,677	196,999,917	42,121	9.30%
2012	4,680	201,314,880	43,016	8.00%
2013	4,646	200,772,244	43,214	6.30%
2014	4,640	-	-	5.90%
2015	-	-	-	0.00%

**Source:**

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

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

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

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

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

Employer	2015			2006		
	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%

Source:

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	69.5	69.5	69.5	69.5	70	66	67	64	64	65
Special education teachers	14.0	14.0	14.0	14.0	14	16	18.5	18	18	17
Other special education										
Vocational										
Other instruction	20.1	20.1	20.1	22.0	19	16	17.5	24	25	27
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	7.7	6.0	6.0	7.0	9	7	7	7	7	7
General administration	1.0	1.0	1.0	1.0	1	1	1	1	1	1
School administrative services	3.8	4.0	4.0	4.0	4	4	3	3	3	3.5
Other administrative services	8.5	6.5	6.5	6.5	6.5	6.5	4	3	3	3
Central services										
Administrative Information Technology	1.0	1.0	1.0	1.0	1	1	1	1	1	1
Plant operations and maintenance	14.0	13.0	13.0	12.0	12	10	10.5	11	10	10.5
Pupil transportation	1.0	2.0	2.0	2.0	3	3	2	2	2	2
Other support services	7.9	8.0	8.0	8.0	8	8	8	13.5	13.5	13.5
Special Schools										
Food Service										
Child Care										
Total	<u>148.5</u>	<u>145.1</u>	<u>145.1</u>	<u>147.0</u>	<u>147.5</u>	<u>138.5</u>	<u>139.5</u>	<u>147.5</u>	<u>147.5</u>	<u>150.5</u>

Source: District Personnel Records

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures <sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff <sup>b</sup></u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) <sup>c</sup></u>	<u>Average Daily Attendance (ADA) <sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2006	879.0	12,168,975	13,844	10.55%	83.50	10.5:1	828.0	828.0	-7.49%	100.00%
2007	865.0	11,218,768	12,970	-6.32%	83.50	10.4:1	805.0	811.0	-2.78%	100.75%
2008	851.0	12,964,011	15,234	17.46%	83.50	10.2:1	838.2	791.3	4.12%	94.40%
2009	800.0	12,981,613	16,227	6.52%	83.50	9.6:1	872.2	826.7	4.06%	94.78%
2010	897.0	13,371,431	14,907	-8.14%	84.00	10.7:1	885.9	837.9	1.57%	94.58%
2011	894.0	13,405,872	14,995	0.59%	82.00	10.9:1	894.7	843.7	0.99%	94.30%
2012	916.0	13,757,900	15,020	0.16%	85.50	10.7:1	877.3	833.4	-1.94%	95.00%
2013	871.0	14,452,485	16,593	10.48%	82.00	10.6:1	812.1	809.7	-7.43%	99.70%
2014	843.0	14,580,634	17,296	4.24%	82.00	10.3:1	824.6	774.9	1.54%	93.97%
2015	848.0	15,195,082	17,919	3.60%	82.00	10.3:1	847.0	800.1	2.72%	94.46%

Sources: District records

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>District Building</b>										
<u>Elementary</u>										
G. Harold Antrim Elementary School										
Square Feet	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200
Capacity (students)	615	615	615	615	615	615	615	615	615	615
Enrollment	495	498	498	478	500	500	494	482	473	450
<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	384	372	363	397	417	416	422	389	370	398

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

Source: District Facilities Office

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Schedule of Required Maintenance  
 For the Fiscal Year Ended June 30, 2015  
 Undistributed Expenditures - required  
 Maintenance For School Facilities  
 11-000-261-XXX  
 UNAUDITED

		<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>School Facilities:</b>	<b>Project # (s)</b>										
G. Harold Antrim Elementary School	N/A	36,335	78,498	60,526	94,999	75,148	75,433	81,600	71,344	29,806	26,678
Point Pleasant Beach High School	N/A	54,503	117,748	53,674	14,758	11,674	11,718	12,676	11,083	4,630	23,658
Total School Facilities		<u>90,838</u>	<u>196,246</u>	<u>114,200</u>	<u>109,757</u>	<u>86,822</u>	<u>87,151</u>	<u>94,276</u>	<u>82,427</u>	<u>34,436</u>	<u>50,336</u>
Other Facilities							-	-	-	-	-
<b>Grand Total</b>		<u>\$ 90,838</u>	<u>\$ 196,246</u>	<u>\$ 114,200</u>	<u>\$ 109,757</u>	<u>\$ 86,822</u>	<u>\$ 87,151</u>	<u>\$ 94,276</u>	<u>\$ 82,427</u>	<u>\$ 34,436</u>	<u>\$ 50,336</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, 2015  
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Multi Peril Package Policy		
Property - NJ School Board Insurance		
Blanket Building and Contents	\$ 42,174,784	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	10,000,000	5,000
Fire Department Service Charge/Arson Reward	10,000	5,000
Flood Zones A & V	10,000,000	500,000
Flood Zone B	50,000,000	10,000
Earthquake	50,000,000	-
Terrorism	1,000,000	-
General Liability - New Jersey School Boards		
Comprehensive General Liability	16,000,000	-
Bodily Injury, Property Damage, Sexual Abuse	16,000,000	-
Each Occurrence	-	-
Sexual Abuse	16,000,000	-
Medical Expense	10,000	100
Employee Benefits Programs	16,000,000	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	250,000	1,000
Automobile - NJSEAIG		
Comprehensive Automobile Liability	16,000,000	-
Uninsured/Underinsured Motorist	1,000,000	-
Personal Injury Protection	250,000	-
Garage Keepers Liability	1,000,000	-
Comprehensive & Collision Deductibles		1,000
Inland Marine		
Blanket Hardware/Software	700,000	1,000
Flood	1,000,000	500,000
Errors and Omissions - N.J. School Boards		
Association Insurance Group	16,000,000	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	50,000,000	-
Workers Compensation - NJ School Boards		
Section A	Statutory	
Section B	2,000,000	Each Accident
	2,000,000	Each Employee
	2,000,000	Aggregate Limit
Student Accident Insurance		
Maximum Benefit Blanket Athletic Coverage		
Including Football	5,000,000	
Public Official Bonds - Selective Insurance Co.		
Barbara Lane Scharmann, 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 AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Board of Education of the Point Pleasant Beach in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2015, 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 November 19, 2015.

**Internal Control Over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

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

#### **Purpose of this Report**

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

Respectfully Submitted



Jump, Perry and Company, LLP  
Toms River, NJ



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

Toms River, NJ  
November 19, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY  
OMB CIRCULAR 04-04 AND/OR 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 Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 and/or 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, 2015. 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular(s) 04-04 and/or 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and the New Jersey OMB Circular 04-04 and/or 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, 2015.

## **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 OMB Circular A-133 and the New Jersey OMB 04-04 and/or 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 OMB Circular A-133 and New Jersey State OMB Circular 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Jump, Perry and Company, L.L.P.  
Toms River, NJ



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

November 19, 2015

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Schedule of Expenditures of Federal Awards  
 for the Fiscal Year ended June 30, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2014</u>	<u>Carryover Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior years' Balances</u>	<u>Deferred Revenue at June 30, 2015</u>	<u>(Accounts Receivable) at June 30, 2015</u>	<u>Due to Grantor at June 30, 2015</u>
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Enterprise Fund:											
Food Distribution Program	10.565	7/1/14-6/30/15	\$ 24,987	\$ -	\$ -	\$ 24,987	\$ (24,987)	\$ -	\$ -	\$ -	\$ -
National School Lunch Program	10.555	7/1/14-6/30/15	62,909	-	-	51,827	(62,909)	-	-	(11,082)	-
National School Lunch Program	10.555	7/1/13-6/30/14	62,614	(15,399)	-	15,399	-	-	-	-	-
<b>Total Enterprise Fund</b>				<b>(15,399)</b>	<b>-</b>	<b>92,213</b>	<b>(87,896)</b>	<b>-</b>	<b>-</b>	<b>(11,082)</b>	<b>-</b>
U.S. Department of Education											
Passed-through State Department of Education:											
Special Revenue Fund:											
I.D.E.A. Part B Basic Regular	84.027	9/1/13-8/31/14	213,230	(21,456)	-	23,058	(1,602)	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	9/1/14-8/31/15	213,534	-	-	204,720	(213,534)	-	-	(8,814)	-
I.D.E.A. Part B Preschool	84.173	9/1/14-8/31/15	6,556	-	-	6,556	(6,556)	-	-	-	-
Title I	84.010	9/1/14-8/31/15	64,726	-	-	64,726	(64,726)	-	-	-	-
Title II	84.168	9/1/13-8/31/14	27,576	(3,206)	-	3,206	-	-	-	-	-
Title II	84.168	9/1/14-8/31/15	20,934	-	-	20,934	(20,934)	-	-	-	-
<b>Total Special Revenue Fund</b>				<b>(24,662)</b>	<b>-</b>	<b>323,200</b>	<b>(307,352)</b>	<b>-</b>	<b>-</b>	<b>(8,814)</b>	<b>-</b>
<b>Total Expenditures of Federal Financial Awards</b>				<b>\$ (40,061)</b>	<b>\$ -</b>	<b>\$ 415,413</b>	<b>\$ (395,248)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (19,896)</b>	<b>\$ -</b>

See accompanying notes to schedules of expenditures.

POINT PLEASANT BEACH SCHOOL DISTRICT  
 Schedule of Expenditures of State Awards  
 for the Fiscal Year ended June 30, 2015

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2014	(Accounts Receivable) at June 30, 2014	Due to Grantor at June 30, 2014	MEMO Budgetary Receivable	Total Expenditures
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover Amount								
State Department of Agriculture:														
Enterprise Fund:														
National School Lunch Program (State Share)	14-100-010-3350-023	7/1/13-6/30/14	\$ 2,212	\$ (363)	\$ -	\$ -	\$ 363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
National School Lunch Program (State Share)	15-100-010-3350-023	7/1/14-6/30/15	2,048	-	-	-	1,705	(2,048)	-	-	(343)	-	-	2,048
Total Enterprise Fund				(363)	-	-	2,068	(2,048)	-	-	(343)	-	-	2,048
State Department of Education:														
General Fund:														
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	395,137	-	-	-	360,926	(395,137)	-	-	-	-	33,300	395,137
Extraordinary Aid	14-495-034-5120-011	7/1/13-6/30/14	37,632	(37,632)	-	-	37,632	-	-	-	-	-	-	-
Extraordinary Aid	15-495-034-5120-011	7/1/14-6/30/15	37,363	-	-	-	-	(37,363)	-	-	(37,363)	-	-	37,363
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	62,548	-	-	-	57,133	(62,548)	-	-	-	-	5,271	62,548
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	388	-	-	-	355	(388)	-	-	-	-	33	388
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	10,732	-	-	-	9,803	(10,732)	-	-	-	-	904	10,732
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	6,330	-	-	-	5,797	(6,330)	-	-	-	-	533	6,330
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	6,330	-	-	-	5,796	(6,330)	-	-	-	-	534	6,330
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	485,639	-	-	-	485,639	(485,639)	-	-	-	-	-	485,639
Total General Fund				(37,632)	-	-	963,081	(1,004,467)	-	-	(37,363)	-	40,575	1,004,467
Special Revenue Fund:														
Chapter 192/193	15-100-034-5120-067	7/1/14-6/30/15	81,138	-	-	-	81,138	(81,138)	-	-	-	-	-	81,138
Technology	15-100-034-5120-373	7/1/14-6/30/15	6,720	-	-	-	6,720	(6,720)	-	-	-	-	-	6,720
Textbooks	15-100-034-5120-064	7/1/14-6/30/15	12,512	-	-	-	12,512	(12,512)	-	-	-	-	-	12,512
Nursing	14-100-034-5120-070	7/1/13-6/30/14	16,212	687	-	-	-	-	(687)	-	-	-	-	-
Nursing	15-100-034-5120-070	7/1/14-6/30/15	19,919	-	-	-	19,919	(17,134)	-	2,785	-	-	-	17,134
Total Special Revenue Fund				687	-	-	120,289	(117,504)	(687)	2,785	-	-	-	117,504
Total State Financial Assistance for testing				(37,308)	\$ -	\$ -	\$ 1,085,438	\$ (1,124,019)	\$ (687)	\$ 2,785	\$ (37,706)	\$ -	\$ 40,575	\$ 1,124,019
Total State Financial Assistance				(37,308)	\$ -	\$ -	\$ 1,085,438	\$ (1,124,019)	\$ (687)	\$ 2,785	\$ (37,706)	\$ -	\$ 40,575	\$ 1,124,019

See accompanying notes to schedules of expenditures.

Point Pleasant Beach School District

Notes to Schedules of Expenditures of Awards and Financial Assistance

June 30, 2015

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

Point Pleasant Beach School District

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

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$347,444 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>TPAF</u>	<u>Total</u>
General Fund	\$ -	1,554,051	(897,028)	657,023
Special Revenue Fund	307,352	117,504	-	424,856
Food Service Fund	<u>87,896</u>	<u>2,048</u>	<u>-</u>	<u>89,944</u>
Total awards and financial assistance	<u>\$ 395,248</u>	<u>1,673,603</u>	<u>(897,028)</u>	<u>\$ 1,171,823</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, 2015.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 04-04 and/or 15-08.

Point Pleasant Beach School District  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015

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 section .510(a) of Circular A-133? \_\_\_\_\_ 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, 2015

Section I – Summary of Auditor’s Results (continued)

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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

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

Internal Control over major programs:

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

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

Any audit findings disclosed that are required  
to be reported in accordance with NJOMB  
Circular Letter 04-04 and/or 15-08?                   yes              X   no

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5095-002	Social Security Contributions

Section II – Financial Statement Findings

No matters were reported for the period ended June 30, 2015.

Section III – State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2015.

Point Pleasant Beach School District  
Summary Schedule of Prior-Year Audit Findings  
For the Fiscal Year Ended June 30, 2015

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings for the period ended June 30, 2014.