SCHOOL DISTRICT

OF

POINT PLEASANT BEACH

OF OCEAN COUNTY

Point Pleasant Beach Board of Education

Point Pleasant Beach, New Jersey

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Of the

Point Pleasant Beach School District
Of Ocean County

Point Pleasant Beach, NJ

For the Fiscal Year Ended June 30, 2010

Prepared by

Point Pleasant Beach Board of Education
Finance Department

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INTRODUCTORY SECTION

POINT PLEASANT BEACH BOARD OF EDUCATION

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

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Point Pleasant Beach, NJ 08742
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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, 2010, 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 48 employees at the high school, 74 at the elementary school and 26 in district positions. School enrollment during 2009-2010 was 421 high school, 476 elementary school, which is 17 students above the 2008-09 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 2009-2010 there were 62 private tuition students. The following details the changes in the student enrollment of the District over the last five years.

Enrollment

Fiscal Year	Student Enrollment	Percentage Change
2009-10	897	1.90%
2008-09	880	3.30%
2007-08	851	(1.65%)
2006-07	865	(1.62%)
2005-06	879	(1.82%)
2004-05	895	(2.23%)
2003-04	915	1.22%

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 $2,545,027,688 in 2009-2010.

3) MAJOR INITIATIVES: Students from Point Pleasant Beach generally continue to score at or above state averages and cutoffs on all measures (EWT, HSPT, SAT, CAT). This year 99% passed language arts, 91% passed math and 98% passed science on the Grade Eight Proficiency Assessments. (General Education Students) 97% of the 11th graders passed Language Arts and 93% passed Math on the High School Proficiency Test. High School SAT scores averaged 517 Critical Reading and 541 Mathematics and 549 Writing. 94% of the Class of 2009 went to college, 2% to vocational training, 1% to the military, 3% to work, and 0% other. Students from our school attend the Ocean County Vocational Technical High School for Vocational Training. The District is a member of the Monmouth-Ocean Educational Services Commission, the New Jersey State Inter Scholastic Athletic Association, The Shore Conference of High Schools and the New Jersey School Boards Association. It is accredited by the Middle States Association

of College and Schools and certified by the State of New Jersey.

The School District has focused on physical plant needs and academic technology in recent years. Multi year plans have been developed for both schools and there has been a sizable financial commitment as well. The voters of Point Pleasant Beach have approved the financing of a $8,988,502 renovation project to the G. Harold Antrim Elementary School. The project, which is a complete renovation to the interior of the building began during the 2005-2006 school year and was completed during the 2007-08 school year. The district was granted state aid of 40% of the project or $3,553,654.

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, 2010.

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, 2010, the District's outstanding debt issues included $6,947 through the Public School Facilities Loan Assistance Program, $3,385,000 through the 2001 High School renovation project and $4,285,000 through the 2006 Antrim Elementary School renovation project. The proceeds of these issues were placed in the District's capital projects fund for use to provide funds for capital improvements to the District' buildings and grounds. The monies from the Public School Facilities Loan Assistance Program were used to offset the costs of such expenses as the work done on the G. Harold Antrim Elementary School Gym Floor, the removal of underground storage tanks, the replacement of exterior doors in the High School, as well as repairs and replacement of various HVAC systems throughout the district. The most recent debt, the high school and elementary school renovations, includes the complete renovation of the respective schools.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statue 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 finds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit finds only in public depositories located in New Jersey, where the finds 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 statues require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Jump, Scutellaro 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,

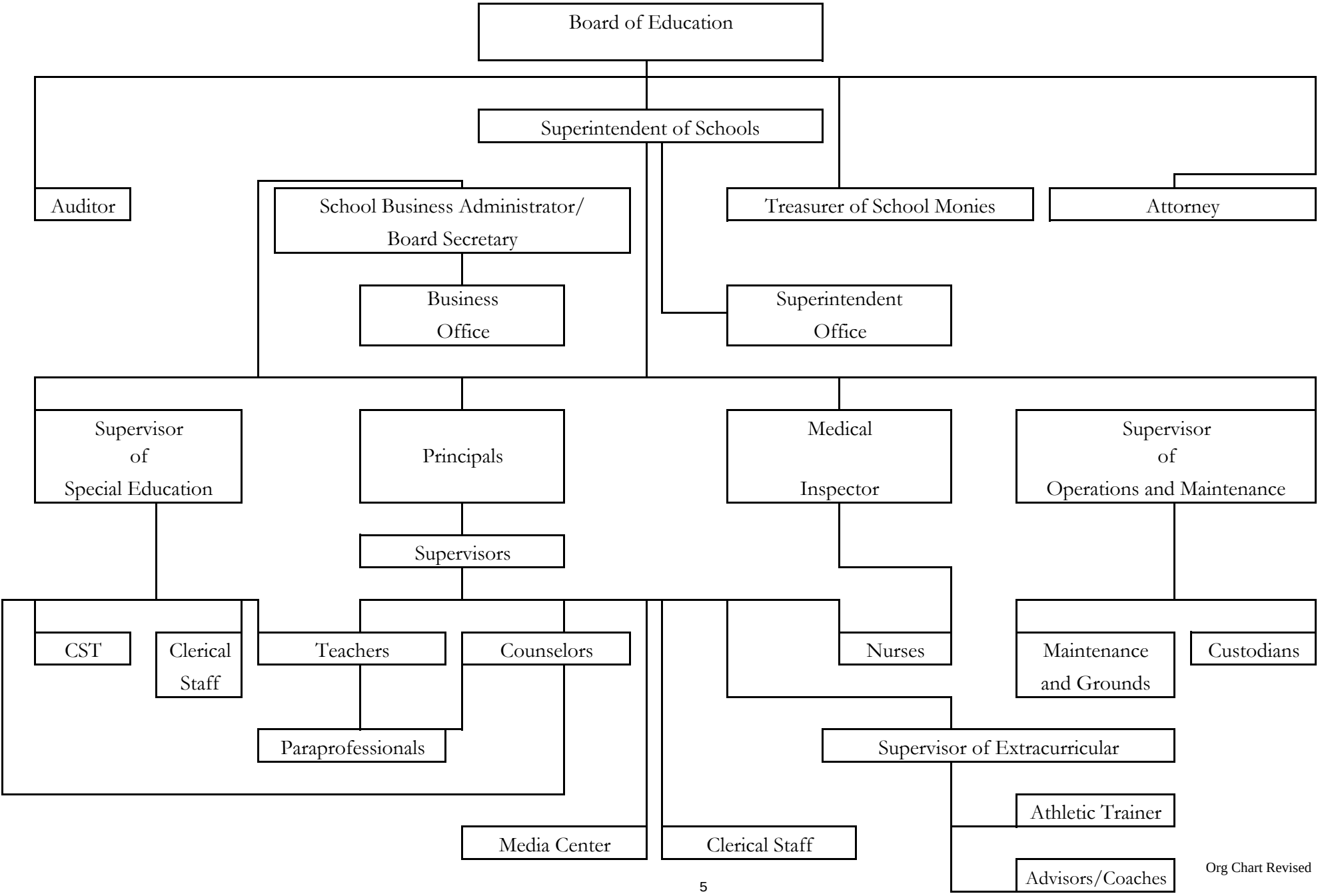
Dr. John A. Ravally
Superintendent of Schools

Dr. Brian F. Savage
School Business Administrator
Board Secretary

Point Pleasant Beach Board of Education

Organizational Chart

(Unit Control)



Org Chart Revised

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

Roster of Officials
June 30, 2010

Members of the Board of Education	Term Expires
James Ireland, President	2012
Eileen Laterza, Vice President	2013
Joyce Papaca	2013
Michael Spader	2012
Lisa Taylor	2011
Phyllis Thomson	2011

Other Officials

Dr. John A. Ravally, Superintendent of Schools
Dr. Brian F. Savage, School Business Administrator/Board Secretary
Barbara Scharmann, Treasurer
Frank Campbell, Esq., Solicitor

Point Pleasant Beach Board of Education
Consultants and Advisors

Architect

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

Audit Firm

Jump, Scutellaro and Company, LLP
12 Lexington Avenue
Toms River, New Jersey 08753

Attorney

Reussille, Mausner, Carotenuto, Barger, Kenny & Steel, LLC
365 Broad Street
P.O. Box 580
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

JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS
12 LEXINGTON AVENUE TOMS RIVER, NJ 08753 PHONE (732) 240-7377 FAX (732) 505-8307 WEBSITE: jumpcpa.com

UNQUALIFIED OPINIONS ON BASIC FINANCIAL
STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMEMTARY
INFORMATION AND SUPPLEMENTARY SCHEDULE OF FEDERAL AWARDS AND OTHER
SUPPLEMENTARY INFORMATION - GOVERNMENTAL ENTITY

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Point Pleasant Beach School District in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Board of Education of the Point Pleasant Beach School District's management. 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 standard 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 Division of 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Point Pleasant Beach School District County of Ocean, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 15, 2010 on our consideration of the District's internal control over the financial reporting and our test 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 other results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Point Pleasant Beach Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical tables are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying Schedules of Federal Awards and State Financial Assistance are presented for the purpose of additional analysis as required by the Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. The combining fund financial statements and schedules listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, financial schedules and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid,* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

JUMP, SCUTELLARO AND COMPANY, L.L.P.

Kathryn Perry
Licensed Public School Accountant
No. CS 20CS00226400

November 15, 2010

REQUIRED SUPPLEMENTARY INFORMATION – PART I

POINT PLEASANT BEACH SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2010

The Management's Discussion and Analysis (MD&A) of the Point Pleasant Beach Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2010. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found starting on page 1 of the Introductory Section, and the School Board's financial statements found in the Financial Section starting on page 21, and the notes thereto.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2009-2010 fiscal year include the following:

In total, net assets increased $320,152, which represents a 1.64% increase from 2009.

Total assets of governmental activities decreased by $422,203 as cash and cash equivalents decreased by $51,287; receivables increased by $116,855; and capital assets decreased by $487,771, largely due to the construction at the Elementary School.

Total liabilities decreased by $742,355 as payables and other current liabilities decreased by $33,051, and non-current liabilities (sick leave reimbursement and bonds payable) decreased by $667,142. The pay down of long-term debt was $661,735.

General revenues account for $13,500,878 in revenue or 89.64% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $1,559,742 or 10.36% of the total revenues of $15,060,620.

Total spending for all programs was $15,132,710, including a charge of $469,376 for depreciation. Expenses in the amount of $880,468 were offset by specific charges for services and grants or contributions. General revenues (primarily local tax levy and state aid) of $15,060,620 were adequate to provide for the balance of these programs, exclusive of the charge for depreciation.

USING THE ANNUAL REPORT

The School Board’s annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board’s finances. For the School Boards governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board’s overall financial health. Fund financial statements also report the School Board’s operations in more detail than the government-wide financial statements by providing information about the School Board’s most significant funds-such as the School Board’s General Fund, Special Revenue Fund and Capital Project Fund. The remaining statement-Statement of Fiduciary Net Assets presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

The School Board’s auditor has provided assurance in their independent auditor’s report, located immediately preceding this Management’s Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the independent auditor’s report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

THE SCHOOL DISTRICT AS A WHOLE

Table I provides a summary of the School Board's net assets as of June 30, 2010 and 2009.

Table I
Statement of Net Assets
June 30, 2010 and 2009

	2010	2009	Percentage Of Change 2009-2010
ASSETS			
Cash and cash equivalents	500,263	$551,550	-9.30%
Receivables and other assets	482,551	365,696	31.95%
Capital Assets	26,861,672	27,349,443	-1.78%
Total assets	27,844,486	28,266,689	-1.49%
LIABILITIES			
Accounts payable	13,556	8,492	59.63%
Deferred revenue	3,758	41,873	-91.03%
Other current liabilities	0	0	0.00%
Payable to federal government	7,744	0	100.00%
Noncurrent liabilities:			
Due within one year	791,757	841,663	-5.93%
Due beyond one year	7,240,294	7,907,436	-8.44%
Total liabilities	8,057,109	8,799,464	-8.44%
NET ASSETS			
Invested in capital assets, net of related debt	19,380,485	19,130,413	1.31%
Restricted for:			
Capital projects	0	3,069	-100.00%
Debt service		0	
Other purposes	497,010	388,196	-28.03%
Unrestricted	-90,118	-54,453	65.50%
Total net assets	19,787,377	$ 19,467,225	1.64%

Total assets decreased by $422,203, primarily due to decrease in receivables and other assets. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements of the School Board, decreased by $35,665 due expenses in excess of revenues in the Business Activities and netted by the decrease in the sick leave reimbursement-which decreases net assets.

Total liabilities decreased by $742,355. The decrease primarily resulted because of the bond payments.

Table II shows the changes in net assets for fiscal year 2010 as compared to fiscal year 2009. This table categorizes total revenue generated by the School Board between program and general revenue, and total expenditures between instruction, support services and special extraordinary items.

Table II
Changes in Net Assets
For the Years Ended June 30, 2010 and 2009

	2010	2009	Percentage of Change 2009-2010
REVENUE			
Program revenue:			
Charges for services	339,654	350,255	-3.03%
Federal, state and local aid-restricted	52,022	39,547	31.54%
General revenue:			
Local tax levy	10,630,772	10,258,605	3.63%
Federal and State aid-unrestricted	709,920	735,300	-3.45%
Federal and State aid-restricted	1,473,810	1,245,481	18.33%
Other general revenue	2,246,684	2,058,230	9.16%
Total revenues	15,452,862	14,687,418	5.21%
FUNCTION/PROGRAM EXPENSES			
Instruction:			
Regular instruction	4,536,753	4,383,688	3.49%
Special instruction	988,846	1,002,427	-1.35%
Other instruction	741,070	715,317	3.60%
Support services:			
Instruction	360,499	315,766	14.17%
Attendance	141,526	124,999	13.22%
Health services	284,491	224,486	26.73%
Other support services	1,187,339	978,258	21.37%
Educational media services	184,759	139,382	32.56%
General administration	339,506	324,326	4.68%
School administration	421,889	398,941	5.75%
Operations and maintenance	2,135,636	2,126,026	0.45%
Student transportation services	161,806	241,352	-32.96%
Unallocated employee benefits	2,031,232	2,055,789	-1.19%
Non-budgeted expenditures	880,468	838,697	4.98%
Business type activities	433,153	458,143	-5.45%
Interest on long-term debt	303,737	328,301	-7.48%
Total expenses	15,132,710	14,655,898	3.25%
Increase (decrease) in net assets	$ 320,152	$ 31,520	915.71%

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 additional grants due to the passage of the ARRA act.

Regular instructional costs increased due to annual wage increases being offset with other cost cutting measures.

Other support services increased by $209,081 primarily due to the additional other support services for the ARRA grant.

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allows 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, 2010, it reported a combined fund balance of $19,787,377, which is an increase of $320,152. 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 $335,755 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about $103,755 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 district 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 2009-2010 fiscal year and will be used to reduce the local tax levy for the 2010-2011 fiscal year.

CAPITAL ASSETS

At June 30, 2010, the School Board had approximately $20.1 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table IV below shows the book value of capital assets at the end of the 2010 and 2009 fiscal years.

Table IV
Capital Assets (net of accumulated depreciation)
June 30, 2010 and 2009

	2010	2009	Percentage of Change 2009-2010
Land, buildings and building improvements	$26,341,562	$26,525,919	-1.31%
Furniture, vehicles and equipment	164,071	386,897	-48.93%
	$26,505,633	$26,912,816	-1.87%

During the current fiscal year, $62,193 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 2009-2010 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 20% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 68.9% of total revenue is from local tax levy.

The ($90,118) in unrestricted net assets 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 2009-2010 budget was adopted in March 2009 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 at or slightly above the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst districts, 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 2010-2011 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and 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 wish to request additional financial information, contact Dr. Brian F. Savage, School Business Administrator/Board Secretary, at the Point Pleasant Beach Schools Board of Education, 299 Cooks Lane, Point Pleasant Beach, New Jersey 08742, or e-mail at savageb@ptbeach.com.

BASIC FINANCIAL STATEMENTS

Exhibit A-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 401,733	$ 98,530	$ 500,263
Receivables - state	32,855	225	33,080
Receivables - other governments	61,878	3,386	65,264
Receivables-other	192,952	-	192,952
Interfund receivables	24,393	160,697	185,090
Inventory	-	6,165	6,165
Capital assets, net (Note 6):	26,505,633	356,039	26,861,672
Total assets	27,219,444	625,042	27,844,486
LIABILITIES			
Accounts payable	-	13,556	13,556
Accrued payroll	-	-	-
Other current liabilities	-	-	-
Interfund payable	-	-	-
Payable to state government	-	-	-
Payable to federal government	7,744	-	7,744
Deferred revenue	3,758	-	3,758
Noncurrent liabilities (Note 7):			
Due within one year	711,699	80,058	791,757
Due beyond one year	7,156,112	84,182	7,240,294
Total liabilities	7,879,313	177,796	8,057,109
NET ASSETS			
Invested in capital assets, net of related debt	19,188,686	191,799	19,380,485
Restricted for:			
Capital projects	-	-	-
Other purposes	497,010	-	497,010
Unrestricted	(345,565)	255,447	(90,118)
Total net assets	$ 19,340,131	$ 447,246	$ 19,787,377

See accompanying notes to the financial statements.

Exhibit A-2

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental activities:							
Current:							
Regular instruction	$ 4,536,753	$ -	$ -	$ -	$ (4,536,753)	$ -	$ (4,536,753)
Special schools instruction	988,846	-	-	-	(988,846)	-	(988,846)
Other special instruction	741,070	-	-	-	(741,070)	-	(741,070)
Support services and undistributed costs:							
Instruction	360,499	-	-	-	(360,499)	-	(360,499)
Attendance	141,526	-	-	-	(141,526)	-	(141,526)
Health services	284,491	-	-	-	(284,491)	-	(284,491)
Other support services	1,187,339	-	-	-	(1,187,339)	-	(1,187,339)
Educational media services	184,759	-	-	-	(184,759)	-	(184,759)
General administrative services	339,506	-	-	-	(339,506)	-	(339,506)
School administrative services	421,889	-	-	-	(421,889)	-	(421,889)
Information technology	294,694	-	-	-	(294,694)	-	(294,694)
Allowed maintenance for school facilities	144,108	-	-	-	(144,108)	-	(144,108)
Other operation & maintenance of plant	1,696,834	-	-	-	(1,696,834)	-	(1,696,834)
Student transportation services	161,806	-	-	-	(161,806)	-	(161,806)
Business and other support services	-	-	-	-	-	-	-
Unallocated employee benefits	2,031,232	-	-	-	(2,031,232)	-	(2,031,232)
Non-budgeted expenditures	880,468	-	880,468	-	-	-	-
Interest on long-term debt	303,737				(303,737)		(303,737)
Total governmental activities	14,699,557	-	880,468	-	(13,819,089)	-	(13,819,089)
Business-type activities:							
Enterprise funds	433,153	339,654	52,022	-	-	(41,477)	(41,477)
Total business-type activities	433,153	339,654	52,022	-	-	(41,477)	(41,477)
Total primary government	$ 15,132,710	$ 339,654	$ 932,490	$ -	$ (13,819,089)	$ (41,477)	$ (13,860,566)
General revenues:							
Taxes:							
Property taxes levied for general purpose					9,665,300	-	9,665,300
Taxes levied for debt service					965,472	-	965,472
Federal and state aid not restricted					709,920	-	709,920
Federal and state aid restricted					593,342	-	593,342
Tution revenues					2,037,167	-	2,037,167
Miscellaneous income					202,749	-	202,749
Investment earnings					6,202	566	6,768
Total general revenues, special items, extraordinary items and transfers					14,180,152	566	14,180,718
Change in net assets					361,063	(40,911)	320,152
Net assets—beginning					18,979,068	488,157	19,467,225
Net assets—ending					$ 19,340,131	$ 447,246	$ 19,787,377

See accompanying notes to the financial statements.

Exhibit B-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 452,109	$ (50,376)	$ -	$ -	$ 401,733
Capital reserve	-	-	-	-	-
Due from other funds	185,090	-	-	9	185,099
Receivables from state	32,855	-	-	-	32,855
Receivables from Federal government	-	61,878	-	-	61,878
Other - [tuition]	192,952	-	-	-	192,952
Intergovermental accounts	-	-	-	-	-
Interest receivable on investments	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	$ 863,006	$ 11,502	$ -	$ 9	$ 874,517
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Accrued wages	-	-	-	-	-
Interfund payable	160,706	-	-	-	160,706
Payable to federal government	.	7,744	-	-	7,744
Payable to state government	-	-	-	-	-
Other liabilities	-	-	-	-	-
Deferred revenue	-	3,758	-	-	3,758
Total liabilities	160,706	11,502	-	-	172,208
Fund Balances:					
Reserved for:					
Encumbrances	-	-	-	-	-
Legally restricted - designated for subsequent year's expenditures	-	-	-	9	9
Capital reserve account	-	-	-	-	-
Excess surplus	106,755	-	-	-	106,755
Excess surplus - designated for Subsequent year's expenditures	93,655	-	-	-	93,655
Other purposes	296,600	-	-	-	296,600
Unreserved, reported in:					
General fund	205,290	-	-		205,290
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Permanent fund	-	-	-	-	-
Total Fund balances	702,300	-	-	9	702,309
Total liabilities and fund balances	$ 863,006	$ 11,502	$ -	$ 9	

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 $29,865,891 and the accumulated depreciation is $3,360,258.	26,505,633
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilties in the funds (see Note 7)	(7,867,811)
Net assets of governmental activities	$ 19,340,131

See accompanying notes to the financial statements.

Exhibit B-2

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	$ 9,665,300	$ -	$ -	$ 965,472	$ 10,630,772
Tuition charges	2,037,167	-	-	-	2,037,167
Interest on investments	5,274	-	928	-	6,202
Interest Earned on Capital Reserve Funds	-	-	-	-	-
Transportation fees	-	-	-	-	-
Miscellaneous	202,749	-	-	-	202,749
Total - Local sources	11,910,490	-	928	965,472	12,876,890
State sources	1,590,388	136,242	-	-	1,726,630
Federal sources	-	457,100	-	-	457,100
Total revenues	13,500,878	593,342	928	965,472	15,060,620
EXPENDITURES					
Current:					
Regular instruction	$ 4,203,849	$ 332,904	$ -	$ -	$ 4,536,753
Special education instruction	988,846	-	-	-	988,846
Other special instruction	741,070	-	-	-	741,070
Support services and undistributed costs:					
Instruction	360,499	-	-	-	360,499
Attendance	141,526	-	-	-	141,526
Health services	284,491	-	-	-	284,491
Other support services	926,901	260,438	-	-	1,187,339
Educational media services	184,759		-	-	184,759
Instruction staff training	-		-	-	-
General administrative services	339,506	-	-	-	339,506
School administrative services	421,889	-	-	-	421,889
Information technology	294,694	-	-	-	294,694
Allowed maintenance for school facilities	144,108	-	-	-	144,108
Other operation & maintenance of plant	1,283,694	-	-	-	1,283,694
Student transportation services	161,806	-	-	-	161,806
Business and other support services	-	-	-	-	-
Unallocated employee benefits	2,010,437	-	-	-	2,010,437
Non-budgeted expenditures	880,468	-	-	-	880,468
Debt service:					
Principal	-	-	-	661,735	661,735
Interest and other charges	-	-	-	303,737	303,737
Capital outlay	2,888	-	3,069	-	5,957
Total expenditures	13,371,431	593,342	3,069	965,472	14,933,314
Excess (Deficiency) of revenues over expenditures	129,447	-	(2,141)	-	127,306
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Transfers in	928	-	-	-	928
Transfers out	-	-	(928)	-	(928)
Total other financing sources and uses	928	-	(928)	-	-
Net change in fund balances	130,375	-	(3,069)	-	127,306
Fund balance—July 1	571,925	-	3,069	9	575,003
Fund balance—June 30	$ 702,300	$ -	$ -	$ 9	$ 702,309

See accompanying notes to the financial statements.

Exhibit B-3

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, 2010

Total net change in fund balances - governmental funds (from B-2)		**$**	**127,306**
Amounts reported for governmental activities in the statement of activities (A-2) are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.			
Depreciation expense	$ (469,376)		
Capital outlays	62,193		(407,183)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			661,735
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.			(20,795)
Change in net assets of governmental activities		**$**	**361,063**

See accompanying notes to the financial statements.

Exhibit B-4

POINT PLEASANT BEACH SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
as of June 30, 2010

	Business-type Activities - Enterprise Fund		
	Food Service	EBS Technology	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	$ 6,639	$ 91,891	$ 98,530
Accounts receivable:			
State	225	-	225
Federal	3,386	-	3,386
Interfunds	9,650	151,047	160,697
Inventories	6,165	-	6,165
Total current assets	26,065	242,938	269,003
Fixed assets:			
Equipment	-	652,187	652,187
Accumulated depreciation	-	(296,148)	(296,148)
Total fixed assets	-	356,039	356,039
Total assets	$ 26,065	$ 598,977	$ 625,042
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	13,556	-	13,556
Lease payable	-	164,240	164,240
Total liabilities	13,556	164,240	177,796
Net assets:			
Invested in capital assets, net of related debt	-	191,799	191,799
Restricted for other purposes	-	-	-
Unrestricted net assets	12,509	242,938	255,447
Total fund equity	12,509	434,737	447,246
Total liabilities and fund equity	$ 26,065	$ 598,977	$ 625,042

See accompanying notes to the financial statements.

Exhibit B-5

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Fund		
	Food Service	EBS Technology	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	$ 215,679	$ -	$ 215,679
Daily sales - non-reimbursable programs	23,964	-	23,964
Miscellaneous	-	100,011	100,011
Total operating revenues	239,643	100,011	339,654
Operating expenses:			
Cost of sales	168,933	-	168,933
Salaries	115,825	-	115,825
Other purchased professional services	-	435	435
Miscellaneous	96	12,490	12,586
Supplies	-	-	-
Management fees	7,649	-	7,649
Depreciation	-	127,725	127,725
Total operating expenses	292,503	140,650	433,153
Operating income (loss)	(52,860)	(40,639)	(93,499)
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	3,384	-	3,384
Federal sources:			
National school lunch program	48,638	-	48,638
Special milk program	-	-	-
Food distribution program	-	-	-
Interest and investment revenue	64	502	566
Total nonoperating revenues (expenses)	52,086	502	52,588
Income (loss) before contributions & transfers	(774)	(40,137)	(40,911)
Capital contributions	-	-	-
Transfers in (out)	-	-	-
Change in net assets	(774)	(40,137)	(40,911)
Total net assets—beginning	13,283	474,874	488,157
Total net assets—ending	$ 12,509	$ 434,737	$ 447,246

See accompanying notes to the financial statements.

Exhibit B-6

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds		
	Food Service	EBS Technology	Total Enterprise
Cash Flows from Operating Activities:			
Operating income (loss)	$ (52,860)	$ (40,639)	$ (93,499)
Depreciation expense	-	127,725	127,725
Adjustments to reconcile operating loss to cash (used in) provided by operating activities:			
Change in assets and liabilities:			
Decrease (increase) in interfund receivable	(5,653)	93,316	87,663
Decrease (increase) in inventory	(358)	-	(358)
Decrease (increase) in accounts payable	5,064	-	5,064
Net cash provided by (used in) operating activities	(53,807)	180,402	126,595
Cash Flows from Noncapital Financing Activities:			
Transfers out	-	-	-
Interest	64	502	566
Cash received from state and federal reimbursements	55,925	-	55,925
Net cash provided by (used in) noncapital financing activities	55,989	502	56,491
Cash flows from Capital Activities:			
Payments on lease payable	-	(76,108)	(76,108)
Purchase of equipment	-	(47,137)	(47,137)
Net cash used in capital activities	-	(123,245)	(123,245)
Net increase in cash and cash equivalents	2,182	57,659	59,841
Cash and cash equivalents, July 1	4,457	34,232	38,689
Cash and cash equivalents, June 30	$ 6,639	$ 91,891	$ 98,530
Non cash transactions			
Equipment purchased through lease	$ -	$ -	$ -

See accompanying notes to the financial statements.

Exhibit B-7

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Fiduciary Net Assets
June 30, 2010

	Unemployment Compensation Trust	Emergency Fund	Student Activity	Agency Fund	Total
ASSETS					
Cash and cash equivalents	$ 55,986	$ 636	$ 160,300	$ 594,686	$ 811,608
Intergovernmental accounts receivable	-	-	-	-	-
Interfund receivable	-	-	-	-	-
Total assets	55,986	636	160,300	594,686	811,608
LIABILITIES					
Accrued wages and salaries	-	-	-	338,237	338,237
Interfund payable	-	-	-	185,090	185,090
Payroll deductions and withholdings	-	-	-	71,359	71,359
Payable to student groups	-	-	160,300	-	160,300
Other current liabilities	-	636	-	-	636
					-
Total liabilities	-	636	160,300	594,686	755,622
NET ASSETS					
Held in trust for unemployment claims and other purposes	55,986	-	-	-	55,986
Reserved for scholarships	-	-	-	-	-
Total net assets	55,986	-	-	-	55,986
Total liabilities and net assets	$ 55,986	$ 636	$ 160,300	$ 594,686	$ 811,608

See accompanying notes to the financial statements.

Exhibit B-8

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	$ -
Other	-
Total Contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	-
Dividends	-
Less investment expense	-
Net investment earnings	-
Total additions	-
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	585
Total deductions	585
Change in net assets	(585)
Net assets—beginning of the year	56,571
Net assets—end of the year	$ 55,986

See accompanying notes to the financial statements.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2010

1. Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Point Pleasant Beach School District (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 Lavalette 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, 2010 of 873 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 whether:

- the organization is legally separate (can sue or be sued in their own name) the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization’s board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

b. Basis of Presentation

The School District’s basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

District-wide Statements: The District adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—For State and Local Governments; Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, as of July 1, 2002. The District's basic financial statements reflect the implementation.

The district-wide financial statements (A-1 and A-2) include the statement of net assets 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 assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year–end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

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 GASB No. 34, Paragraph 76. The NJDOE believes that the presentation of all funds as major is important for pubic 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 New Jersey State Department of Education, the District includes in this fund budgeted Capital Outlay. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from state and federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

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

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

The District reports the following proprietary fund:

Enterprise 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

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

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.

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

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

1. Summary of Significant Accounting Policies (continued)

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 moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

e. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. 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.

1. Summary of Significant Accounting Policies (continued)

f. Encumbrances

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

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

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

g. Cash, Cash Equivalents and Investments

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 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.

1. Summary of Significant Accounting Policies (continued)

h. Tuition Receivable

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

i. Tuition Payable

Tuition charges for the fiscal years 2009-2010 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, 2010.

k. Short-Term Interfund Receivables/Payables

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

l. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated 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 under the half-year convention over the following estimated useful lives:

1. Summary of Significant Accounting Policies (continued)

l. Capital Assets (continued)

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

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

m. Compensated Absences

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

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

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

n. Deferred Revenue

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

1. Summary of Significant Accounting Policies (continued)

o. 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 and 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.

p. Net Assets

Net assets represent the difference between assets and liabilities. Net assets 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 assets are 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 assets are available.

q. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and excess surplus as defined by State law.

r. 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 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.

1. Summary of Significant Accounting Policies (continued)

r. 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 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 purposes; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange 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.

s. 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. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

t. Management Estimates

The preparation of financial statements in conformity with GAAP 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.

u. 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, 2010, the amount earned by these employees but not disbursed was $338,237.

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, 2010, the carrying amount of the District’s deposits (including Fiduciary funds) was $1,311,874 and the bank balance was $1,672,362 of the bank balance, $250,000 was insured with Federal Deposit Insurance.

Pursuant to GASB Statement No. 40, ‘Deposit and Investment Risk Disclosures’ (“GASB 40’), 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 be 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, 2010, 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.

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, 2010, the District had $376,629 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. GASB 40 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.

4. Capital Reserve Account

Capital reserve accounts may be established by New Jersey school district for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity will be included in the general fund annual budget.

4. Capital Reserve Account (continued)

Funds placed in the capital reserve account are restricted to capital projects in the Districts 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 or of excess 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 district does not have a Capital Reserve account.

5. Receivables

Receivables at June 30, 2010, consisted of accounts (rent and tuition), interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Fund Financial Statements	District-Wide financial Statements
State Aid	32,855	33,080
Federal Aid	61,878	65,264
Interfunds	185,090	185,090
Other	192,952	192,952
Gross Receivables	472,775	476,386
Less:		
Allow. for Uncollectibles	-	-
Total Receivables, Net	472,775	476,386

6. Fixed Assets

Capital assets consisted of the following at June 30, 2010:

	Beginning Balance	Additions	Retirements	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Capital assets that are not being depreciated:				
Site and site improvements	$ 10,518,100	-	-	$ 10,518,100
Construction in progress	179,343	23,400	(179,343)	23,400
Total capital assets not being depreciated	10,697,443	23,400	(179,343)	10,541,500
Building and building Improvements	17,857,412	158,229	-	18,015,641
Machinery and equipment	1,248,843	59,907	-	1,308,750
Totals at historical cost	19,106,255	218,136	-	19,324,391
Less accumulated depreciation for:				
Building and improvements	(1,255,142)	(360,313)	-	(1,615,455)
Equipment	(1,635,740)	(109,063)	-	(1,744,803)
Total accumulated depreciation	(2,890,882)	(469,376)	-	(3,360,258)
Total capital assets being depr. net of accumulated depreciation	16,215,373	(251,240)	-	15,964,133
Government activities capital assets, net	$ 26,912,816	(227,840)	(179,343)	$ 26,505,633
BUSINESS-TYPE ACTIVITIES:				
Equipment	605,050	47,137	-	652,187
Less: accumulated deprec.	(168,423)	(127,725)	(-)	(296,148)
Business-type activities capital assets, net	$ 436,627	(80,588)	(-)	$356,039

Depreciation expense was charged to governmental functions as follows:

Operations and maintenance	$469,376
Total depreciation expense	$469,376

7. Non-current Liabilities

During the fiscal year ended June 30, 2010 the following changes occurred in the non-current liabilities:

	Balance 6-30-09	Increase	Decrease	Balance 6-30-10	Due Within One Year
Bonds payable	$7,978,682	-	(661,737)	7,316,947	$691,737
Obligations under capital lease	240,348	-	(76,108)	164,240	80,058
Compensated absences Payable	530,069	44,563	(23,768)	550,864	19,962
	$8,749,099	44,563	(761,611)	8,032,051	$791,757

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:

Year ending June 30,	Principal	Interest	Total
2011	691,737	278,209	969,946
2012	726,737	251,364	978,101
2013	751,737	223,019	974,756
2014	786,736	193,182	979,918
2015	820,000	161,565	981,565
2016-2020	3,065,000	370,988	3,435,988
2021	475,000	17,575	492,575
	$7,316,947	$1,495,902	$8,812,849

b. Bonds Authorized But Not Issued

As of June 30, 2010 the School District had no authorized but not issued bonds.

7. Non-current Liabilities (continued)

c. Obligations Under Capital Leases

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 under these capital leases and the present value of the net minimum lease payments at June 30, 2010:

Year-ending June 30,	
2011	88,598
2012	88,559
Total Minimum Lease Payments	177,157
Less: Amount representing Interest	(12,917)
Present Value of Lease payments	164,240

8. Grant Programs

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

9. Pension Plans

Description of Systems:

All required employees of the District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and the TPAF. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

9. Pension Plans (continued)

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 non-contributing 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.

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 full-time 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.

Vesting and Benefit Provisions - 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.

9. Pension Plans (continued)

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 5 1/2% 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.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	$ -	100 %	$ 0
6/30/09	-	100	0
6/30/08	-	100	0

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/10	$403,312	0 %	$ 0
6/30/09	388,304	0	0
6/30/08	978,161	0	0

During the fiscal year ended June 30, 2010, the State of New Jersey contributed $403,312 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $477,156 during the year ended June 30, 2010 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.

10. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. 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 made post-retirement (PRM) contributions of $1.38 billion for fiscal year 2009 and 3.22 million for fiscal year 2008.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free 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. In fiscal year 2009, the State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members.

11. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences".

District employees are granted varying amounts of sick leave in accordance with the districts personnel policy. District employees who are employed for twelve months are entitled to fourteen paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

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

12. Deferred Compensation

The Board offers its employees a choice of various 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 following is a list of the plan administrators:

AXA Equitable Met Life AIG Valic

13. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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 following is a summary of 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 prior year:

Fiscal Year	District Contributions	Employee Contributions	Interest Income	Ending Balance
2009-2010	$ -	-	(583)	$55,986
2008-2009	$ -	-	132	$56,571
2007-2008	-	-	1,252	$56,439

14. Interfund Receivables and Payables

The following inter-fund balances remained on the balance sheet at June 30, 2010:

Fund	Interfund Receivable	Interfund Payable
General Fund	$185,090	160,706
Special Revenue Fund	-	-
Capital Projects Fund	-	-
Debt Service Fund	9	-
Enterprise Fund	160,697	-
Trust and Agency Fund	-	185,090
	$345,796	$345,796

15. Inventory

Inventory in the Food Service Fund at June 30, 2010 consisted of the following:

Food & supplies	$ 6,165

16. Fund Balance Appropriated

General Fund – Of the $702,300 general fund balance at June 30, 2010, $93,655 is designated for subsequent year expenditures, $176,600 is designated for maintenance reserve, $120,000 is designated for the tuition reserve, $106,755 excess surplus and $205,290 is unreserved and undesignated.

17. 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, 2010 is $106,755. The excess fund balance at June 30, 2009 was $93,655. Pursuant to the provisions of Executive Order No. 14, $- of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund account group due to the 2009-10 withholding of state aid.

18. Subsequent Events

Management has evaluated subsequent events through November 15, 2010, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

Exhibit C-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 9,665,300	-	9,665,300	9,665,300	-
Tuition	2,125,482	-	2,125,482	2,037,167	(88,315)
Interest on investments	-	-	-	5,274	5,274
Interest earned on capital reserve funds	-	-	-	-	-
Transportation fees	-	-	-		-
Miscellaneous	16,003	-	16,003	202,749	186,746
Total - local sources	11,806,785	-	11,806,785	11,910,490	103,705
State sources:					
Transportation aid	47,868	-	47,868	42,868	(5,000)
Special education aid	353,777	-	353,777	353,777	-
Security Aid	54,516	-	54,516	54,720	204
Adjustment Aid	351,550	-	351,550	232,857	(118,693)
Extraordinary aid	-	-	-	32,855	32,855
TPAF pension (on-behalf - Non-budgeted)	-	-	-	403,312	403,312
TPAF social security (reimbursed - Non-budgeted)	-	-	-	477,156	477,156
Total state sources	807,711	-	807,711	1,597,545	789,834
Total revenues	12,614,496	-	12,614,496	13,508,035	893,539
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of teachers	$ 167,446	$ 5,114	172,560	170,939	$ 1,621
Grades 1-5 - Salaries of teachers	1,080,581	33,600	1,114,181	1,112,231	1,950
Grades 6-8 - Salaries of teachers	763,808	30,900	794,708	794,665	43
Grades 9-12 - Salaries of teachers	1,787,067	5,200	1,792,267	1,792,248	19
Regular Programs - Home Instruction:					
Salaries of teachers	10,000	850	10,850	8,576	2,274
Purchased professional-educational services	-	-	-	-	-
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	-	3,700	3,700	3,680	20
Purchased professional-educational services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Other purchased services (400-500 series)	64,690	(5,700)	58,990	55,761	3,229
General supplies	168,879	(3,181)	165,698	162,183	3,515
Textbooks	34,120	69,693	103,813	103,566	247
Other objects	-	-	-	-	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,076,591	140,176	4,216,767	4,203,849	12,918
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	-	-	-	-	-
Other salaries for instruction	-	-	-	-	-
General supplies	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Learning and/or Language Disabilities	-	-	-	-	-

Exhibit C-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of teachers	796,196	(29,890)	766,306	765,811	495
Other salaries for instruction	164,728	(42,286)	122,442	122,422	20
General supplies	21,600	(11,850)	9,750	8,830	920
Other Objects	-	-	-	-	-
Total Resource Room/Resource Center	982,524	(84,026)	898,498	897,063	1,435
Preschool Disablities - Full Time					
Salaries of teachers	78,973	-	78,973	77,816	1,157
Other salaries for instruction	15,112	(3,406)	11,706	10,448	1,258
General supplies	3,000	700	3,700	3,519	181
Total Preschool Disablities - Full Time	97,085	(2,706)	94,379	91,783	2,596
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,079,609	(86,732)	992,877	988,846	4,031
Basic Skills/Remedial - Instruction					
Salaries of teachers	-	5,000	5,000	4,975	25
General supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	-	5,000	5,000	4,975	25
Bilingual Education - Instruction					
Salaries of teachers	58,763	(4,700)	54,063	51,986	2,077
Other purchased services (400-500 series)	-	-	-	-	-
Purchased professional-Educational services	-	-	-	-	-
General supplies	2,300	1,400	3,700	3,698	2
Textbooks	-	-	-	-	-
Other objects	-	-	-	-	-
Total Bilingual Education - Instruction	61,063	(3,300)	57,763	55,684	2,079
School-Spon. Cocurricular Activities - Instruction					
Salaries	490,708	13,269	503,977	492,387	11,590
Purchased services	26,915	-	26,915	26,792	123
Supplies and materials	110,305	(650)	109,655	109,632	23
Other objects	19,250	(10,619)	8,631	8,600	31
Transfer to cover deficit(agency funds)	44,000	(1,000)	43,000	43,000	-
Total School-Spon. Cocurricular Actvts. - Instruction	691,178	1,000	692,178	680,411	11,767
Total Instruction	5,908,441	56,144	5,964,585	5,933,765	30,820
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - special	-	-	-	-	-
Tuition to private schools for the disabled - w/state	285,084	75,653	360,737	360,499	238
Total Undistributed Expenditures - Instruction:	285,084	75,653	360,737	360,499	238
Undist. Expend. - Attendance and social work service					
Salaries	153,436	(11,500)	141,936	141,526	410
Total Undistributed Expenditures - Attendance	153,436	(11,500)	141,936	141,526	410
Undist. Expend. - Health Services					
Salaries	134,931	21	134,952	134,763	189
Purchased professional and technical services	-	-	-	-	-
Other purchased services (400-500 series)	100,000	46,000	146,000	145,294	706
Supplies and materials	3,650	1,041	4,691	4,434	257
Other objects	-	-	-	-	-
Total Undistributed Expenditures - Health Services	238,581	47,062	285,643	284,491	1,152

Exhibit C-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Support Serv - Students Related Service					
Salaries	141,031	2,885	143,916	143,776	140
Other objects	1,500	400	1,900	1,867	33
Total Undist. Expend. - Other Support Serv - Students	142,531	3,285	145,816	145,643	173
Undist. Expend. - Other Support Serv Students-Regular					
Salaries of other professional staff	209,743	(1,000)	208,743	208,582	161
Salaries of secretarial and clerical assistants	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased services (400-500 series)	5,360	12	5,372	5,242	130
Supplies and materials	-	-	-	-	-
Total Undist. Expend. - Other Support Serv - Students-Regular	215,103	(988)	214,115	213,824	291
Undist. Expend. - Other Support Serv - Students-Special					
Salaries of other professional staff	212,268	30,440	242,708	221,544	21,164
Salaries of secretarial and clerical assistants	86,894	2,860	89,754	89,749	5
Supplies and materials	8,000	(5,000)	3,000	2,937	63
Other objects	10,000	(5,600)	4,400	4,197	203
Total Undist. Expend. - Other Supp Services - Students-Special	317,162	22,700	339,862	318,427	21,435
Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr					
Salaries of supervisor of instruction	231,425	4,000	235,425	232,932	2,493
Salaries of other professional staff	-	-	-	-	-
Salaries of secretarial and clerical assist.	-	-	-	-	-
Other salaries	5,000	-	5,000	-	5,000
Other purchased professional and technical services	-	-	-	-	-
Other purchased services (400-500)	30,140	(4,142)	25,998	16,075	9,923
Supplies and materials	-	-	-	-	-
Other objects	-	-	-	-	-
Total Undist. Expend. - Improv of Instruct Serv - Other Sup Se	266,565	(142)	266,423	249,007	17,416
Undist. Expend. - Educational Media Services/School Library					
Salaries	120,343	45,894	166,237	166,221	16
Purchased professional and technical services	-	-	-	-	-
Supplies and materials	21,075	1,521	22,596	18,538	4,058
Total Undist. Expend. - Educational Media Services/School Libra	141,418	47,415	188,833	184,759	4,074
Undist. Expend. - Instruction Staff Training Services					
Salaries of other professional staff	-	-	-	-	-
Salaries of supervisors of instruction	-	-	-	-	-
Other salaries	-	-		-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased services (400-500 series)	-	-	-	-	-
Supplies and materials	-	-	-	-	-
Other objects	-	-	-	-	-
Total Undist. Expend. - Instruction Staff Training Services	-	-	-	-	-
Undist. Expend. - Support Service - General Administration					
Salaries	225,559	3,623	229,182	229,042	140
Legal services	2,500	20,700	23,200	22,701	499
Audit Fees	-	-	-	-	-
Other purchased professional services	19,000	(2,100)	16,900	16,900	-
Purchased technical services	-	-	-	-	-
Communications/Telephone	4,000	-	4,000	4,000	-
Other purchased services (400-500 series)	-	-	-	-	-
General supplies	9,000	(710)	8,290	6,707	1,583
Supplies and materials	-	-	-	-	-
BOE membership dues and fees	-	7,331	7,331	7,331	-
Miscellaneous expenditures	69,500	(15,331)	54,169	52,825	1,344
Total Undist. Expend. - Support Service - General Administratio	329,559	13,513	343,072	339,506	3,566
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	224,696	16,216	240,912	240,397	515
Salaries of secretarial and clerical assistants	113,088	23,200	136,288	136,122	166
Other purchased services (400-500 series)	-	-	-	-	-
Supplies and materials	35,070	(2,881)	32,189	32,084	105
Other objects	11,686	1,600	13,286	13,286	-
Total Undist. Expend. - Support Service - School Administration	384,540	38,135	422,675	421,889	786

Exhibit C-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Central Services					
Salaries	280,826	(14,650)	266,176	258,663	7,513
Purchased professional services	2,500	12,975	15,475	15,468	7
Supplies and materials	9,000	4,110	13,110	13,014	96
Total Undist. Expend. - Central Services	292,326	2,435	294,761	287,145	7,616
Undist.- Admin. Info. Technology					
Salaries	6,674	932	7,606	7,549	57
Total Undist. Expend - Admin. Info. Technology	6,674	932	7,606	7,549	57
Undist. Expend. - Allowed Maintenance for School Facilities					-
Salaries		-			-
Cleaning, repair and maintenance services	105,660	23,518	129,178	128,727	451
General supplies	33,200	(14,697)	18,503	15,381	3,122
Other objects		-			-
Total Undist. Expend. - Allowed Maintenance for School Faciliti	138,860	8,821	147,681	144,108	3,573
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	513,019	35,428	548,447	536,467	11,980
Purchased professional and technical services	119,769	(51,045)	68,724	68,659	65
Cleaning, repair and maintenance services	46,390	(1,391)	44,999	44,794	205
Rental of land and building other than lease	-	-	-	-	-
Other purchased property services	1,500	84	1,584	1,584	-
Insurance	145,565	(25,100)	120,465	120,435	30
General supplies	42,180	7,499	49,679	49,628	51
Energy (energy and electricity)	475,000	(38,700)	436,300	431,104	5,196
Other objects	10,840	21,562	32,402	31,023	1,379
Total Undist. Expend. - Other Operation & Maintenance Of Plant	1,354,263	(51,663)	1,302,600	1,283,694	18,906
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation (between home and school) - Regular		-			-
Salaries for pupil transportation (between home and school) -	49,303	-	49,303	43,574	5,729
Purchased professional and technical services	-	-	-	-	-
Cleaning, repair and maintenance services	5,000	2,575	7,575	7,547	28
Lease purchase payments - School buses	-	-	-	-	-
Contract services (between home & school) - Vendors	85,000	(44,500)	40,500	5,921	34,579
Contract services - (other than between home and school) - \	120,000	17,500	137,500	102,052	35,448
Supplies and materials	5,000	(1,700)	3,300	2,200	1,100
Transportation - Gasoline		-	-	-	-
Miscellaneous expenditures	-	520	520	512	8
Total Undist. Expend. - Student Transportation Services	264,303	(25,605)	238,698	161,806	76,892
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance		-			-
Social security contributions	192,019	-	192,019	182,230	9,789
Other retirement contributions - regular	169,500	(46,500)	123,000	118,551	4,449
Unemployment compensation	-	-	-	-	-
Workmen's compensation	-	-	-	-	-
Health benefits	-	-	-	-	-
Tuition reimbursement	67,000	(14,000)	53,000	20,963	32,037
Other employee benefits	1,891,672	(168,697)	1,722,975	1,688,693	34,282
TOTAL UNALLOCATED EMPLOYEE BENEFITS	2,320,191	(229,197)	2,090,994	2,010,437	80,557

Exhibit C-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	403,312	(403,312)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	477,156	(477,156)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	880,468	(880,468)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,320,191	(229,197)	2,090,994	2,890,905	(799,911)
TOTAL UNDISTRIBUTED EXPENDITURES	6,850,596	(59,144)	6,791,452	7,434,778	(643,326)
TOTAL GENERAL CURRENT EXPENSE	12,759,037	(3,000)	12,756,037	13,368,543	(612,506)
CAPITAL OUTLAY					
Equipment					
Operatopm & Maint. Of plant serv.	-	3,000	3,000	2,888	112
Regular Programs - Instruction:					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Grades 9-12	-	-	-	-	-
Special Education - Instruction:					
Preschool handicapped - Part-time	-	-	-	-	
Basic skills/Remedial - Instruction	-	-	-	-	-
Bilingual education - Instruction	-	-	-	-	-
School - Sponsored and other instructional program	-	-	-	-	-
Undistributed expenditures - Instruction	-	-	-	-	-
Undistributed expenditures - Support services - Special	-	-	-	-	-
Undistributed expenditures - Operation	-	-	-	-	-
Undistributed expenditures - General administration	-	-	-	-	-
Undistributed expenditures - School administration	-	-	-	-	-
Operation & maintenance of plant services	-	-	-	-	-
Student transportation	-	-	-	-	-
Business/Other support services	-	-	-	-	-
Total Equipment	-	3,000	3,000	2,888	112
Facilities Acquisition and Construction Services					
Current capital outlay transfer - Capital projects	-	-	-	-	-
Land and improvements	-	-	-	-	-
Lease purchase agreements - principal	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
TOTAL CAPITAL OUTLAY	-	3,000	3,000	2,888	112
TOTAL EXPENDITURES	12,759,037	-	12,759,037	13,371,431	(612,394)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(144,541)	-	(144,541)	136,604	(281,145)
Other Financing Sources/Uses:					
Transfer to capital projects	-		-	-	-
Operating transfer in:	-		-	-	-
Accumulated interest	-		-	928	(928)
Total Other Financing Sources:	-	-	-	928	(928)

Exhibit C-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures & Other Financing Sources (Uses)	(144,541)	-	(144,541)	137,532	(282,073)
Fund Balance, July 1	642,333		642,333	642,333	-
Fund Balance, June 30	$ 497,792	-	497,792	779,865	$ (282,073)

Recapitulation:	
Reserve for encumbrances	-
Legally restricted-designated for subsequent year's expenditures	-
Capital reserve	-
Excess surplus - designated for Subsequent year's expenditures	93,655
2008-2009 Tution reserve	60,000
2009-2010 Tuition reserve	60,000
Maintenance reserve	176,600
Excess surplus	106,755
Unrestricted/undesignated fund balance	282,855
Reconciliation to governmental funds statements (GAAP)	
Last state aid payment not recongized on GAAP basis	**(77,565)**
Fund balance per governmental funds (GAAP)	**205,290**

Exhibit C-2

POINT PLEASANT BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	$ -	$ -	$ -	$ -	$ -
State sources	89,713	53,807	143,520	136,242	(7,278)
Federal sources	213,014	279,811	492,825	457,100	(35,725)
Total Revenues	**302,727**	**333,618**	**636,345**	**593,342**	**(43,003)**
EXPENDITURES					
Instruction:					
Salaries of teachers	40,202	11,246	51,448	51,448	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	213,930	53,719	267,649	267,649	-
General supplies	-	-	-	-	-
Technology	-	-	-	-	-
Supplies NP	-	396	396	396	-
Tuition	-	-	-	-	-
Textbooks	10,743	3,023	13,766	13,411	355
Miscellaneous expenses	-	-	-	-	-
Total instruction	264,875	68,384	333,259	332,904	355
Support services:					
Other support services					
students - special:					
Other professional staff salaries	-	-	-	-	-
Secretarial/Clerical salaries	-	109,009	109,009	109,009	-
Professional develoment	21,497	22,544	44,041	39,143	4,898
Purchased professional services	1,853	57,083	58,936	31,513	27,423
Other purchased professional services	-	46,653	46,653	46,652	1
Purchased technical services	-	-	-	-	-
Employee benefits	-	20,514	20,514	20,514	-
Travel	-	-	-	-	-
Nursing services	14,502	5,591	20,093	13,170	6,923
Miscellaneous purchased services	-	-	-	-	-
Personal services	-	-	-	-	-
General supplies	-	3,840	3,840	437	3,403
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	37,852	265,234	303,086	260,438	42,648
Facilities acquisition and const. serv.:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total expenditures	**302,727**	**333,618**	**636,345**	**593,342**	**43,003**
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
	-	-	-	-	-
Total outflows	**302,727**	**333,618**	**636,345**	**593,342**	**43,003**
Excess (deficiency) of revenues Over (under) expenditures	$ -	$ -	$ -	$ -	$ -

Reconciliation to governmental funds statements (GAAP)	
Last state aid payment not recongized on GAAP basis	-
Fund balance per governmental funds (GAAP)	**$ -**

Exhibit C-3

POINT PLEASANT BEACH SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2010

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	**[C-1]**	$ 13,508,035	**[C-2]**	$ 593,342
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		70,408		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(77,565)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	**[B-2]**	$ 13,500,878	**[B-2]**	$ 593,342
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	**[C-1]**	$ 13,371,431	**[C-2]**	$ 593,342
Differences - budget to GAAP				
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]**	$ 13,371,431	**[B-2]**	$ 593,342

OTHER SUPPLEMENTARY INFORMATION

Schedule E-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

	Title I ARRA 09/10	Title I Part A 09/10	IDEA-Part B Preschool 09/10	IDEA-Part B Basic 09/10	IDEA Part B -Preschool ARRA 09/10	IDEA ARRA 09/10
Revenues:						
Local sources	$ -	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-	-
Federal sources	13,475	43,865	6,054	185,559	6,827	164,865
Total revenues	13,475	43,865	6,054	185,559	6,827	164,865
Expenditures:						
Instruction:						
Salaries of teachers	10,667	34,727	6,054	-		-
Other salaries/instruction	-	-	-	-	6,827	102,182
Purchased professional services	-	-	-	157,988	-	
General supplies	-	-	-	-	-	-
Technology	-	-	-	-	-	-
Supplies NP	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	10,667	34,727	6,054	157,988	6,827	102,182
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-	-
Professional Development NP	675	-	-	-	-	4,595
Purchased professional services	-	2,193	-	27,571	-	-
Other purchased professional services	-	-	-	-	-	46,652
Purchased technical services	-	-	-	-	-	-
Employee benefits	2,133	6,945	-	-	-	11,436
Travel	-	-	-	-	-	-
Nursing Svcs	-	-	-	-	-	
Miscellaneous purchased services	-	-	-	-	-	-
Personal Services	-	-	-	-	-	
General supplies	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total other support services - students - special	2,808	9,138	-	27,571	-	62,683
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	-	-	-	-	-	-
Total expenditures	$ 13,475	$ 43,865	$ 6,054	$ 185,559	$ 6,827	$ 164,865

(Continued on next page)

Exhibit E-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2010

(Continued from prior page)

	Title 192 09/10	Title II 08/09	Title IV 09/10	Title II Part A/D 09/10	Nonpublic Textbooks 09/10	Nonpublic Nursing 09/10	Total 2010
Revenues:							
Local sources	$ -	-	-	-	$ -	$ -	$ -
State sources	109,661	-	-	-	13,411	13,170	136,242
Federal sources	-	437	2,145	33,873	-	-	457,100
Total revenues	109,661	437	2,145	33,873	13,411	13,170	593,342
Expenditures:							
Instruction:							
Salaries of teachers	-	-	-	-	-	-	51,448
Other salaries/instruction	-	-	-	-	-	-	109,009
Purchased professional services	109,661	-	-	-	-	-	267,649
General supplies	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Supplies NP	-	-	396		-	-	396
Tuition	-	-	-	-	-	-	-
Textbooks	-	-	-	-	13,411	-	13,411
Miscellaneous expenses	-	-	-	-	-	-	-
Total instruction	109,661	-	396	-	13,411	-	441,913
Support services:							
Other support services - students - special:							
Other professional staff salaries	-	-	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-	-	-
Professional Development NP		-	-	33,873			39,143
Purchased professional services	-	-	1,749	-	-	-	31,513
Other purchased professional services	-	-	-	-	-	-	46,652
Purchased technical services	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	20,514
Travel	-	-	-	-	-	-	-
Nursing Svcs	-	-	-	-	-	13,170	13,170
Miscellaneous purchased services	-	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-	-
General supplies	-	437	-	-	-	-	437
Miscellaneous expenses	-	-	-	-	-	-	-
Total other support services - students - special	-	437	1,749	33,873	-	13,170	151,429
Equipment:							
Regular programs instruction	-	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-	-
Total equipment	-	-	-	-	-	-	-
Total expenditures	$ 109,661	$ 437	$ 2,145	$ 33,873	$ 13,411	$ 13,170	$ 593,342

Exhibit F-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and
Changes in Fund Balance-Budgetary Basis
for the Fiscal Years ended June 30, 2010

Revenues and Other Financing Sources	
State Sources - SCC Grant	$ -
Bond proceeds and transfers	-
Federal Government grants	-
Transfer from capital reserve	-
Transfer from capital outlay	-
Total revenues	-
Expenditures and Other Financing Uses	
Purchased professional and technical services	-
Land and improvements	-
Construction services	3,069
Equipment purchases	-
Total expenditures	3,069
Deficiency of revenues under expenditures	(3,069)
Fund balance - beginning	3,069
Fund balance - ending	$ -

Exhibit F-1a

POINT PLEASANT BEACH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Security
for the Fiscal Years ended June 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Secure Our Schools Gran	$ -	$ -	$ -	$ -
Bond proceeds and transfers	-	-	-	
Federal Government grants	30,519		30,519	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-		-	-
Total revenues	30,519	-	30,519	-
Expenditures and Other Financing Uses				
Purchased prof. and tech. services	-		-	
Land and improvements	-	-	-	-
Construction services	27,450	3,069	30,519	
Equipment purchases	-	-	-	-
Total expenditures	27,450	3,069	30,519	-
Excess (deficiency) or revenues over (under) expenditures	$ 3,069	$ (3,069)	$ -	$ -

Additional project information:	
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	
Additional Authorized Cost	
Revised Authrorized Cost	
Percentage Increase over Original Authorized Cost	-
Percentage Completion	
Original target completion date	-
Revised target completion date	-

Exhibit G-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Assets
as of June 30, 2010

	Food Services	EBS Technology
Assets:		
Current assets:		
Cash and cash equivalents	$ 6,639	$ 91,891
Accounts receivable:		
State	225	-
Federal	3,386	-
Interfunds	9,650	151,047
Inventories	6,165	-
Total current assets	26,065	242,938
Fixed assets:		
Equipment	-	652,187
Accumulated depreciation	-	(296,148)
Total fixed assets	-	356,039
Total assets	$ 26,065	$ 598,977
Liabilities and Fund Equity:		
Liabilities:		
Accounts payable	$ 13,556	$ -
Lease payable	-	164,240
Total liabilities	13,556	164,240
Net assets:		
Invested in capital assets, net of relate	-	191,799
Restricted for other purposes	-	-
Unrestricted net assets	12,509	242,938
Total fund equity	12,509	434,737
Total liabilities and fund equity	$ 26,065	$ 598,977

Exhibit G-2

POINT PLEASANT BEACH SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Revenues, Expenses and Changes in Net Assets
for the Fiscal Years ended June 30, 2010

	Food Services	EBS Technology
Operating revenues:		
Local sources:		
Daily sales-reimbursable programs:		
School lunch program	$ 215,679	$ -
Total-daily sales-reimbursable programs	215,679	-
Daily sales non-reimbursable programs	23,964	-
EBS licensing revenue	-	100,011
Total operating revenues	239,643	100,011
Operating expenses:		
Salaries	115,825	-
Management fee	7,649	-
Cost of sales	168,933	-
Depreciation	-	127,725
Professional fees	-	435
Miscellaneous	96	12,490
Supplies	-	-
Total operating expenses	292,503	140,650
Operating income (loss)	(52,860)	(40,639)
Nonoperating revenues:		
State sources:		
State school lunch program	3,384	-
Federal sources:		
National school lunch program	48,638	-
Special milk program	-	-
Interest income	64	502
Total nonoperating revenues	52,086	502
Change in net assets	(774)	(40,137)
Transfer out	-	-
Total net assets beginning	13,283	474,874
Total net assets ending	$ 12,509	$ 434,737

Exhibit G-3

POINT PLEASANT BEACH SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Years ended June 30, 2010

	Food Services	EBS Technology
Cash Flows from Operating Activities:		
Operating income (loss)	$ (52,860)	$ (40,639)
Adjustments to reconcile operating loss to cash used by operating activities:		
Depreciation expense	-	127,725
Change in assets and liabilities:		
Increase in inventory	(358)	-
Increase (Decrease) in interfund receivable	(5,653)	93,316
Increase in accounts payable	5,064	-
Net cash provided by (used) in operating activities	(53,807)	180,402
Cash Flows from Noncapital Financing Activities:		
Transfer out	-	
Interest income	64	502
Cash received from state and federal reimbursements	55,925	-
Net cash provided by (used) in noncapital financing activities	55,989	502
Cash flows from Capital Activities:		
Payments on lease payable	-	(76,108)
Purchase of equipment	-	(47,137)
Net cash provided by capital activities	-	(123,245)
Net increase in cash and cash equivalents	2,182	57,659
Cash and cash equivalents, July 1	4,457	34,232
Cash and cash equivalents, June 30	$ 6,639	$ 91,891

Exhibit H-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

for the Fiscal Years ended June 30, 2010

	Trust			Agency		
	Unemployment Compensation Trust	Emergency Fund	Total Trust	Student Activity	Agency Fund	Total Agency
ASSETS						
Cash and cash equivalents	$ 55,986	$ 636	$ 56,622	$ 160,300	$ 594,686	$ 754,986
Intergovernmental accounts receivable	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Total assets	55,986	636	56,622	160,300	594,686	754,986
LIABILITIES						
Accrued salaries and wages	-	-	-	-	338,237	338,237
Payroll deductions and withholdings	-	-	-	-	71,359	71,359
Payable to student groups	-	-	-	160,300	-	160,300
Interfund payable	-	-	-	-	185,090	185,090
Due to County Office	-	636	636	-	-	-
Total liabilities	-	636	636	160,300	594,686	754,986
NET ASSETS						
Held in trust for unemployment claims and other purposes	55,986	-	55,986	-	-	-
Reserved for scholarships	-	-	-	-	-	-
Total net assets	55,986	-	55,986	-	-	-
Total liabilities and net assets	$ 55,986	$ 636	$ 56,622	$ 160,300	$ 594,686	$ 754,986

Exhibit H-2

POINT PLEASANT BEACH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2010

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	$ -
Other	-
Total Contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	-
Dividends	-
Less investment expense	-
Net investment earnings	-
Total additions	-
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	-
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	585
Total deductions	585
Change in net assets	(585)
Net assets—beginning of the year	56,571
Net assets—end of the year	$ 55,986

Exhibit H-3

POINT PLEASANT BEACH SCHOOL DISTRICT
Student Activity Agency Fund
Statement of Activity
For the Fiscal Year ended June 30, 2010

	Balance July 1, 2009	Receipts	Disbursements	Balance June 30, 2010
Elementary School	$ -	115,765	90,997	$ 24,768
High School	-	382,052	246,520	135,532
Total all schools	$ -	497,817	337,517	$ 160,300

Exhibit H-4

POINT PLEASANT BEACH SCHOOL DISTRICT
Payroll Agency Fund
Statement of Changes in Assets and Liabilities
For the Fiscal Year ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
ASSETS:				
Cash and cash equivalents	$ 600,103	9,820,356	9,825,773	$ 594,686
Total assets	$ 600,103	9,820,356	9,825,773	$ 594,686
LIABILITIES:				
Payroll deductions and withholdings	$ 86,701	9,482,119	9,497,461	$ 71,359
Accrued salaries and wages	311,985	338,237	311,985	338,237
Interfund payable	201,417	-	16,327	185,090
Other current liabilities	-	-	-	-
Total liabilities	$ 600,103	9,820,356	9,825,773	$ 594,686

Exhibit H-5

POINT PLEASANT BEACH SCHOOL DISTRICT
Emergency Fund
Statement of Activity
For the Fiscal Year ended June 30, 2010

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
ASSETS:				
Cash and cash equivalents	$ 999	-	363	$ 636
Total assets	$ 999	-	363	$ 636
LIABILITIES:				
Due to County Office	$ 999	-	363	$ 636
Total liabilities	$ 999	-	363	$ 636

Exhibit I-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Long-Term Debt
Statement of Serial Bonds
June 30, 2010
for the Fiscal Years ended June 30, 2010

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest rate	Balance July 1, 2009	Issued	Retired	Balance June 30, 2010
Various Code Projects	7/15/1993	$ 33,000							
			7/15/2010	1,737	1.50%				
			7/15/2011	1,737	1.50%				
			7/15/2012	1,736	1.50%				
			7/15/2013	1,736	1.50%				
						8,682	-	1,735	6,947
Renovation of Elementary School	2/1/2006	5,434,000							
			1/15/2011	315,000	3.625%				
			1/15/2012	330,000	3.625%				
			1/14/2013	340,000	3.625%				
			1/14/2014	355,000	3.625%				
			1/14/2015	370,000	3.70%				
			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%	4,585,000	-	300,000	4,285,000
Renovation to High school	12/14/2001	$ 5,505,000							
			7/15/2010	375,000	4.00%				
			7/15/2011	395,000	4.00%				
			7/15/2012	410,000	4.125%				
			7/15/2013	430,000	4.20%				
			7/15/2014	450,000	4.30%				
			7/15/2015	470,000	4.40%				
			7/15/2016	495,000	4.50%	3,385,000	-	360,000	3,025,000
			#			$ 7,978,682	$ -	$ 661,735	$ 7,316,947

Exhibit I-2

POINT PLEASANT BEACH SCHOOL DISTRICT
Long-Term Debt
Statement of Obligations Under Capital Leases
June 30, 2010

Date of Issue	Series	Interest Rate Payable	Amount of Original Issue	Principal Balance July 1, 2009	Issued Current Year	Retired Current Year	Adjustment	Principal Balance Outstanding June 30, 2010
6/20/08	Apple computer lease	5.20%	327,771	240,348	-	76,108	-	164,240
				$ 240,348	$ -	$ 76,108	$ -	$ 164,240

Exhibit I-3

POINT PLEASANT BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
for the Fiscal Years ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 965,472	$ -	$ 965,472	$ 965,472	-
Interest income	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
				-	
Total - State Sources	-	-	-	-	-
Total Revenues	**965,472**	-	**965,472**	**965,472**	**-**
EXPENDITURES:					
Regular Debt Service:					
Interest	303,735	-	303,735	303,737	2
Redemption of Principal	661,737	-	661,737	661,735	(2)
Total Regular Debt Service	965,472	-	965,472	965,472	-
Total expenditures	**965,472**	**-**	**965,472**	**965,472**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Operating Transfers out:					
Interest Earned transferred to General Fund	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1		-		9	9
Fund Balance, June 30	$ -	$ -	$ -	$ 9	9
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
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. **81-85**

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax. **86-89**

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. **90-93**

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. **94-95**

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. **96-100**

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.*

Exhibit J-1

POINT PLEASANT BEACH SCHOOL DISTRICT
Net Assets by Component
Last Six Fiscal Years
UNAUDITED

(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010
Governmental activities						
Invested in capital assets, net of related debt	$ 14,596,952	$ 15,715,333	$ 17,690,225	$ 18,579,272	$ 18,934,134	$ 19,188,686
Restricted	367,510	2,898,761	1,423,099	588,789	391,265	497,010
Unrestricted	(50,793)	77,856	(205,743)	(288,656)	(346,331)	(345,565)
Total governmental activities net assets	$ 14,913,669	$ 18,691,950	$ 18,907,581	$ 18,879,405	$ 18,979,068	$ 19,340,131
Business-type activities						
Invested in capital assets, net of related debt	$ -	$ -	$ 7,344	$ 139,386	$ 196,279	$ 191,799
Restricted	-	-	-	-	-	-
Unrestricted	19,916	15,957	526,254	416,914	291,878	255,447
Total business-type activities net assets	$ 19,916	$ 15,957	$ 533,598	$ 556,300	$ 488,157	$ 447,246
District-wide						
Invested in capital assets, net of related debt	$ 14,596,952	$ 15,715,333	$ 17,697,569	$ 18,718,658	$ 19,130,413	$ 19,380,485
Restricted	367,510	2,898,761	1,423,099	588,789	391,265	497,010
Unrestricted	(30,877)	93,813	320,511	128,258	(54,453)	(90,118)
Total district net assets	$ 14,933,585	$ 18,707,907	$ 19,441,179	$ 19,435,705	$ 19,467,225	$ 19,787,377

Note: GASB 34 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.

Exhibit J-2

POINT PLEASANT BEACH SCHOOL DISTRICT
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)
UNAUDITED

	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities							
Current:							
Regular instruction	$ (3,766,093)	$ (4,165,933)	$ (3,995,987)	$ (4,127,250)	$ (4,268,562)	$ (4,383,688)	$ (4,536,753)
Special schools instruction	(760,914)	(823,133)	(893,805)	(962,458)	(1,021,073)	(1,002,427)	(988,846)
Other special instruction	(411,650)	(518,995)	(568,202)	(643,903)	(678,512)	(715,317)	(741,070)
Support services and undistributed costs:							
Instruction	(288,968)	(233,561)	(198,303)	(201,317)	(266,182)	(315,766)	(360,499)
Attendance	(61,750)	(67,908)	(71,326)	(74,406)	(78,545)	(124,999)	(141,526)
Health services	(239,113)	(250,101)	(217,355)	(234,581)	(192,490)	(224,486)	(284,491)
Other support services	(923,630)	(776,164)	(777,773)	(803,932)	(933,910)	(978,258)	(1,187,339)
Educational media services	(83,442)	(89,709)	(75,960)	(75,712)	(80,514)	(139,382)	(184,759)
Instruction staff training	-	-	-	-	-	-	-
General administrative services	(323,042)	(329,923)	(393,836)	(332,331)	(328,127)	(324,326)	(339,506)
Central services	(491,630)	(430,939)	(406,198)	(397,870)	(394,368)	(398,941)	(421,889)
School administrative services	(98,413)	(56,095)	(55,982)	(33,608)	(335,468)	(290,637)	(294,694)
Admin info technology	-	(83,002)	(50,336)	(56,241)	(82,427)	(94,094)	(144,108)
Allowed maintenance for school facilities	(1,144,459)	(1,167,097)	(1,198,870)	(1,491,395)	(1,625,415)	(1,741,295)	(1,696,834)
Other operation & maintenance of plant	(227,290)	(184,572)	(201,457)	(192,201)	(236,715)	(241,352)	(161,806)
Student transportation services	(258,309)	(261,317)	(268,698)	(281,149)	-	-	-
Business and other support services	(1,335,518)	(1,586,918)	(1,870,295)	(2,063,653)	(2,089,796)	(2,055,789)	(2,031,232)
Unallocated employee benefits	(870,435)	(884,776)	-	-	-	-	-
Non-budgeted expenditures	-	-	(981,630)	(1,139,658)	(1,407,192)	(838,697)	(880,468)
Special schools	-	-	-	-	-	-	-
Interest on long-term debt	(211,451)	(200,125)	(188,298)	(374,877)	(351,907)	(328,301)	(303,737)
Total governmental activities expenses	(11,496,107)	(12,110,268)	(12,414,311)	(13,486,542)	(14,371,203)	(14,197,755)	(14,699,557)
Business-type activities:							
Food service	$ (293,025)	$ (302,273)	$ (295,623)	$ (361,487)	$ (365,605)	$ (458,143)	$ (433,153)
	-	-	-	-	-	-	-
Total business-type activities expense	(293,025)	(302,273)	(295,623)	(361,487)	(365,605)	(458,143)	(433,153)
Total district expenses	$ (11,789,132)	$ (12,412,541)	$ (12,709,934)	$ (13,848,029)	$ (14,736,808)	$ (14,655,898)	$ (15,132,710)
Program Revenues							
Governmental activities:							
Charges for services:							
Instruction (tuition)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pupil transportation	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-
Operating grants and contributions	870,435	884,776	981,630	1,139,658	1,407,192	838,697	880,468
Capital grants and contributions	-	-	-	-	-	-	-
Total governmental activities program revenues	870,435	884,776	981,630	1,139,658	1,407,192	838,697	880,468
Business-type activities:							
Charges for services							
Food service	$ 252,994	$ 265,133	$ 253,599	$ 835,357	$ 334,711	$ 350,255	$ 339,654
Internal Service Fund	-	-	-	-	-	-	-
Operating grants and contributions	34,936	38,814	37,782	43,362	38,348	39,547	52,022
Capital grants and contributions	-	-	-	-	-	-	-
Total business type activities program revenues	287,930	303,947	291,381	878,719	373,059	389,802	391,676
Total district program revenues	$ 1,158,365	$ 1,188,723	$ 1,273,011	$ 2,018,377	$ 1,780,251	$ 1,228,499	$ 1,272,144
Net (Expense)/Revenue							
Governmental activities	$ (10,625,672)	$ (11,225,492)	$ (11,432,681)	$ (12,346,884)	$ (12,964,011)	$ (13,359,058)	$ (13,819,089)
Business-type activities	(5,095)	1,674	(4,242)	517,232	7,454	(68,341)	(41,477)
Total district-wide net expense	$ (10,630,767)	$ (11,223,818)	$ (11,436,923)	$ (11,829,652)	$ (12,956,557)	$ (13,427,399)	$ (13,860,566)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes levied for general purposes, net	$ 7,572,015	$ 7,866,252	$ 8,323,247	$ 8,689,532	$ 8,936,113	$ 9,293,558	$ 9,665,300
Taxes levied for debt service	372,016	491,862	490,035	970,614	963,644	965,047	965,472
Unrestricted grants and contributions	758,527	736,655	4,366,180	766,571	818,868	735,300	709,920
Restricted grants and contributions	391,252	417,016	400,530	353,201	434,460	406,784	593,342
Tuition revenue	1,430,096	1,615,800	1,477,632	1,426,296	1,669,918	2,010,352	2,037,167
Miscellaneous income	123,472	58,885	45,372	214,836	67,030	30,341	202,749
Investment earnings	3,782	8,046	107,966	141,465	45,802	17,339	6,202
Total governmental activities	10,651,160	11,194,516	15,210,962	12,562,515	12,935,835	13,458,721	14,180,152
Business-type activities:							
Investment earnings	$ 1,502	$ 265	$ 283	$ 409	$ 15,248	$ 198	$ 566
Transfers	-	-	-	-	-	-	-
Total business-type activities	1,502	265	283	409	15,248	198	566
Total district-wide	$ 10,652,662	$ 11,194,781	$ 15,211,245	$ 12,562,924	$ 12,951,083	$ 13,458,919	$ 14,180,718
Change in Net Assets							
Governmental activities	$ 25,488	$ (30,976)	$ 3,778,281	$ 215,631	$ (28,176)	$ 99,663	$ 361,063
Business-type activities	(3,593)	1,939	(3,959)	517,641	22,702	(68,143)	(40,911)
Total district	$ 21,895	$ (29,037)	$ 3,774,322	$ 733,272	$ (5,474)	$ 31,520	$ 320,152

Note: GASB 34 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.

Exhibit J-3

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

	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	$ 363,771	$ 355,016	$ 178,068	$ 535,552	$ 406,377	$ 127,905	$ 106,755
Unreserved	264,943	132,830	190,174	221,862	221,574	183,729	205,290
Total general fund	$ 628,714	$ 487,846	$ 368,242	$ 757,414	$ 627,951	$ 311,634	$ 312,045
All Other Governmental Funds							
Reserved	$ 514,327	$ 29,442	$ 8,084,205	$ 2,687,597	$ 182,412	$ 3,069	$ -
Unreserved, reported in:							
Special revenue fund	-	-	(76)	(50)	-	-	-
Capital projects fund	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-
Permanent fund							
Total all other governmental funds	$ 514,327	$ 29,442	$ 8,084,129	$ 2,687,547	$ 182,412	$ 3,069	$ -

Note: GASB 34 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.

Exhibit J-4

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

	Fiscal Year Ending June 30,						
	2004	2005	2006	2007	2008	2009	2010
Revenues							
Tax levy	$ 7,944,031	$ 8,358,114	$ 8,813,282	$ 9,660,146	$ 9,899,757	$ 10,258,605	$ 10,630,772
Tuition charges	1,430,096	1,615,800	1,477,632	1,426,296	1,669,918	2,010,352	2,037,167
Interest earnings	3,782	8,046	107,966	141,465	45,802	17,339	6,202
Miscellaneous	123,472	58,885	45,372	214,836	67,030	30,341	202,749
State sources	1,768,955	1,799,576	5,497,695	2,018,654	2,347,666	1,704,145	1,726,630
Federal sources	251,259	238,871	250,645	240,776	312,854	276,636	457,100
Total revenue	11,521,595	12,079,292	16,192,592	13,702,173	14,343,027	14,297,418	15,060,620
Expenditures							
Current:							
Regular instruction	3,766,093	4,165,933	3,995,987	4,127,250	4,268,562	4,383,688	4,536,753
Special education instruction	760,914	823,133	893,805	962,458	1,021,073	1,002,427	988,846
Other special instruction	411,650	518,995	568,202	643,903	678,512	715,317	741,070
Support services and undistributed costs:							
Instruction	288,968	233,561	198,303	201,317	266,182	315,766	360,499
Attendance	61,750	67,908	71,326	74,406	78,545	124,999	141,526
Health services	239,113	250,101	217,355	234,581	192,490	224,486	284,491
Other support services	923,630	776,164	777,773	803,932	933,910	978,258	1,187,339
Educational media services	83,442	89,709	75,960	75,712	80,514	139,382	184,759
Instruction staff training	-	-	-	-	-	-	-
General administrative services	323,042	329,923	393,836	332,331	328,127	324,326	339,506
School administrative services		430,939	406,198	397,870	394,368	398,941	421,889
Information technology	491,630	56,095	55,982	33,608	335,468	290,637	294,694
Allowed maintenance for school faci	98,413	83,002	50,336	56,241	82,427	94,094	144,108
Other operation & maintenance of pl	946,152	980,095	1,043,349	1,065,044	1,167,021	1,279,282	1,283,694
Student transportation services	227,290	184,572	201,457	192,201	236,715	241,352	161,806
Business and other support services	258,309	261,317	268,698	281,149	-	-	-
Unallocated employee benefits	1,343,916	1,560,925	1,780,480	1,926,434	2,007,171	2,035,950	2,010,437
Non-budgeted expenditures	870,435	884,776	981,630	1,139,658	1,407,192	838,697	880,468
Special schools	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal	276,737	291,737	301,737	595,737	611,737	636,737	661,735
Interest and other charges	211,451	200,125	188,298	374,877	351,907	328,301	303,737
Capital outlay	673,755	516,035	972,165	5,439,506	2,535,704	180,138	5,957
Total expenditures	12,256,690	12,705,045	13,442,877	18,958,215	16,977,625	14,532,778	14,933,314
Excess (Deficiency) of revenues over (under) expenditures	(735,095)	(625,753)	2,749,715	(5,256,042)	(2,634,598)	(235,360)	127,306
Other Financing sources (uses)							
Proceeds from borrowing	-		5,434,000	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-
Transfers in	130,485	3,792	100,316	141,465	23,863	5,839	928
Transfers out	(130,485)	(3,792)	(100,316)	(141,465)	(23,863)	(5,839)	(928)
Total other financing sources (uses)	-	-	5,434,000	-	-	-	-
Net change in fund balances	(735,095)	(625,753)	8,183,715	(5,256,042)	(2,634,598)	(235,360)	127,306
Debt service as a percentage of noncapital expenditures	2.39%	2.39%	2.42%	4.41%	4.24%	4.44%	4.43%

Source: District records

Note: GASB 34 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.

Exhibit J-5

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
2001	1,376,450	-	53,473	5,115	-	13,262	1,448,300
2002	1,458,176	-	96,766	541	-	38,520	1,594,003
2003	1,723,261	-	-	-	-	18,687	1,741,948
2004	1,430,096	-	-	-	-	123,472	1,553,568
2005	1,615,800	-	4,254	-	-	30,800	1,650,854
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

Source: District records

Exhibit J-6

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities [a]	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [b]
2001	24,175,660	463,909,200	-	-	146,375,400	-	9,054,300	643,514,560	61,515,800	522,707	582,521,467	173,064,357	1.143
2002	23,934,100	468,043,400	-	-	146,584,600	-	9,058,400	647,620,500	61,000,300	481,270	587,101,470	292,369,546	1.207
2003	21,880,100	476,939,700	-	-	147,198,300	-	8,031,200	654,049,300	61,227,700	431,809	593,253,409	1,107,794,759	1.213
2004	21,527,100	484,067,000	-	-	147,524,800	-	7,984,000	661,102,900	60,988,800	354,225	600,468,325	1,291,693,385	1.264
2005	21,871,200	486,563,604	-	-	148,637,600	-	7,984,000	665,056,404	61,657,800	291,796	603,690,400	1,401,175,263	1.325
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	2,533,533,280	130,642,900	667,244	2,533,533,280	2,363,907,845	0.448

Source: Municipal Tax Assessor

***** **A revaulation 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

Exhibit J-7

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

Assessment Year	Pt. Pleasant Beach School District	Pt. Pleasant Beach Township	Ocean County	Total
2001	1.143	0.461	0.702	2.306
2002	1.143	0.461	0.603	2.207
2003	1.213	0.569	0.820	2.602
2004	1.264	0.620	0.837	2.721
2005	1.325	0.619	0.859	2.803
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

Source: Tax Collector

Exhibit J-8

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

	2010			2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Jenkinson's Pavillion	$ 69,423,700	1				
Jenkinson's South, Inc.	33,173,200	2				
1106 Ocean Avenue, Inc. LLC	19,682,400	3				
Tower Beacon Gardens LLC	9,752,500	4				
Chef's Internationa;, Inc.	16,021,600	5				
Risden's Beach Corp.	7,900,000	6				
Storino, Storino & Storino, L.P.	10,182,800	7				
Lemmers, William	7,080,400	8				
McStorman Assoc, LLC	7,973,900	9				
Clayton Family, LLC	6,132,500	10				
Total	$ 187,323,000		0.00%	$ -		0.00%

Source: Municipal Tax Assessor

Exhibit J-9

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

Year Ended December 31,	Total Tax Levy	Current Tax Collections	Percent of tax Levy Collected
2000	14,101,243	13,730,180	97.37%
2001	14,932,440	14,652,051	98.12%
2002	16,775,989	16,500,681	98.36%
2003	17,231,876	16,949,219	98.36%
2004	18,100,263	17,836,617	98.54%
2005	18,780,361	18,446,634	98.22%
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%

Source: Ocean County Board of Taxation

Exhibit J-10

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities			
	General Obligation Bonds [b]	Capital Leases	Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2003	5,259,104	-	-	5,259,104	0.006043235	31,782
2004	4,982,367	-	-	4,982,367	0.006378896	31,782
2005	4,690,630	-	-	4,690,630	0.006775636	31,782
2006	9,822,893	-	-	9,822,893	0.003235503	31,782
2007	9,227,156	-	-	9,227,156	0.003739939	34,509
2008	8,615,419	-	327,771	8,943,190	0.40295465%	36,037
2009	7,978,682	-	240,348	8,219,030	0.48084750%	39,521
2010	7,316,947	-	164,240	7,481,187	0.52827178%	39,521

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.

Exhibit J-11

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 June 30,	School District Population	Net Assessed Valuation Taxable	Net Bonded Debt	Ratio of Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2001	5,314	627,116,000	317,578	0.05%	60
2002	5,314	705,553,007	5,525,841	0.78%	1,040
2003	5,314	705,553,007	5,259,104	0.75%	990
2004	5,403	661,457,125	4,982,367	0.75%	922
2005	5,403	661,457,125	9,822,893	1.49%	1,818
2006	5,398	661,457,125	7,978,682	1.21%	1,478
2007	5,375	2,149,149,181	9,227,156	0.43%	1,717
2008	5,314	2,149,149,181	8,615,419	0.40%	1,621
2009	5,445	2,149,149,181	7,978,682	0.37%	1,465
2010	5,445	2,149,149,181	7,316,947	0.34%	1,344

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.

Exhibit J-12

POINT PLEASANT BEACH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
General Debt	$ 21,714,140	0.000%	$ -
Water, Sewer and Utility	5,903,912	0.000%	$ -
Subtotal, overlapping debt			27,618,052
District Direct Debt			7,316,947
Total direct and overlapping debt			$ 34,934,999

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

Exhibit J-13

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

		Equalized valuation basis	
	2007	2,149,149,181	
	2006	664,743,186	
	2005	671,160,957	
	[A]	$ 3,485,053,324	
	[A/3]	$ 1,161,684,441	
Debt limit (4 % of average	**[B]**	46,467,378	**a**
Total Net Debt Applicable to Limit	**[C]**	7,316,947	
Legal debt margin	**[B-C]**	$ 39,150,431	

	Fiscal Year				
	2005	2006	2007	2008	2009
Debt limit	$ 666,351,435	$ 26,631,484	$ 46,467,378	$ 46,467,378	
Total net debt applicable to limit	9,822,893	7,978,682	7,978,682	7,316,947	
Legal debt margin	$ 656,528,542	$ 18,652,802	$ 39,150,431	$ 39,150,431	$ -
Total net debt applicable to the limit as a percentage of debt limit	1.47%	29.96%	17.17%	15.75%	#DIV/0!

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

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

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

Exhibit J-14

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

Year	Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2000	5,314	161,184,248	30,332	3.90%
2001	5,302	166,169,982	31,341	2.70%
2002	5,386	169,777,492	31,522	3.60%
2003	5,414	172,067,748	31,782	3.80%
2004	5,408	171,877,056	31,782	3.30%
2005	5,397	181,112,526	33,558	3.30%
2006	5,398	150,350,494	27,852	3.70%
2007	5,411	194,996,207	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	5,314	207,267,256	39,004	9.60%

Source:

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

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

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

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

Exhibit J-15

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

	2010			2002		
Employer	**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:

Exhibit J-16

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction										
Regular	63.5	63.5	67.7	67.7	67.5	69.5	69.5	69.5	69.5	70
Special education	13.0	13.0	12.0	12.0	12.0	14.0	14.0	14.0	14.0	14
Other special education										
Vocational										
Other instruction	19.4	19.4	20.6	20.6	21.1	20.1	20.1	20.1	22.0	19
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	9.0	9.0	8.7	8.7	7.8	7.7	6.0	6.0	7.0	9
General administration	1.0	1.0	-	-	1.0	1.0	1.0	1.0	1.0	1
School administrative services	5.5	5.5	4.6	4.6	3.8	3.8	4.0	4.0	4.0	4
Other administrative services	11.7	11.7	10.0	10.0	8.5	8.5	6.5	6.5	6.5	6.5
Central services										
Administrative Information Technology	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1
Plant operations and maintenance	15.0	15.0	14.0	14.0	14.0	14.0	13.0	13.0	12.0	12
Pupil transportation	-	-	-	-	1.0	1.0	2.0	2.0	2.0	3
Other support services	7.9	8.4	8.4	8.4	10.4	7.9	8.0	8.0	8.0	8
Special Schools										
Food Service										
Child Care										
Total	148.0	148.5	148.0	148.0	149.0	148.5	145.1	145.1	147.0	147.5

Source: District Personnel Records

Exhibit J-17

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

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio Elementary	Pupil/Teacher Ratio Senior High School	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2001	894.0	9,429,935	10,548	6.85%	85.00	10.9:1	10.1:1	894.0	833.0	-1.43%	93.18%
2002	911.0	9,882,891	10,848	2.85%	83.00	11.1:1	10.6:1	911.0	851.0	1.90%	93.41%
2003	923.0	10,241,803	11,096	2.28%	86.00	10.5:1	10.8:1	923.0	865.0	1.32%	93.72%
2004	915.0	10,640,598	11,629	4.80%	84.00	10.8:1	11.1:1	915.0	856.0	-0.87%	93.55%
2005	895.0	11,208,351	12,523	7.69%	86.00	9.5:1	11.9:1	895.0	835.0	-2.19%	93.30%
2006	879.0	12,168,975	13,844	10.55%	85.00	10.3:1	10.2:1	828.0	828.0	-7.49%	100.00%
2007	865.0	11,218,768	12,970	-6.32%	85.00	10.2:1	10.2:2	805.0	811.0	-2.78%	100.75%
2008	851.0	12,964,011	15,234	17.46%	83.50	10.2:2	10.2:3	838.2	791.3	4.12%	94.40%
2009	908.0	12,981,613	14,297	-6.15%	83.50	14:06	14:06	872.2	826.7	4.06%	94.78%
2010	921.0	13,371,431	14,518	1.55%	84.00	14:07	14:07	885.9	837.9	1.57%	94.58%

Sources: District records

Exhibit J-18

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
District Building										
Elementary										
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	522	520	524	516	482	495	498	498	478	500
High School										
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	372	380	389	399	416	379	376	376	397	421

Number of Schools at June 30, 2010
Elementary = 1
Middle School = 0
Senior High School = 1

Source: District Facilities Office

Exhibit J-19

POINT PLEASANT BEACH SCHOOL DISTRICT
Schedule of Required Maintenance
For the Fiscal Year Ended June 30, 2009
Undistributed Expenditures - required
Maintenance For School Facilities
11-000-261-XXX
UNAUDITED

		2010	2009	2008	2007	2006	2005	2004	2003
School Facilities:	**Project # (s)**								
G. Harold Antrim Elementary School	N/A	127,825	81,600	71,344	29,806	26,678	$ 43,990	$ 52,160	$ 22,215
Point Pleasant Beach High School	N/A	19,856	12,676	11,083	4,630	23,658	39,012	46,253	19,699
		-	-	-	-	-			
Total School Facilities		-	-	-	-	-	-	-	-
		147,681	94,276	82,427	34,436	50,336	83,002	98,413	41,914
Other Facilities		-	-	-	-	-	-	-	-
Grand Total		$ 147,681	$ 94,276	$ 82,427	$ 34,436	$ 50,336	$ 83,002	$ 98,413	$ 41,914

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

Exhibit J-20

POINT PLEASANT BEACH SCHOOL DISTRICT
Insurance Schedule
June 30, 2010
Unaudited

		Coverage		Deductible
Multi Peril Package Policy				
Property - NJ School Board Insurance				
Blanket Building and Contents		$ 36,534,030		5,000
Blanket Extra Expense		25,000,000		-
Blanket Valuable Papers and Records		10,000,000		-
Demolition & Increased Costs of Construction		10,000,000		-
Fire Department Service Charge/Arson Reward		10,000		-
Flood Zones A & V		10,000,000		500,000
Flood Zone B		50,000,000		10,000
Earthquake		50,000,000		-
Terrorism		1,000		-
General Liability - New Jersey School Boards				
Comprehensive General Liability		1,000,000		-
Bodily Injury,Property Damage, Sexual Abuse Each Occurrence		1,000,000		-
Sexual Abuse		1,000,000		-
Medical Expense		10,000		100
Employee Benefits Programs		1,000,000		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 - Utica				
Comprehensive Automobile Liability		1,000,000		-
Uninsured/Underinsured Motorist		1,000,000		-
Personal Injury Protection		250,000		-
Garagekeepers 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		6,000,000		5,000
Boiler and Machinery - N.J. School Boards Association Insurance Group		100,000,000		- 5,000
Umbrella Liabilty - N.J. School Boards Association InsuranceGroup		15,000,000		-
CAP				
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 Offical 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

JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS
12 LEXINGTON AVENUE TOMS RIVER, NJ 08753 PHONE (732) 240-7377 FAX (732) 505-8307 WEBSITE: jumpcpa com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

The Honorable President and
Members of the Board of Education
Point Pleasant Beach School District
County of Ocean
Point Pleasant Beach, New Jersey 08533

We have audited the basic financial statements of the Board of Education of the Point Pleasant Beach School District in the County of Ocean, State of New Jersey as of and for the year ended June 30, 2010, and have issued our report thereon dated November 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Education of the Point Pleasant Beach School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education of the Point Pleasant Beach School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Point Pleasant Beach School District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board of Education of the Point Pleasant Beach School District's financial statements that is more than inconsequential will not be prevented or detected by the Board of Education of the Point Pleasant Beach School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board of Education of the Point Pleasant Beach School District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Point Pleasant Beach School District's basic financial statements are free of 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 basic 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.

This report is intended solely for the information and use of the management of the Point Pleasant Beach Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other federal and state awarding agencies and is not intended to be, and should not be, used by anyone other than these specific parties.

Respectfully submitted,

JUMP, SCUTELLARO AND COMPANY, L.L.P.

Kathryn Perry
Licensed Public School Accountant
No. CS 20CS00226400

November 15, 2010

JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS
12 LEXINGTON AVENUE TOMS RIVER, NJ 08753 PHONE (732) 240-7377 · FAX (732) 505-8307 WEBSITE: jumpcpa.com

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE IN ACCORDANCE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04

The Honorable President and
Members of the Board of Education
Point Pleasant Beach School District
County of Ocean
Point Pleasant Beach, New Jersey 08533

Compliance

We have audited the compliance of the Board of Education of the Point Pleasant Beach School District in the County of Ocean, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey Compliance Manual State Grants Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. Point Pleasant Beach School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Point Pleasant Beach School District's management. Our responsibility is to express an opinion on the Point Pleasant Beach School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations;* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Point Pleasant Beach School District'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. Our audit does not provide a legal determination on the Point Pleasant Beach School District's compliance with those requirements.

In our opinion, the Board of Education of the Point Pleasant Beach School District, in the County of Ocean, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

The management of the Board of Education of the Point Pleasant Beach School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Point Pleasant Beach School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a state or federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the board of education, management, state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

JUMP, SCUTELLARO AND COMPANY, L.L.P.

Kathryn Perry
Licensed Public School Accountant
No. CS 20CS00226400

November 15, 2010

Exhibit K-3

POINT PLEASANT BEACH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2010	(Accounts Receivable) at June 30, 2010	Due to Grantor at June 30, 2010
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Enterprise Fund:											
National School Lunch Program	10.555	7/1/09-6/30/10	48,638	-	-	45,252	(48,638)	-	-	(3,386)	-
National School Lunch Program	10.555	7/1/08-6/30/09	36,648	(6,978)	-	6,978	-	-	-	-	-
Total Enterprise Fund				(6,978)	-	52,230	(48,638)	-	-	(3,386)	-
U.S. Department of Education											
Passed-through State Department of Education:											
Special Revenue Fund:											
I.D.E.A. Part B Basic Regular	84.027	9/1/09-8/31/10	186,156	-	-	138,466	(185,559)	-	-	(47,093)	-
ARRA I.D.E.A. Part B Basic Regular	84.391	9/1/09-8/31/10	188,846	-	-	153,300	(164,865)	-	-	(11,565)	-
I.D.E.A. Part B Preschool	84.027	9/1/09-8/31/10	6,054	-	-	4,540	(6,054)	-	-	(1,514)	-
ARRA I.D.E.A. Part B Preschool	84.391	9/1/09-8/31/10	6,827	-	-	5,121	(6,827)	-	-	(1,706)	-
Title I	84.010	9/1/09-8/31/10	43,865	-	-	43,865	(43,865)	-	-	-	-
ARRA Title I	84.389	9/1/09-8/31/10	13,475	-	-	13,475	(13,475)	-	-	-	-
Title I	84.010	9/1/08-8/31/09	47,298	3,403	-	-	-	-	3,403	-	-
Title II	84.168	9/1/09-8/31/10	437	-	-	437	(437)	-	-	-	-
Title II	84.168	9/1/07-8/31/08	32,056	7,744	-	-	-	-	-	-	7,744
Title II-Part D	84.168	9/1/09-8/31/10	33,873	-	-	33,873	(33,873)	-	-	-	-
Title IV	84.186	9/1/09-8/31/10	2,145	-	-	2,145	(2,145)	-	-	-	-
							-				
Total Special Revenue Fund				11,147	-	395,222	(457,100)	-	3,403	(61,878)	7,744
Total Expenditures of Federal Financial Awards				4,169	-	447,452	(505,738)	-	3,403	(65,264)	7,744

See accompanying notes to schedules of expenditures.

Exhibit K-4

POINT PLEASANT BEACH SCHOOL DISTRICT
Schedule of Expenditures of State Awards
for the Fiscal Year ended June 30, 2010

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2010	(Accounts Receivable) at June 30, 2010	Due to Grantor at June 30, 2010	MEMO Budgetary Receivable	MEMO Total Expenditures
State Department of Agriculture:													
Enterprise Fund:													
National School Lunch Program (State Share)	09-100-034-5120-122	7/1/09-6/30/10	$ 3,384	-	-	3,159	(3,384)	-	-	(225)	-	-	3,384
National School Lunch Program (State Share)	08-100-034-5120-122	7/1/08-6/30/09	3,099	(536)	-	536	-	-	-	-	-	-	-
Total Enterprise Fund				(536)	-	3,695	(3,384)	-	-	(225)	-	-	3,384
State Department of Education:													
General Fund:													
Special Education Aid	10-495-034-5120-011	7/1/09-6/30/10	353,777	-	-	313,672	(353,777)	-	-	-	-	40,105	353,777
Special Education Aid	09-495-034-5120-011	7/1/08-6/30/09	339,450	(31,287)	-	31,287	-	-	-	-	-	-	-
Extraordinary Aid	10-495-034-5120-011	7/1/09-6/30/10	32,855	-	-	-	(32,855)	-	-	(32,855)		-	32,855
Extraordinary Aid	09-495-034-5120-011	7/1/08-6/30/09	4,137	(4,137)	-	4,137	-	-	-	-		-	-
Transportation Aid	09-495-034-5120-014	7/1/08-6/30/09	48,721	(4,491)	-	4,491	-	-	-	-	-	-	-
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	42,868	-	-	38,008	(42,868)	-	-	-	-	4,860	42,868
Security Aid	10-495-034-5120-014	7/1/09-6/30/10	54,720	-	-	48,517	(54,720)	-	-	-	-	6,203	54,720
Security Aid	09-495-034-5120-014	7/1/08-6/30/09	53,372	(4,919)	-	4,919	-	-	-	-	-	-	-
Adjustment Aid	10-495-034-5120-014	7/1/09-6/30/10	232,857	-	-	206,460	(232,857)	-	-	-	-	26,397	232,857
Adjustment Aid	09-495-034-5120-014	7/1/08-6/30/09	322,352	(29,711)	-	29,711	-	-	-	-	-	-	-
Reimbursed TPAF Post Medical Contributions	10-495-034-5095-002	7/1/09-6/30/10	403,312	-	-	403,312	(403,312)	-	-	-	-	-	403,312
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	7/1/09-6/30/10	477,156	-	-	477,156	(477,156)	-	-	-	-	-	477,156
Total General Fund				(74,545)	-	1,561,670	(1,597,545)	-	-	(32,855)	-	77,565	1,597,545
Special Revenue Fund:													
Chapter 192/193	10-100-034-5120-067	7/1/09-6/30/10	109,661	-	-	109,661	(109,661)	-	-	-	-	-	109,661
Textbooks	09-100-034-5120-064	7/1/08-6/30/09	12,639	-	355	-	-	-	355	-	-	-	-
Textbooks	10-100-034-5120-064	7/1/09-6/30/10	13,411	-	-	13,411	(13,411)	-	-	-	-	-	13,411
Nursing	10-100-034-5120-066	7/1/09-6/30/10	15,903	-	-	13,170	(13,170)	-	-	-	-	-	13,170
Nursing	09-100-034-5120-066	7/1/08-6/30/09	17,061	4,545	(4,545)	-	-	-	-	-	-	-	-
Total Special Revenue Fund				4,545	(4,190)	136,242	(136,242)	-	355	-	-	-	136,242
Total State Financial Assistance				(70,536)	(4,190)	1,701,607	(1,737,171)	-	355	(33,080)	-	77,565	1,737,171

See accompanying notes to schedules of expenditures.

POINT PLEASANT BEACH SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Awards and Financial Assistance

June 30, 2010

1. General

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

2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary 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

Amounts reported in the accompanying schedules agree with amounts reported in the Board's basic financial statements. The basic financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. 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. The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($7,157). See C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Local	Total
General Fund	$ -	1,590,388	-	1,590,388
Special Revenue Fund	457,100	136,242	-	593,342
Food Service Fund	48,638	3,384	-	52,022
Total awards and financial assistance	$505,738	1,730,014	-	2,235,752

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

   Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2010. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

POINT PLEASANT BEACH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section I --Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unqualified opinion

Internal control over financial reporting:

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

2) Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes ____X____ none reported

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

Federal Awards Section

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes ____X____ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	IDEA Part B Basic Regular
84.391	IDEA – ARRA Part B

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

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

POINT PLEASANT BEACH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 _____ no

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

Internal Control over major programs:

1) Material weakness(es) identified? _____ yes ____X____no

2) Reportable condition(s) 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? _____ yes ____X____no

Identification of major programs:

GMIS Number(s)	Name of State Program
10-495-034-5120-011	Special Education Aid
10-495-034-5095-002	TPAF & Post-Retirement Medical

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

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

Point Pleasant Beach School District
Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2010

Section II – Financial Statement Findings

No matters were reported for the period ended June 30, 2010.

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

No matters were reported for the period ended June 30, 2010.

Point Pleasant Beach School District

Summary Schedule of Prior-Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2010

STATUS OF PRIOR YEAR FINDINGS

No matters were reported.