

SCHOOL DISTRICT

Oceanport School District
OF Monmouth County

Oceanport, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2018

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Oceanport Board of Education
of Monmouth County

Oceanport, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

Oceanport Board of Education
Finance Department

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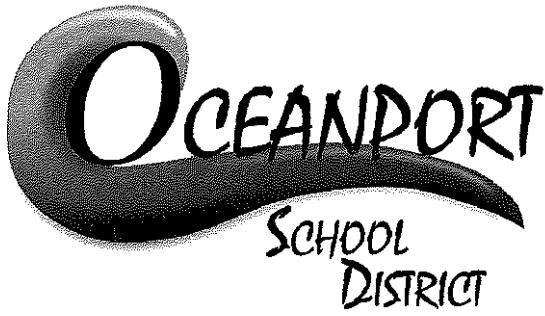
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INTRODUCTORY SECTION



Oceanport Board of Education

ADMINISTRATIVE OFFICES • 2 Maple Place • Oceanport, New Jersey 07757

THOMAS G. FARRELL
SUPERINTENDENT

TEL. (732) 229-0267 • EXT 2122
FAX (732) 229-0961

November 27, 2018

Honorable President and
Members of the Board of Education
Oceanport School District
County of Monmouth, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Oceanport School District (District) for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosure, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the 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 as follows:

The Introductory Section includes the Letter of Transmittal, the District's Organizational Chart, and a list of Principal Officials.

The Financial Section includes the General Purpose Financial Statements and Schedules, the Independent Auditor's and Management Discussion and Analysis.

The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

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

REPORTING ENTITY AND ITS SERVICES:

The Oceanport 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 Oceanport Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-School through Eighth Grade. These services include regular as well as special education programs. The District completed the 2017-2018 fiscal year with an enrollment of 580 students.

ECONOMIC CONDITION AND OUTLOOK:

As a result of the District's efforts over the past several years, the financial status of the Oceanport School District continues to remain stable and many accomplishments have occurred as a result. Funds have been set aside in both Maintenance Reserve and Emergency Reserve for future projects and unforeseen circumstances.

The District was eligible for and received federal funds from FEMA in the form of a Community Disaster Loan as a result of Superstorm Sandy in the amount of \$434,153. Another \$442,836 was also available to the District as a loan; however, the District did not request these funds. The repayment of this loan is scheduled to begin in 2018. The District is working closely with FEMA officials applying for cancellation of this loan. It is not known at this time whether any or the entire loan will be cancelled by the federal government. Repayment of this loan would be made through the regular annual budget.

The District is also evaluating the condition of the school buildings with the possibility of either renovations and/or building a new facility.

MAJOR INITIATIVES:

We are most pleased that several initiatives were supported through local funding for fiscal year 2018. More specifically, instructional materials and resources, curricula writing stipends, and professional development services encompassed the relative purchases.

At the preschool level, the My Math program was implemented, which included consumables and online accounts. Additionally, a grades K-8 textbook series, consumables, and accompanying laboratory kits for science were introduced. With respect to grade 8, a general algebra textbook series and consumables were purchased. Equally as essential, among our assessment purchases were the Kindergarten Readiness Test, Lollipop Test, DIBELS, WADE, myON, and Study Island.

In conjunction with the purchase of instructional materials and resources, curricula writing was completed for these courses: grades K-8 English language arts, grades K-8 mathematics, grades K-8 social studies, and grades K-8 science. For the balance of 2018 and primarily occurring in the summer months, curricula writing will occur for these courses: grades K-4 English language arts, grades pre-K-8 art, grades pre-K-8 music, grades pre-K-8 physical education, grades pre-K-8 Spanish, and grades 5-8 family and consumer science. Curricula writing included alignment to content standards and additional New Jersey Department of Education requirements (e.g., differentiation).

Lastly, our professional development emphasis was placed on teacher-led and out-of-district presenter sessions regarding differentiation, instructional technologies, and the Danielson staff evaluation model. Differentiation and instructional technologies were two of our district goals for fiscal year 2018. Also noteworthy were online staff completion of state-mandated professional development modules and purchase of online and paper-based professional subscriptions.

Our student body continues to flourish in the supportive and rigorous environment we provide. Our technology integration allows learners to explore concepts and develop the critical thinking skills associated with intellectual curiosity. The related arts programming at Maple Place School facilitates the pursuit of creativity and self-expression through a wide array of offerings. We are also fortunate to have a very supportive Parent Teacher Organization who assists in the development of our character education initiatives and drug awareness programs. The Maple Place learning community is vibrant, engaged, and our learners thrive.

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 the federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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 Board of Education. 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 projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.

ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, 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."

CASH MANAGEMENT:

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

RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, LLP, Certified Public Accountants, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit section are included in the single audit section of this report.

ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Oceanport School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

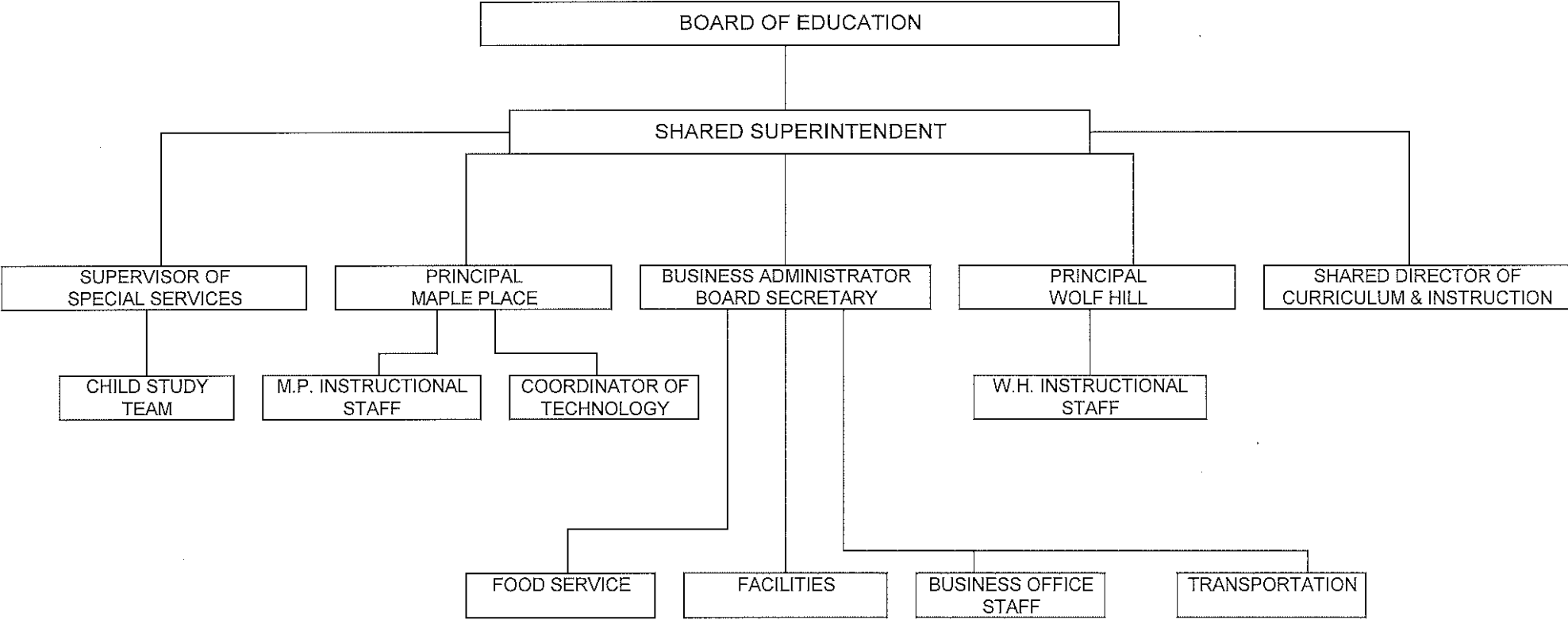


Thomas Farrell
Superintendent



Denise Friedmann
Interim Business Administrator/Board Secretary

OCEANPORT BOARD OF EDUCATION
ORGANIZATIONAL CHART



Oceanport Board of Education
Oceanport, New Jersey

Roster of Officials
June 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Michelle McMullin, President	2019
Natalie Papailiou, Vice President	2018
John Fleming	2018
Bryan Russell	2020
Lisa Harvey	2020
Janet Thorpe	2018
Michael Murphy	2018
Meghan Walker	2019
Marion Wilhalme	2019

Other Officials

Thomas Farrell, Superintendent of Schools

Joan Saylor, Interim Business Administrator/Board Secretary (July 1, 2017 to August 30, 2017)

Denise C. Friedmann, Interim Business Administrator/Board Secretary

Christopher, Esq., Solicitor (March 2017-June 30, 2017)

Oceanport School District
Consultants and Advisors

Audit Firm

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

Attorney

Kenney, Gross, Kovats and Parton
130 Maple Avenue, Building 8
Red Bank, New Jersey 07701

Official Depositories

Investors Savings Bank
169 Broadway
Long Branch, New Jersey 07740

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Oceanport School District:
County of Monmouth
Oceanport, New Jersey

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oceanport School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregated discretely presented component unit, each major fund, and the aggregate remaining fund information of Oceanport School District in the County of Monmouth, State of New Jersey as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, in 2018, the Board adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

Other Information (Cont'd)

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

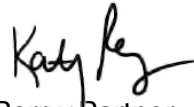
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2019 on our consideration of the Oceanport School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oceanport School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,

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



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

Toms River, New Jersey
January 31, 2019

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Oceanport School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2018

Unaudited

The discussion and analysis of Oceanport School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2018 are as follows:

Net position totaled \$1,953,788, which represents a (1.11) percent decrease from June 30, 2017.

General revenues accounted for \$11,185,023 in revenue or 89.91 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,255,224 or 10.09 percent of total revenues of \$12,440,247.

Total assets decreased by \$(390,036) as current assets increased by \$498,004 and capital assets, net decreased by \$107,968.

The School Board had \$12,462,182 in expenses; only \$1,255,224 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,185,023 were adequate to provide for these programs.

Among major funds, the General Fund had \$11,625,578 in revenues and \$11,189,736 in expenditures and transfers. The General Fund's balance increased \$435,842 over June 30, 2017. The General Fund's balance is \$1,904,221.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the School Board to provide programs and activities viewing the School Board as a whole and reports the culmination of all financial transactions. The report answers the question "How Did We Do Financially During Fiscal Year June 30, 2018?" The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets, liabilities, deferred outflows of resources and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statement

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

Governmental Funds

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

Enterprise Fund

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

The School Board as a Whole

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

Table 1 provides a summary comparison of the School Board's net position for June 30, 2018 and 2017.

Table 1

Net Position as of June 30, 2018 and June 30, 2017

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 2,025,835	\$ 79,844	\$ 2,105,679	\$ 1,485,028	\$ 122,647	\$ 1,607,675
Capital assets, net	4,687,404	-	4,687,404	4,792,645	2,727	4,795,372
Total assets	6,713,239	79,844	6,793,083	6,277,673	125,374	6,403,047
Deferred outflow of resources	922,021	-	922,021	1,335,314	-	1,335,314
Liabilities:						
Current liabilities	141,329	4,338	145,667	31,794	8,119	39,913
Long-term liabilities outstanding	4,831,180	-	4,831,180	5,675,796	-	5,675,796
Total liabilities	4,972,509	4,338	4,976,847	5,707,590	8,119	5,715,709
Deferred inflow of resources	784,469	-	784,469	46,929	-	46,929
Net position:						
Net investment in capital assets	3,513,665	-	3,513,665	3,445,140	2,727	3,447,867
Restricted	1,655,089	-	1,655,089	1,268,392	-	1,268,392
Unrestricted	(3,290,472)	75,506	(3,214,966)	(2,855,064)	114,528	(2,740,536)
Total Net Position	\$ 1,878,282	\$ 75,506	\$ 1,953,788	\$ 1,858,468	\$ 117,255	\$ 1,975,723

The School Board's combined net position was \$1,953,788 on June 30, 2018. This is a change of (1.11)% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2018 and 2017.

Table 2

Changes in Net Position

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ -	\$ 245,009	\$ 245,009	\$ -	\$ 273,481	\$ 273,481
Operating and capital grants and contributions	980,046	30,169	1,010,215	745,975	28,046	774,021
General revenues:						
Property taxes	9,894,381	-	9,894,381	9,706,658	-	9,706,658
Federal and state aid	936,984	-	936,984	735,786	-	735,786
Investment earnings	28,212	1,377	29,589	8,083	689	8,772
Miscellaneous	324,069	-	324,069	(115,281)	-	(115,281)
Total revenues	12,163,692	276,555	12,440,247	11,081,221	302,216	11,383,437
Expenses						
Instructional services	4,919,086	-	4,919,086	4,732,803	-	4,732,803
Support services	7,173,967	318,304	7,492,271	6,516,553	346,433	6,862,986
Interest on long-term liabilities	50,825	-	50,825	51,148	-	51,148
Total expenses	12,143,878	318,304	12,462,182	11,300,504	346,433	11,646,937
Change in net position	19,814	(41,749)	(21,935)	(219,283)	(44,217)	(263,500)
Transfers	-	-	-	(50,679)	50,679	-
Net position - beginning	1,858,468	117,255	1,975,723	2,128,430	110,793	2,239,223
Net position (deficit) - ending	\$ 1,878,282	\$ 75,506	\$ 1,953,788	\$ 1,858,468	\$ 117,255	\$ 1,975,723

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

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

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

Expenses for Fiscal Year June 30, 2018

Business-Type Activities

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

Total Enterprise Fund revenues exceeded expenses by \$(41,749).

Charges for services represent \$245,009 of revenue. This represents the amount paid by patrons for daily food service and catering and child care.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$30,169.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

Governmental Activities

	2018		2017	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 4,919,086	\$ 4,919,086	\$ 4,732,803	\$ 4,732,803
Support Services:				
Pupils and Instructional Staff	2,302,684	1,322,638	2,124,553	1,378,578
General Administration, School Administration, Business Operation and Maintenance of Facilities	4,591,202	4,591,202	4,083,622	4,083,622
Pupil Transportation	280,081	280,081	308,378	308,378
Interest and Fiscal Charges	50,825	50,825	51,148	51,148
Total Expenses	\$ 12,143,878	\$ 11,163,832	\$ 11,300,504	\$ 10,554,529

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

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

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

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

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

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

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

The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Oceanport, 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, 2018, it reported a combined fund balance of \$1,920,059, which is an increase of \$435,031. 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.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2018.

<u>Revenue</u>	<u>2018 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 10,246,662	84.24 %	\$ 206,608	2.06 %
State Sources	1,551,785	12.76	289,512	22.94
Federal Sources	<u>365,245</u>	<u>3.00</u>	<u>145,757</u>	<u>66.41</u>
Total	<u>\$ 12,163,692</u>	<u>100.00 %</u>	<u>\$ 641,877</u>	<u>5.57 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2018.

<u>Expenditures</u>	<u>2018 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 4,919,086	41.94 %	\$ 186,283	3.94 %
Undistributed Expenditures	6,515,467	55.55	322,603	5.21
Capital Outlay	122,554	1.04	19,186	18.56
Debt Service:				
Principal	130,000	1.11	10,000	8.33
Interest	<u>41,554</u>	<u>0.35</u>	<u>(1,685)</u>	<u>(3.90)</u>
Total	<u>\$ 11,728,661</u>	<u>99.99 %</u>	<u>\$ 536,387</u>	<u>4.79 %</u>

General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$502,817 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$250,570 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 General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are Capital Reserve \$40, Maintenance Reserve \$657,528 and Emergency Reserve \$225,000. These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District

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

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

The excesses will be carried forward into the beginning fund balance from the 2017-2018 fiscal year and will be used to reduce the local tax levy for the 2019-2020 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2018, the School Board had \$4,687,404 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2018 and June 30, 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,315,100	\$ 1,315,100	\$ -	\$ -	\$ 1,315,100	\$ 1,315,100
Construction in Progress	-	-	-	-	-	-
Building and Improvements	3,049,674	3,191,026	-	-	3,049,674	3,191,026
Machinery and Equipment	322,630	286,519	-	2,727	322,630	289,246
Total	\$ 4,687,404	\$ 4,792,645	\$ -	\$ 2,727	\$ 4,687,404	\$ 4,795,372

During the current fiscal year, \$100,689 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

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

	June 30, 2018	June 30, 2017
Bonds Payable (net)	\$ 1,504,153	\$ 1,634,153
Capital Leases payable	103,739	147,505
Pension Liability-PERS	2,647,812	3,732,172
Compensated Absences payable	<u>575,476</u>	<u>161,966</u>
Total long-term liabilities	\$ <u>4,831,180</u>	\$ <u>5,675,796</u>

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

Economic Factors and Next Year's Budget

For the 2017-2018 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 15.76% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 84.24% of total revenue is from local sources.

The \$(3,290,472) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2017-2018 budget was adopted in March 2017 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Oceanport for increased aid.

The School Board anticipates a slight decrease in enrollment for the 2018-2019 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Oceanport School District, 29 Wolf Hill Avenue, Oceanport, NJ, 07757.

BASIC FINANCIAL STATEMENTS

OCEANPORT SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,868,636	\$ 75,511	\$ 1,944,147
Capital reserve cash	40	-	40
Interfund receivable	-	-	-
Receivables - state	152,618	93	152,711
Receivables - federal	4,541	1,527	6,068
Receivables- other	-	-	-
Inventory	-	2,713	2,713
Capital assets, non-depreciable	1,315,100	-	1,315,100
Capital assets, depreciable, net	3,372,304	-	3,372,304
Total assets	<u>6,713,239</u>	<u>79,844</u>	<u>6,793,083</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	922,021	-	922,021
	<u>922,021</u>	<u>-</u>	<u>922,021</u>
LIABILITIES			
Accounts payable	-	2,015	2,015
Interfund payable	105,776	-	105,776
Other liabilities	35,553	-	35,553
Unearned revenue	-	2,323	2,323
Noncurrent liabilities:			
Due within one year	726,335	-	726,335
Due beyond one year	4,104,845	-	4,104,845
Total liabilities	<u>4,972,509</u>	<u>4,338</u>	<u>4,976,847</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	784,469	-	784,469
	<u>784,469</u>	<u>-</u>	<u>784,469</u>
NET POSITION			
Net investment in capital assets	3,513,665	-	3,513,665
Restricted for:			
Capital projects	40	-	40
Debt service	15,838	-	15,838
Other purposes	1,639,211	-	1,639,211
Unrestricted	(3,290,472)	75,506	(3,214,966)
Total net positions	<u>\$ 1,878,282</u>	<u>\$ 75,506</u>	<u>\$ 1,953,788</u>

See accompanying notes to financial statements.

OCEANPORT SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 3,649,558	\$ -	\$ -	\$ -	\$ (3,649,558)	\$ -	\$ (3,649,558)
Special education instruction	1,049,990	-	-	-	(1,049,990)	-	(1,049,990)
Other special instruction	219,538	-	-	-	(219,538)	-	(219,538)
Support services and undistributed costs:							
Instruction	138,103	-	-	-	(138,103)	-	(138,103)
Attendance and social work	-	-	-	-	-	-	-
Health services	150,311	-	-	-	(150,311)	-	(150,311)
Other support services	859,984	-	-	-	(859,984)	-	(859,984)
Educational media services	155,689	-	-	-	(155,689)	-	(155,689)
Instruction staff training	18,551	-	-	-	(18,551)	-	(18,551)
General administrative services	304,133	-	-	-	(304,133)	-	(304,133)
School administrative services	376,407	-	-	-	(376,407)	-	(376,407)
Central services	171,244	-	-	-	(171,244)	-	(171,244)
Admin. information technology	9,636	-	-	-	(9,636)	-	(9,636)
Allowed maintenance for school facilities	151,554	-	-	-	(151,554)	-	(151,554)
Other operation & maintenance of plant	780,756	-	-	-	(780,756)	-	(780,756)
Security	77,005	-	-	-	(77,005)	-	(77,005)
Student transportation services	280,081	-	-	-	(280,081)	-	(280,081)
Unallocated employee benefits	2,720,467	-	-	-	(2,720,467)	-	(2,720,467)
Non-budgeted expenditures	980,046	-	980,046	-	-	-	-
Interest expense	50,825	-	-	-	(50,825)	-	(50,825)
Total governmental activities	<u>12,143,878</u>	<u>-</u>	<u>980,046</u>	<u>-</u>	<u>(11,163,832)</u>	<u>-</u>	<u>(11,163,832)</u>
Business-type activities:							
Enterprise fund	318,304	245,009	30,169	-	-	(43,126)	(43,126)
Total business-type activities	<u>318,304</u>	<u>245,009</u>	<u>30,169</u>	<u>-</u>	<u>-</u>	<u>(43,126)</u>	<u>(43,126)</u>
Total primary government	<u>\$ 12,462,182</u>	<u>\$ 245,009</u>	<u>\$ 1,010,215</u>	<u>\$ -</u>	<u>\$ (11,163,832)</u>	<u>\$ (43,126)</u>	<u>\$ (11,206,958)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 9,778,391	\$ -	\$ 9,778,391
Taxes levied for debt service					115,990	-	115,990
Federal and state aid not restricted					571,739	-	571,739
Federal aid restricted					365,245	-	365,245
Miscellaneous income					324,069	-	324,069
Investment earnings					28,212	1,377	29,589
Transfer					-	-	-
Other Financing Sources/(Uses)					-	-	-
Total general revenues					<u>\$ 11,183,646</u>	<u>\$ 1,377</u>	<u>11,185,023</u>
Change in net positions					19,814	(41,749)	(21,935)
Net position—beginning					1,858,468	117,255	1,975,723
Net position—ending					<u>\$ 1,878,282</u>	<u>\$ 75,506</u>	<u>\$ 1,953,788</u>

OCEANPORT SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,857,339	\$ (4,541)	\$ -	\$ 15,838	\$ 1,868,636
Capital reserve	40	-	-	-	40
Interfund receivables	92,024	-	-	-	92,024
Receivables from federal	-	4,541	-	-	4,541
Receivables from State	60,594	-	92,024	-	152,618
Other - [tuition]	-	-	-	-	-
Total assets	<u>2,009,997</u>	<u>-</u>	<u>92,024</u>	<u>15,838</u>	<u>2,117,859</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Interfund payable	105,776	-	92,024	-	197,800
Payable to federal government	-	-	-	-	-
Payable to state government	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>105,776</u>	<u>-</u>	<u>92,024</u>	<u>-</u>	<u>197,800</u>
Fund Balances:					
Restricted for:					
Legally restricted -- designated for subsequent year's expenditures	-	-	-	-	-
Excess surplus - current year	350,948	-	-	-	350,948
Excess surplus - prior year- designated for subsequent year's expenditures	270,745	-	-	-	270,745
Capital reserve account	40	-	-	-	40
Maintenance reserve account	657,528	-	-	-	657,528
Emergency reserve account	225,000	-	-	-	225,000
Debt services	-	-	-	15,838	15,838
Committed to:					
Debt Service Fund	-	-	-	-	-
Other purposes	123,808	-	-	-	123,808
Assigned to:					
Other purposes	-	-	-	-	-
Designated by the BOE for subsequent year's expenditures	11,182	-	-	-	11,182
Unassigned:					
General fund	264,970	-	-	-	264,970
Total fund balances	<u>1,904,221</u>	<u>-</u>	<u>-</u>	<u>15,838</u>	<u>1,920,059</u>
Total liabilities and fund balances	<u>\$ 2,009,997</u>	<u>\$ -</u>	<u>\$ 92,024</u>	<u>\$ 15,838</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,655,101 and the accumulated depreciation is \$3,967,697.	4,687,404
Deferred outflows related to the PERS pension plan	922,021
Deferred inflows related to the PERS pension plan	(784,469)
Accrued interest	(35,553)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(4,831,180)</u>
Net position of governmental activities	<u>\$ 1,878,282</u>

OCEANPORT SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	GAAP Total Governmental Funds
REVENUES				
Local sources:				
Local tax levy	\$ 9,778,391	\$ -	\$ 115,990	\$ 9,894,381
Tuition charges	295,448	-	-	295,448
Interest on investments	28,212	-	-	28,212
Interest earned on capital reserve funds	-	-	-	-
Transportation fees	4,918	-	-	4,918
Rents and royalties	18,550	-	-	18,550
Miscellaneous	3,027	2,126	-	5,153
Total - local sources	10,128,546	2,126	115,990	10,246,662
State sources	1,497,032	-	54,753	1,551,785
Federal sources	-	365,245	-	365,245
Total revenues	<u>\$ 11,625,578</u>	<u>\$ 367,371</u>	<u>\$ 170,743</u>	<u>\$ 12,163,692</u>
EXPENDITURES				
Current:				
Regular instruction	\$ 3,350,086	\$ 299,472	\$ -	\$ 3,649,558
Special education instruction	1,049,990	-	-	1,049,990
Other special instruction	121,113	-	-	121,113
School sponsored/other instructional	98,425	-	-	98,425
Undistributed - current:				
Instruction	138,103	-	-	138,103
Attendance and social work services	-	-	-	-
Health services	150,311	-	-	150,311
Other support services	792,085	67,899	-	859,984
Educational media services	155,689	-	-	155,689
Instruction staff training	18,551	-	-	18,551
General administrative services	304,133	-	-	304,133
School administrative services	376,407	-	-	376,407
Central services	171,244	-	-	171,244
Admin. info. technology	9,636	-	-	9,636
Allowed maintenance for school facilities	178,967	-	-	178,967
Other operation & maintenance of plant	574,826	-	-	574,826
Security	77,005	-	-	77,005
Student transportation services	280,081	-	-	280,081
Unallocated employee benefits	2,240,484	-	-	2,240,484
Non-budgeted expenditures	980,046	-	-	980,046
Debt service:				
Principal	-	-	130,000	130,000
Interest and other charges	-	-	41,554	41,554
Capital outlay	122,554	-	-	122,554
Total expenditures	<u>11,189,736</u>	<u>367,371</u>	<u>171,554</u>	<u>11,728,661</u>
Excess (deficiency) of revenues over expenditures	<u>435,842</u>	<u>-</u>	<u>(811)</u>	<u>435,031</u>
OTHER FINANCING SOURCES (USES)				
Capital leases-non budgeted	-	-	-	-
Adjustment for grants receivables and payroll	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	435,842	-	(811)	435,031
Fund balance—July 1	1,468,379	-	16,649	1,485,028
Fund balance—June 30	<u>\$ 1,904,221</u>	<u>\$ -</u>	<u>\$ 15,838</u>	<u>\$ 1,920,059</u>

**OCEANPORT 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, 2018**

Total net change in fund balances - governmental funds (from B-2)	\$	435,031
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense	(205,930)	
Capital outlays	<u>100,689</u>	(105,241)
<p>In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey</p>		
		(66,473)
<p>In the statement of activities, interest expense is recorded when paid.</p>		
<p>In the governmental funds, the interest is expensed when due and shown as payable at year end.</p>		
		(3,759)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		130,000
<p>In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability.</p>		
<p>In the governmental funds, the payments is an expenditure. (Amount is net of payments included in capital outlay)</p>		
		43,766
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured earned during the year. In the governmental funds, however, expenditures for these items are reported by the amounts in the amount of financial resources used, essentially, the amounts actually paid. This year, sick leave was decreased.</p>		
		<u>(413,510)</u>
Change in net position of governmental activities	\$	<u>19,814</u>

OCEANPORT SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2018

		<u>Business-type Activities - Enterprise Fund</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$	75,511
Receivable from state		93
Receivable from other governments		1,527
Other Recievables		-
Inventory		2,713
Total current assets		<u>79,844</u>
Noncurrent assets:		
Furniture, machinery and equipment		228,723
Less accumulated depreciation		<u>(228,723)</u>
Total noncurrent assets		-
Total assets		<u><u>79,844</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable		2,015
Unearned revenue		2,323
Interfund payable		-
Total current liabilities		<u>4,338</u>
NET POSITION		
Net investment in capital assets		-
Unrestricted		<u>75,506</u>
Total net position		<u>75,506</u>
Total liabilities and net position	\$	<u><u>79,844</u></u>

OCEANPORT SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Positions
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Fund
Operating revenues:	
Daily Sales Reimbursable Programs	\$ 71,715
Tuition	128,852
School Lunch	44,442
Miscellaneous	-
Total operating revenues	245,009
 Operating expenses:	
Salaries	171,163
Employee Benefits	15,305
Other purchased services	44,188
Supplies and materials	33,292
Depreciation	2,727
Cost of sales - reimbursable programs	37,400
Cost of sales - non-reimbursable programs	14,229
Total operating expenses	318,304
Operating income	(73,295)
 Non-operating revenues (expenses):	
State sources:	
State school lunch program	1,151
Federal sources:	
National school lunch program	18,375
National school lunch program-PB	1,357
Food distribution program	9,286
Interest and investment revenue	1,377
Total non-operating revenues (expenses)	31,546
Change in net position	(41,749)
Transfer from General Fund	-
 Total net position—beginning	117,255
Total net position—ending	\$ 75,506

OCEANPORT SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017

		<u>Business-type Activities - Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$	247,332
Payments to employees		(171,163)
Payments for employee benefits		(15,305)
Payments to suppliers		(125,707)
Net cash used in operating activities		<u>(64,843)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources		1,142
Federal sources		19,971
Transfer from general fund		-
Interest income		1,377
Net cash provided by non-capital financing activities		<u>22,490</u>
Net increase in cash and cash equivalents		(42,353)
Balances—beginning of year		117,864
Balances—end of year	\$	<u><u>75,511</u></u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating income	\$	(73,295)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		2,727
Federal commodities		9,286
Increase in accounts receivable, net		-
Increase in inventories		220
(Increase) decrease in accounts payable		2,015
Increase in interfund payable		(8,119)
Decrease in unearned revenue		2,323
Total adjustments		<u>8,452</u>
Net cash used in operating activities	\$	<u><u>(64,843)</u></u>

**OCEANPORT SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 133,733	\$ 237,777	\$ 371,510
Interfund receivable	-	105,776	105,776
Total assets	<u>133,733</u>	<u>343,553</u>	<u>477,286</u>
LIABILITIES			
Payroll deductions and withholdings	-	280,976	280,976
Payable to student groups	-	62,577	62,577
Total liabilities	<u>-</u>	<u>343,553</u>	<u>343,553</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>133,733</u>	<u>-</u>	<u>133,733</u>
Total net position	<u>133,733</u>	<u>-</u>	<u>133,733</u>
Total liabilities and net position	<u>\$ 133,733</u>	<u>\$ 343,553</u>	<u>\$ 477,286</u>

OCEANPORT SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2018

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ -
Other	-
Total contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	1,571
Dividends	-
Less investment expense	-
Net investment earnings	1,571
Total additions	1,571
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	12,186
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	12,186
Change in net position	(10,615)
Net position—beginning of the year	144,348
Net position—end of the year	\$ 133,733

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Oceanport School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K - 8.

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

B. Basis of Presentation

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

The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 11.

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

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

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

The District reports the following governmental funds:

General Fund: The general fund is the general operating fund of the District. 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, district taxes and appropriated fund balances. 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.

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2018

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

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

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

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

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

The District reports the following proprietary 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, the Summer Enrichment Program and School Age Childcare.

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

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

B. Basis of Presentation, Basis of Accounting (Cont'd):

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 basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.d.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

C. 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".

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6a:23-1.2.

All budget amendments/transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2018 were insignificant.

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.

E. 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.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

F. Cash, Cash Equivalents and Investments

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

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

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

G. 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.

H. Tuition Payable

Tuition charges for the fiscal year 2016-2017 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

I. Inventories and Prepaid Expenses

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

Prior to 2018, the District reported inventories at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method. The District began stating inventories prospectively at the lower of FIFO cost and net realizable value. This change was made in response to a recent FASB standard issued as part of the Board's simplification initiative. Under the prior method, "market", was replacement cost, subject to possible adjustments. Net realizable value is based on the selling price. The change is intended to reduce complexity in financial statement preparation. This change had no significant effect on earnings for 2018.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

J. 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.

K. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs is not capitalized. The 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:

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

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

L. 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.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

L. Compensated Absences (Cont'd)

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

M. Unearned/Deferred Revenue

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

N. 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.

O. Deferred Outflows/Inflows of Resources

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

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

P. Net Position

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

Q. Fund Balance Resources

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

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

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.

Non-exchange transactions, in which the 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 purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

R. Revenues - Exchange and Non-exchange Transactions (Cont'd)

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, summer enrichment and childcare. 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.

2. Cash and 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, 2018, the carrying amount of the District's deposits was \$2,315,697 and the bank balance was \$2,525,796. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

Pursuant to Government Accounting Standards, the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2018, 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.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

2. Cash and Cash Equivalents and Investments (Cont'd)

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.

Credit Risk: Government Accounting Standards, require 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 District has no uninsured deposits.

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 NJCMF, is less than one year. The District has no deposits invested.

4. Capital Reserve Account

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

4. Capital Reserve Account (Cont'd)

Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan, ("LRFP"). Upon submission of the LRFP to the department, a district may deposit funds by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the Capital Reserve for the July 01, 2017 to June 30, 2018 fiscal year is as follows:

Balance, July 01, 2017	\$	40
Board Contribution	-	
Withdrawals	<u>-</u>	
Balance, at June 30, 2018	\$	<u><u>40</u></u>

There were no withdrawals from the capital reserve for DOE approved facilities projects in 2018.

5. Maintenance Reserve Account

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

5. Maintenance Reserve Account (Cont'd)

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2018.

The activity of the Maintenance Reserve for the July 01, 2017 to June 30, 2018 fiscal year is as follows:

Balance, July 01, 2017	\$	503,750
Interest earned		3,778
Increase per resolution		225,000
Withdrawals		<u>(75,000)</u>
Balance, at June 30, 2018	\$	<u>657,528</u>

6. Emergency Reserve Account

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

The activity of the Emergency Reserve for the July 01, 2017 to June 30, 2018 fiscal year is as follows:

Balance, July 01, 2017	\$	250,000
Board Contribution		-
Withdrawals		<u>(25,000)</u>
Balance, at June 30, 2018	\$	<u>225,000</u>

7. Receivables

Receivables at June 30, 2018, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follow on the next page.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

7. Receivables (Cont'd)

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	\$ 152,618	\$ 152,711
Federal Aid	4,541	6,068
Interfunds	<u>92,024</u>	<u>-</u>
Gross Receivables	249,183	158,779
Allowance for Uncollectible	-	-
Total Receivables, Net	<u>\$ 249,183</u>	<u>\$ 158,779</u>

8. Capital Assets

Capital Assets consisted of the following at June 30, 2018.

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 1,315,100	-	-	\$ 1,315,100
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>1,315,100</u>	<u>-</u>	<u>-</u>	<u>1,315,100</u>
Capital Assets Being Depreciated				
Building and Building Improvements	6,446,607	-	-	6,446,607
Machinery and Equipment	<u>792,705</u>	<u>100,689</u>	<u>-</u>	<u>893,394</u>
Totals at Historical Cost	<u>7,239,312</u>	<u>100,689</u>	<u>-</u>	<u>7,340,001</u>
Less Accumulated Depreciation for:				
Site Improvements	-	-	-	-
Building and Building Improvements	(3,255,581)	(141,352)	-	(3,396,933)
Machinery and Equipment	<u>(506,186)</u>	<u>(64,578)</u>	<u>-</u>	<u>(570,764)</u>
Total Accumulated Depreciation	<u>(3,761,767)</u>	<u>(205,930)</u>	<u>-</u>	<u>(3,967,697)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>3,477,545</u>	<u>(105,241)</u>	<u>-</u>	<u>3,372,304</u>
Government Activity Capital Assets, Net	<u>\$ 4,792,645</u>	<u>(105,241)</u>	<u>-</u>	<u>\$ 4,687,404</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	228,723	-	-	228,723
Less: Accumulated Depreciation	<u>(225,996)</u>	<u>(2,727)</u>	<u>-</u>	<u>(228,723)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 2,727</u>	<u>\$ (2,727)</u>	<u>-</u>	<u>\$ -</u>

Depreciation expense was charged to governmental functions as follows:

Operations and maintenance	<u>\$ 205,930</u>
Total depreciation expense	<u>\$ 205,930</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

9. Non-current Liabilities

During the fiscal year ended June 30, 2018 the following changes occurred in the non-current liabilities:

	Balance July 01, 2017	Increase/ (Decrease)	Balance June 30, 2018	Due within one year
Bonds payable	\$ 1,200,000	(130,000)	1,070,000	\$ 130,000
Community Development Loan	434,153	-	434,153	434,153
Capital leases	147,505	(43,766)	103,739	44,140
Compensated absences payable	161,966	413,510	575,476	118,042
Pension liability - PERS	<u>3,732,172</u>	<u>(1,084,360)</u>	<u>2,647,812</u>	-
	<u>\$ 5,675,796</u>	<u>(844,616)</u>	<u>4,831,180</u>	<u>\$ 726,335</u>

a. Bonds Payable

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

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

Year ended June 30	Principal	Interest	Total
2019	\$ 130,000	\$ 36,950	\$ 166,950
2020	130,000	33,050	163,050
2021	130,000	29,150	159,150
2022	135,000	24,500	159,500
2023	135,000	19,100	154,100
2024-2026	<u>410,000</u>	<u>24,800</u>	<u>434,800</u>
	<u>\$ 1,070,000</u>	<u>\$ 167,550</u>	<u>\$ 1,237,550</u>

b. Bonds Authorized But Not Issued

As of June 30, 2018, the District had no authorized but not issued bonds.

c. Capital Leases:

The District is leasing equipment under various capital leases. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2018:

Year ended June 30,	
2019	47,896
2020	39,456
2021	<u>22,550</u>
Total minimum lease payments	109,902
Less: amounts representing interest	<u>(6,163)</u>
Present value of lease payments	<u>\$ 103,739</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

10. FEMA Community Disaster Loan (CDL)

The school district applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The district was approved for \$876,989 total loan and chose to withdraw \$434,153 as a reduction of the tax levy assessed for the 2013-2014 school year. The amount of principal and interest accrued through June 30, 2018 is \$434,153 and \$-, respectively. The school district applied for and received cancellation from FEMA for the CDL loan in its entirety on July 23, 2018.

11. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

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

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

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

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

June 30, 2018, the School District reported a liability of \$2,647,812 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was .0113745438%, which was a decrease of .0012268520% from its proportion measured as of June 30, 2016.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

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

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$66,473 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 62,347	\$ -
Changes of assumptions	533,443	531,487
Net difference between projected and actual earnings on pension plan investments	18,030	-
Changes in proportion and differences between District contributions and proportionate share of contributions	186,660	252,982
District contributions subsequent to the measurement date	121,541	-
Total	<u>\$ 922,021</u>	<u>\$ 784,469</u>

\$121,541 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 12,121
2019	18,291
2020	11,084
2021	(14,741)
2022	(10,744)
Thereafter	-
Total	<u>\$ 16,011</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

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

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

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

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for the 2017, 2016, 2015 and 2014 amounts, respectively.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. In addition the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2017 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the net pension liability	3,284,790	2,647,812	2,117,130

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/18</u>	<u>6/30/17</u>
Collective Deferred Outflows of Resources	723,829,861	7,815,204,785
Collective Deferred Inflows of Resources	-	-
Collective Net Pension Liability	23,278,401,588	29,617,131,759
School District's Portion	.0113745438%	.0126013958%

B. Teachers' Pension and Annuity (TPAF)

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

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

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the School District.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$30,373,178. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was .0450482843%, which was a decrease of .2859158657% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized a pension expense in the amount of \$443,015 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2017 measurement date.

Actuarial Assumptions - The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.00%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

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

Long-term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Pension Plans (cont'd)

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

Discount Rate - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2017 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's proportionate share of the net pension liability	36,216,267	30,484,268	25,762,223

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

12. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

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

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

Employees covered by benefit terms

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	142,331
Active plan members	<u>223,747</u>
Total	<u><u>366,078</u></u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

12. Post-Retirement Benefits (cont'd)

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other imputes

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.15%-4.15% PFRS 2.1%-8.98% TPAF 1.55%-4.55%
Salary Increases after 2026	PERS 3.15%-5.15% PFRS 3.1%-9.98% TPAF 2.0%-5.45%
Discount Rate	3.58%
Healthcare Cost Trend Rates	4.5%-5.9%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for PERS-June 30, 2014; TPAF-June 30, 2015 and PFRS-June 30, 2013.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

12. Post-Retirement Benefits (cont'd)

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

Balance at June 30, 2016	\$ 57,831,784,184
Changes for the year:	
Service cost	2,391,878,884
Interest on the total OPEB liability	1,699,441,736
Changes in assumptions	(7,086,599,129)
Gross benefit payments by the state	(1,242,412,566)
Contributions from members	<u>45,748,749</u>
Net changes	<u>(4,191,942,326)</u>
Balance at June 30, 2017	<u>\$ 53,639,841,858</u>

Discount rate

The discount rate was 2.85% percent in 2016 and -% percent in 2017. This represents the municipal bond rate chosen by the State of New Jersey Division of Pension and Benefits. The source is the Bond Buyer Go 20-Bond municipal bond index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

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

	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
Total OPEB Liability of the State for School Retirees	\$63,674,362,200	\$53,639,841,858	\$45,680,364,953
Total OPEB Liability of the State Associated with the School District for School Retirees	\$37,116,239	\$31,267,047	\$26,627,411

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

12. Post-Retirement Benefits (cont'd)

Health Care Trend Assumptions (cont'd)

For prescription drug benefits, the initial trend rate is 10.5% and decreases to 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

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

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

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability of the State for School Retirees	\$44,113,584,560	\$53,639,841,858	\$66,290,599,457
Total OPEB Liability of the State Associated with the School District for School Retirees	\$25,714,019	\$31,267,047	\$38,641,264

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

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$1,423,061 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Oceanport School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

12. Post-Retirement Benefits (cont'd)

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

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience		
Changes of assumptions	\$ -	\$ 6,343,769,032
Contributions made in fiscal year ending 2018 after June 30, 2017 measurement date	<u>1,190,373,242</u>	<u>-</u>
Total	<u>\$ 1,190,373,242</u>	<u>\$ 6,343,769,032</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	<u>(2,629,618,547)</u>
Total	<u>\$ (6,343,769,032)</u>

13. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards.

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 twelve 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 on the District-wide financials. The current portion of the compensated absences balance is shown separately from the long-term liability balance of compensated absences. The liability for vested compensated absences of the proprietary fund type is recorded within those funds as the benefits accrue to employees.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

14. 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 plan administrators are as follows:

Prudential

15. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and 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.

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:

District Financial Year	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2017-2018	\$ -	1,571	(12,486)	\$ 133,733
2016-2017	-	640	(1,804)	144,348
2015-2016	\$ -	370	(583)	\$ 145,512

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

16. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2018:

	Interfund Receivable	Interfund Payable
General Fund	\$ 92,024	\$ 105,776
Special Revenue Fund	-	-
Capital Projects Fund	-	92,024
Debt Service Fund	-	-
Enterprise Fund	-	-
Trust and Agency Fund	105,776	-
	<u>\$ 197,800</u>	<u>\$ 197,800</u>

The Capital Projects Fund, Debt Service Fund and Enterprise Fund owe the General Fund for cash advances during the fiscal year.

17. Inventory

Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

Food	\$ 1,424
Supplies	<u>1,289</u>
	<u>\$ 2,713</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

18. Contingent Liabilities

Grant Programs

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2018

19. Fund Balances

General Fund - Of the \$1,904,221 General Fund balance at June 30, 2018, \$123,808 of encumbrances is assigned to other purposes, \$40 is restricted for capital reserve, \$657,528 is restricted for maintenance reserve, \$225,000 is restricted for the emergency reserve, \$11,182 is restricted for excess surplus for subsequent year expenditures, \$270,745 has been classified as assigned fund balance designated for subsequent year expenditures, \$350,948 is restricted for excess surplus and \$264,970 is unassigned.

20. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$350,948. The excess fund balance at June 30, 2017 was \$11,182.

21. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2018. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2014.

22. Subsequent Events

Management has evaluated subsequent events through January 31, 2019, the date the financial statements were available to be issued.

23. Tax Abatement

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 9,778,391	\$ -	\$ 9,778,391	\$ 9,778,391	\$ -
Tuition - non-residents	82,500	-	82,500	82,500	-
Tuition -LEAS	77,664	-	77,664	91,278	13,614
Tuition - Pre-K	-	-	-	121,670	121,670
Interest	-	-	-	24,434	24,434
Interest earned on current expense emergency reserve	5	-	5	-	(5)
Interest earned on maintenance reserve	10	-	10	3,778	3,768
Transportation fees	-	-	-	4,918	4,918
Rents and royalties	-	-	-	18,550	18,550
Miscellaneous	-	-	-	3,027	3,027
Total - local sources	9,938,570	-	9,938,570	10,128,546	189,976
State sources:					
Transportation aid	32,531	-	32,531	32,531	-
Special education aid	347,910	12,267	360,177	360,177	-
Extraordinary aid	-	-	-	52,749	52,749
Non-public transportation	-	-	-	7,845	7,845
Categorical security	20,253	-	20,253	20,253	-
Adjustment aid	28,840	(3,667)	25,173	25,173	-
Under adequacy Aid	-	2,126	2,126	2,126	-
PARCC readiness aid	5,860	-	5,860	5,860	-
Per pupil growth aid	5,860	-	5,860	5,860	-
Professional learning community aid	5,490	-	5,490	5,490	-
TPAF-LTDI (on-behalf - Non-budgeted)	-	-	-	613	613
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	658,911	658,911
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	443,015	443,015
TPAF social security (reimbursed - Non-budgeted)	-	-	-	320,522	320,522
Total state sources	446,744	10,726	457,470	1,941,125	1,483,655
Total revenues	10,385,314	10,726	10,396,040	12,069,671	1,673,631
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	244,655	-	244,655	244,131	524
Grades 1-5 - Salaries of teachers	1,499,170	(66,676)	1,432,494	1,417,619	14,875
Grades 6-8 - Salaries of teachers	1,109,485	37,421	1,146,906	1,146,135	771
Regular Programs - Home Instruction:					
Salaries of teachers	7,000	7,900	14,900	14,394	506
Purchased professional-educational services	200,000	1,850	201,850	201,845	5
Regular Programs - Undistributed Instruction					
Other purchased services (400-500 series)	71,427	18,983	90,410	85,273	5,137
General supplies	127,436	(7,783)	119,653	113,414	6,239
Textbooks	131,409	(7,200)	124,209	123,753	456
Other objects - misc. exp.	10,000	(4,000)	6,000	3,522	2,478
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,400,582	(19,505)	3,381,077	3,350,086	30,991
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	162,710	(2,746)	159,964	158,510	1,454
Other salaries for instruction	115,955	(22,400)	93,555	87,810	5,745
General supplies	708	225	933	562	371
Total Learning and/or Language Disabilities	279,373	(24,921)	254,452	246,882	7,570
Resource Room/Resource Center:					
Salaries of teachers	541,914	19,150	561,064	559,839	1,225
General supplies	6,473	(1,775)	4,698	3,608	1,090
Total Resource Room/Resource Center	548,387	17,375	565,762	563,447	2,315
Preschool Disabilities - Full Time					
Salaries	170,405	(1,054)	169,351	169,351	-
Other salaries for instruction	48,864	19,109	67,973	65,493	2,480
General supplies	5,000	3,144	8,144	4,767	3,377
Other objects	-	50	50	50	-
Total Preschool Disabilities - Full Time	224,269	21,249	245,518	239,661	5,857
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,052,029	13,703	1,065,732	1,049,990	15,742

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of teachers	\$ 141,148	\$ (20,394)	\$ 120,754	\$ 120,713	\$ 41
General supplies	400	-	400	400	-
Total Basic Skills/Remedial - Instruction	<u>141,548</u>	<u>(20,394)</u>	<u>121,154</u>	<u>121,113</u>	<u>41</u>
Bilingual Education - Instruction					
General supplies	250	-	250	-	250
Total Bilingual Education - Instruction	<u>250</u>	<u>-</u>	<u>250</u>	<u>-</u>	<u>250</u>
School Sponsored CoCurricular Act.-Instruction					
Salaries	56,678	4,691	61,369	61,368	1
Supplies and Materials	2,800	-	2,800	-	2,800
Other Objects	9,000	-	9,000	394	8,606
Total School Sponsored Cocurricular Act-Instruction	<u>68,478</u>	<u>4,691</u>	<u>73,169</u>	<u>61,762</u>	<u>11,407</u>
School Sponsored Athletics-Instruction					
Salaries	35,777	(5,119)	30,658	29,780	878
Supplies and Materials	4,000	(700)	3,300	2,755	545
Other Objects	3,000	1,128	4,128	4,128	-
Total School Sponsored Athletics-Instruction	<u>42,777</u>	<u>(4,691)</u>	<u>38,086</u>	<u>36,663</u>	<u>1,423</u>
Total Instruction	<u>4,705,664</u>	<u>(26,196)</u>	<u>4,679,468</u>	<u>4,619,614</u>	<u>59,854</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - special	-	16,486	16,486	16,285	201
Tuition to private schools for the handicapped - Within state	221,100	(38,596)	182,504	121,818	60,686
Total Undistributed Expenditures - Instruction:	<u>221,100</u>	<u>(22,110)</u>	<u>198,990</u>	<u>138,103</u>	<u>60,887</u>
Undist. Expend. - Health Services					
Salaries	143,536	4,275	147,811	147,510	301
Purchased professional and technical services	3,000	(1,075)	1,925	968	957
Supplies and materials	2,000	-	2,000	1,833	167
Total Undistributed Expenditures - Health Services	<u>148,536</u>	<u>3,200</u>	<u>151,736</u>	<u>150,311</u>	<u>1,425</u>
Undist. Expend. - Other Support Services - Students-Related Srvc					
Salaries	173,849	(3,650)	170,199	169,524	675
Supplies and materials	600	1,150	1,750	1,363	387
Total Undist. Expend.-Other Support Svcs-Students-Related Srvc	<u>174,449</u>	<u>(2,500)</u>	<u>171,949</u>	<u>170,887</u>	<u>1,062</u>
Undist. Expend.- Other Support Services -Students-Extraordinary Srv					
Salaries	266,879	(41,968)	224,911	108,210	116,701
Purchased professional - educational services	23,000	34,147	57,147	44,003	13,144
Total Undist. Expend.-Othr Sprt Svcs Students-Extraordinary Svcs	<u>289,879</u>	<u>(7,821)</u>	<u>282,058</u>	<u>152,213</u>	<u>129,845</u>
Undist. Expend.- Other Support Services Students-Regular					
Salaries of other professional staff	71,036	-	71,036	71,036	-
Purchased professional - educational services	3,000	(2,891)	109	-	109
Other purchased services (400-500 series)	-	-	-	-	-
Supplies and materials	3,000	(550)	2,450	2,362	88
Other objects	-	2,891	2,891	2,891	-
Total Undist. Expend. - Other Support Services - Students-Regular	<u>77,036</u>	<u>(550)</u>	<u>76,486</u>	<u>76,289</u>	<u>197</u>
Undist. Expend. - Other Support Services - Students-Special					
Salaries of other professional staff	278,464	3,327	281,791	281,790	1
Salaries of secretarial and clerical assistants	49,807	-	49,807	49,807	-
Purchased professional - educational services	3,500	1,933	5,433	5,205	228
Other Purchased Prof. and Tech Services	-	222	222	222	-
Supplies and materials	3,000	(1,671)	1,329	1,328	1
Other objects	2,059	(870)	1,189	1,189	-
Total Undist. Expend. - Other Support Services - Students-Special	<u>336,830</u>	<u>2,941</u>	<u>339,771</u>	<u>339,541</u>	<u>230</u>
Undist. Expend. - Improvement of Instruction Services					
Salaries of other professional staff	6,833	4,000	10,833	6,780	4,053
Purchased professional - educational services	54,800	175	54,975	46,375	8,600
Total Undist. Expend. - Improvement of Instruction Services	<u>61,633</u>	<u>4,175</u>	<u>65,808</u>	<u>53,155</u>	<u>12,653</u>
Undist. Expend. - Educational Media Services/School Library					
Salaries	97,525	-	97,525	97,492	33
Salaries of Technology Coordinators	55,863	338	56,201	56,200	1
Supplies and materials	2,000	-	2,000	1,997	3
Total Undist. Expend. - Educational Media Services/School Library	<u>155,388</u>	<u>338</u>	<u>155,726</u>	<u>155,689</u>	<u>37</u>

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	\$ 29,300	\$ (8,965)	\$ 20,335	\$ 16,379	\$ 3,956
Other purchased services (400-500 series)	2,500	-	2,500	2,172	328
Total Undist. Expend. - Instruction Staff Training Services	31,800	(8,965)	22,835	18,551	4,284
Undist. Expend. - Support Service - General Administration					
Salaries	51,788	2,412	54,200	54,200	-
Legal services	25,000	39,558	64,558	64,558	-
Audit fees	15,000	125	15,125	15,125	-
Architectural/engineering services	30,000	4,410	34,410	34,410	-
Other purchased professional services	58,334	2,500	60,834	60,833	1
Communications/Telephone	36,000	(1,552)	34,448	33,033	1,415
Other purchased services (400-500 series)	46,136	(16,799)	29,337	29,337	-
General supplies	1,000	(260)	740	740	-
Miscellaneous expenditures - Board of Ed	9,440	(4,714)	4,726	4,675	51
Membership Dues and Fees	6,500	722	7,222	7,222	-
Total Undist. Expend. - Support Service - General Administration	279,198	26,402	305,600	304,133	1,467
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	228,412	-	228,412	228,411	1
Salaries of secretarial and clerical assistants	89,092	3,649	92,741	91,463	1,278
Other purchased services (400-500 series)	32,900	4,386	37,286	37,286	-
Supplies and materials	15,000	(7,165)	7,835	7,500	335
Other objects	9,650	2,883	12,533	11,747	786
Total Undist. Expend. - Support Service - School Administration	375,054	3,753	378,807	376,407	2,400
Undist. Expend. - Central Services					
Salaries	127,022	1,947	128,969	128,969	-
Purchased professional services	27,000	2,050	29,050	29,050	-
Misc. Pur Serv (400-500 series)	2,000	7,762	9,762	9,762	-
Supplies and materials	3,600	(454)	3,146	3,146	-
Misc Expenditures	1,825	(1,508)	317	317	-
Total Undist. Expend. - Central Services	161,447	9,797	171,244	171,244	-
Undist. Expend. - Admin. Info. Technology					
Supplies and materials	10,000	(353)	9,647	9,636	11
Total Undist. Expend - Admin. Info. Technology	10,000	(353)	9,647	9,636	11
Interest Earned on Maintenance Reserve					
Interest earned on maintenance reserve	10	(10)	-	-	-
Total Interest Earned on Maintenance Reserve	10	(10)	-	-	-
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	172,293	39,168	211,461	178,967	32,494
Total Undist. Expend. - Allowed Maintenance for School Facilities	172,293	39,168	211,461	178,967	32,494
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - Custodians	293,304	(33,159)	260,145	260,145	-
Salaries - Café./Playground Aides	-	26,089	26,089	26,089	-
Cleaning, repair and maintenance services - up keep	6,270	10,269	16,539	6,422	10,117
Other purchased property services	30,000	(3,000)	27,000	21,677	5,323
Insurance	46,000	8,143	54,143	54,143	-
General supplies	30,000	6,536	36,536	36,536	-
Energy (Natural Gas)	52,000	6,239	58,239	46,617	11,622
Energy (Electricity)	110,000	(9,575)	100,425	100,425	-
Other objects	1,561	605	2,166	2,166	-
Total Undist. Expend. - Other Operation & Maintenance Of Plant	569,135	12,147	581,282	554,220	27,062
Care and Upkeep of Grounds					
Cleaning, repair and maintenance services	41,600	(15,494)	26,106	20,606	5,500
Total Undist. Expend. - Care and Upkeep of Grounds	41,600	(15,494)	26,106	20,606	5,500
Undist. Expend. - Security					
Salaries	52,694	1,881	54,575	54,575	-
Purchased professional services	15,000	-	15,000	15,000	-
Cleaning, repair and maintenance services	16,500	5,917	22,417	7,430	14,987
Total Undist. Expend. - Security	84,194	7,798	91,992	77,005	14,987
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation(between home and school)-Special	-	-	-	-	-
Management fee - ESC	20,000	-	20,000	20,000	-
Cleaning, repair and maintenance services	1,500	(397)	1,103	1,103	-
Contract services Aid in Lieu Pymnts - NonPub Sch	17,680	6,589	24,269	24,269	-
Contract services (between home & school) - Vendors	215,000	(17,597)	197,403	145,385	52,018
Contract services -(other between home and school) - Vendors	13,500	(2,632)	10,868	7,850	3,018
Contract services-(regular) - ESC's	22,000	(7,563)	14,437	14,437	-
Contract services-(special education students)-ESC's & CTSA's	45,000	22,217	67,217	67,037	180
Total Undist. Expend. - Student Transportation Services	334,680	617	335,297	280,081	55,216
Interest Earned on Current Expense Emergency Reserve					
Interest earned on current expense emergency reserve	5	(5)	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	5	(5)	-	-	-

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED EMPLOYEE BENEFITS					
Perfect attendance	-	8,700	8,700	8,700	-
Social security contributions	\$ 132,000	\$ (8,700)	\$ 123,300	\$ 98,017	\$ 25,283
Other retirement contributions - PERS	117,000	(11,224)	105,776	105,776	-
Other retirement contributions - regular	-	8,300	8,300	6,942	1,358
Workmen's compensation	78,850	6,584	85,434	85,280	154
Health benefits	2,008,701	(27,012)	1,981,689	1,915,354	66,335
Tuition reimbursement	20,000	415	20,415	20,415	-
TOTAL UNALLOCATED EMPLOYEE BENEFITS	2,356,551	(22,937)	2,333,614	2,240,484	93,130
On-behalf TPAF LTDI (non-budgeted)	-	-	-	613	(613)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	658,911	(658,911)
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	443,015	(443,015)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	320,522	(320,522)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,423,061	(1,423,061)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,356,551	(22,937)	2,333,614	3,663,545	(1,329,931)
TOTAL UNDISTRIBUTED EXPENDITURES	5,880,818	29,591	5,910,409	6,890,583	(980,174)
TOTAL GENERAL CURRENT EXPENSE	10,586,482	3,395	10,589,877	11,510,197	(920,320)
CAPITAL OUTLAY					
Regular Programs - Instruction:					
Grades 1-5	33,600	3,000	36,600	36,524	76
Grades 6-8	87,800	(3,000)	84,800	84,800	-
Undistributed:					
Undistributed expenditures - Instruction	-	-	-	-	-
Total Equipment	121,400	-	121,400	121,324	76
Facilities Acquisition and Construction Services					
Debt Service Assessment	1,230	-	1,230	1,230	-
Total Facilities Acquisition and Construction Services	1,230	-	1,230	1,230	-
TOTAL CAPITAL OUTLAY	122,630	-	122,630	122,554	76
TOTAL EXPENDITURES	10,709,112	3,395	10,712,507	11,632,751	(920,244)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(323,798)	7,331	(316,467)	436,920	753,387
Other Financing Uses:					
Transfer to Cover Deficit (enterprise fund)	-	-	-	-	-
Capital Leases-non-budgeted	-	-	-	-	-
Adjustment for grants receivables and payroll	-	-	-	-	-
Total Other Financing Sources:	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(323,798)	7,331	(316,467)	436,920	753,387
Fund Balance, July 1	1,512,925	-	1,512,925	1,512,925	-
Fund Balance, June 30	\$ 1,189,127	\$ 7,331	\$ 1,196,458	\$ 1,949,845	\$ 753,387
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				40	
Maintenance reserve				657,528	
Emergency reserve				225,000	
Excess surplus - Designated for subsequent year's expenditures				270,745	
Excess surplus - Current year				350,948	
Committed Fund Balance:					
Year-end encumbrances				123,808	
Assigned Fund Balance:					
Year-end encumbrances				-	
Designated for subsequent year's expenditures				11,182	
Unassigned Fund Balance				310,594	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				(45,624)	
Fund balance per governmental funds (GAAP)				\$ 264,970	

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	-	-	2,126	\$ 2,126
State sources	-	-	-	-	-
Federal sources	225,870	151,212	377,082	365,245	(11,837)
Total Revenues	<u>225,870</u>	<u>151,212</u>	<u>377,082</u>	<u>367,371</u>	<u>(9,711)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	216,272	33,910	250,182	249,881	301
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	53,613	53,613	49,591	4,022
Tuition	-	-	-	-	-
Misc. Expenditures	-	-	-	-	-
Total instruction	<u>216,272</u>	<u>87,523</u>	<u>303,795</u>	<u>299,472</u>	<u>4,323</u>
Support services:					
Salaries of program director	-	-	-	-	-
Personal services	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	9,598	25,681	35,279	30,030	5,249
Purchased technical services	-	-	-	-	-
Travel	-	402	402	402	-
Employee Benefits	-	37,606	37,606	37,467	139
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	-	-	-	-	-
Total support services	<u>9,598</u>	<u>63,689</u>	<u>73,287</u>	<u>67,899</u>	<u>5,388</u>
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>225,870</u>	<u>151,212</u>	<u>377,082</u>	<u>367,371</u>	<u>9,711</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				-	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

OCEANPORT SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary-to-GAAP Reconciliation
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2018

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

	General Fund	Special Revenue Fund
	<hr/>	<hr/>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 12,069,671	[C-2] \$ 367,371
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(443,015)	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(45,624)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	44,546	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 11,625,578	[B-2] \$ 367,371
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 11,632,751	[C-2] \$ 367,371
Differences - budget to GAAP		
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(443,015)	-
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] \$ 11,189,736	[B-2] \$ 367,371

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**OCEANPORT SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Fiscal Year Ended June 30, 2018**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	100.000%	100.000%	0.0114843954%	0.0126013958%	0.0113745438%
District's proportionate share of the net pension liability	\$ 2,149,199	\$ 2,270,377	\$ 2,689,966	\$ 3,732,172	\$ 2,647,812
District's covered-employee payroll	811,178	797,945	771,853	776,861	749,248
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.95%	284.53%	348.51%	480.42%	353.40%
Plan fiduciary net position as a percentage of the total pension liability	40.71%	42.74%	61.84%	45.35%	58.18%

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

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

**OCEANPORT SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Fiscal Year Ended June 30, 2018**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contributions	\$ 87,516	\$ 144,209	\$ 96,950	\$ 114,950	\$ 105,776
Contributions in relation to the contractually required contribution	<u>87,516</u>	<u>144,209</u>	<u>96,950</u>	<u>114,950</u>	<u>105,776</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ -	\$ 811,175	\$ 797,945	\$ 771,853	\$ 776,861
Contributions as a percentage of covered-employee payroll	0.00%	17.78%	12.15%	14.89%	13.62%

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

**OCEANPORT SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Fiscal Year Ended June 30, 2018**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.0000000000%	0.0441200000%	0.0452083709%	0.0433096415%	0.0450482843%
District's proportionate share of the net pension liability	\$ 22,240,031	\$ 23,742,413	\$ 28,573,621	\$ 34,070,122	\$ 30,373,178
District's covered-employee payroll	4,369,752	4,338,875	2,627,817	4,709,818	4,748,105
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	508.95%	547.20%	1087.35%	723.39%	639.69%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%

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

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

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

OCEANPORT SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the Total OPEB Liability and Related Ratios
 For the Fiscal Year Ended June 30, 2018
 (Unaudited)

Last 10 Fiscal Years*

	2018
Total OPEB liability	
Service cost	\$ 1,178,247
Interest cost	987,762
Changes in assumptions	(4,027,803)
Member contributions	26,667
Gross benefit payments	(724,211)
Net change in total OPEB liability	(2,559,338)
Total OPEB liability - beginning	33,826,385
Total OPEB liability - ending	\$ 31,267,047
District's covered employee payroll	\$ 6,292,251
Total OPEB liability as a percentage of covered employee payroll	497%

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

Oceanport School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2018

Notes for TPAF Pension Schedules

Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25 %
Salary increases: 2012-2021	1.65 - 4.15 % based on age
Thereafter	2.65 - 5.15 % based on age
Investment rate of return	7.00 %

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Notes to OPEB Schedule

Benefit changes: None

Changes in assumptions: The increase in the liability from June 30, 2015 to June 30, 2016 is due to the decrease in the assumed discount rate from 3.8% as of June 30, 2015 to 2.85% as of June 30, 2016. The decrease in the liability from June 30, 2016 to June 30, 2017 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

OCEANPORT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	IDEA Preschool 17/18	IDEA Basic 17/18	Title I 17/18	Title II 17/18
Revenues:				
Local sources	\$ -	-	-	-
State sources	-	-	-	-
Federal sources	5,662	152,859	172,599	23,030
Total revenues	<u>5,662</u>	<u>152,859</u>	<u>172,599</u>	<u>23,030</u>
Expenditures:				
Instruction:				
Salaries of teachers	5,260	141,996	102,625	-
Other salaries/instruction	-	-	-	-
Purchased professional services	-	-	-	-
General supplies	-	-	43,370	-
Tuition	-	-	-	-
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	<u>5,260</u>	<u>141,996</u>	<u>145,995</u>	<u>-</u>
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	-	-	-
Personal Services	-	-	-	-
Purchased professional services	-	-	-	-
Other purchased professional services	-	-	-	23,030
Purchased technical services	-	-	-	-
Employee benefits	-	10,863	26,604	-
Travel	402	-	-	-
General supplies	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total support services	<u>402</u>	<u>10,863</u>	<u>26,604</u>	<u>23,030</u>
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 5,662</u>	<u>152,859</u>	<u>172,599</u>	<u>23,030</u>

OCEANPORT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Title III 17/18	Other 17/18	Total
Revenues:			
Local sources	-	2,126	2,126
State sources	-	-	-
Federal sources	11,095	-	365,245
Total revenues	11,095	2,126	367,371
Expenditures:			
Instruction:			
Salaries of teachers	-		249,881
Other salaries/instruction	-		-
Purchased professional services	-		-
General supplies	4,095	2,126	49,591
Tuition	-		-
Textbooks	-		-
Miscellaneous expenses	-		-
Total instruction	4,095	2,126	299,472
Support services:			
Other support services - students - special:			
Other professional staff salaries	-		-
Personal Services	-		-
Purchased professional services	-		-
Other purchased professional services	7,000		30,030
Purchased technical services	-		-
Employee benefits	-		37,467
Travel	-		402
General supplies	-		-
Miscellaneous expenses	-		-
Total support services	7,000	-	67,899
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
Total equipment	-	-	-
Total expenditures	\$ 11,095	\$ 2,126	367,371

F. Capital Projects Fund
Not Applicable

G. Proprietary Funds

OCEANPORT SCHOOL DISTRICT
Enterprise Fund
Statement of Net Position
June 30, 2018

	<u>Summer Enrichment Program</u>	<u>Childcare</u>	<u>Food Services</u>	<u>2018</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 935	\$ 76,483	\$ (1,907)	\$ 75,511
Accounts receivable:				
State	-	-	93	93
Federal	-	-	1,527	1,527
Other receivables	-	-	-	-
Inventories	-	-	2,713	2,713
Due From Food Service	-	-	-	-
Due From General Fund	-	-	-	-
Total current assets	<u>935</u>	<u>76,483</u>	<u>2,426</u>	<u>79,844</u>
Fixed assets:				
Equipment	-	-	228,723	228,723
Accumulated depreciation	-	-	(228,723)	(228,723)
Total fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 935</u>	<u>76,483</u>	<u>2,426</u>	<u>\$ 79,844</u>
Liabilities and Net Position:				
Liabilities:				
Accounts payable	-	-	2,015	2,015
Unearned revenue	-	-	2,323	2,323
Due to Childcare Fund	-	-	-	-
Due to General Fund	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>4,338</u>	<u>4,338</u>
Net position:				
Net investment in capital assets	-	-	-	-
Unrestricted net position	935	76,483	(1,912)	75,506
Total net position	<u>935</u>	<u>76,483</u>	<u>(1,912)</u>	<u>75,506</u>
Total liabilities and net position	<u>\$ 935</u>	<u>\$ 76,483</u>	<u>\$ 2,426</u>	<u>\$ 79,844</u>

OCEANPORT SCHOOL DISTRICT
Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position
for the Fiscal Year Ended June 30, 2018

	<u>Summer Enrichment Program</u>	<u>Childcare</u>	<u>Food Services</u>	<u>2018</u>
Operating revenues:				
Local sources:				
Daily Sales Reimbursable Programs	\$ -	\$ -	\$ 71,715	\$ 71,715
Tuition	-	128,852	-	128,852
Daily Sales Non-reimbursable Programs	-	-	44,442	44,442
Miscellaneous	-	-	-	-
Total operating revenues	<u>-</u>	<u>128,852</u>	<u>116,157</u>	<u>245,009</u>
Operating expenses:				
Salaries	-	111,728	59,435	171,163
Employee Benefits	-	-	15,305	15,305
Purchased Property	-	-	-	-
Other purchased services	-	18,550	25,638	44,188
Supplies and materials	-	20,603	12,689	33,292
Depreciation	-	-	2,727	2,727
Cost of sales - reimbursable programs	-	-	37,400	37,400
Cost of sales - non-reimbursable programs	-	-	14,229	14,229
Total operating expenses	<u>-</u>	<u>150,881</u>	<u>167,423</u>	<u>318,304</u>
Operating income	<u>-</u>	<u>(22,029)</u>	<u>(51,266)</u>	<u>(73,295)</u>
Nonoperating revenues (expenses):				
State sources:				
State School Lunch Program	-	-	1,151	1,151
Federal sources:				
National School Lunch Program	-	-	18,375	18,375
National School Lunch - PB	-	-	1,357	1,357
USDA Commodities	-	-	9,286	9,286
Local sources:				
Interest income	11	1,207	159	1,377
Total nonoperating revenues	<u>11</u>	<u>1,207</u>	<u>30,328</u>	<u>31,546</u>
Change in net position	11	(20,822)	(20,938)	(41,749)
Transfers	18,491	(18,491)	-	-
Total net position beginning	<u>(17,567)</u>	<u>115,796</u>	<u>19,026</u>	<u>117,255</u>
Total net position ending	<u>\$ 935</u>	<u>\$ 76,483</u>	<u>\$ (1,912)</u>	<u>\$ 75,506</u>

OCEANPORT SCHOOL DISTRICT
Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2018

	Summer Enrichment Program	Childcare	Food Services	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ -	128,852	118,480	\$ 247,332
Payments to employees	-	(111,728)	(59,435)	(171,163)
Payments for employee benefits	-	-	(15,305)	(15,305)
Payments to suppliers	(18,491)	(39,153)	(68,063)	(125,707)
Net cash provided by (used in) operating activities	<u>(18,491)</u>	<u>(22,029)</u>	<u>(24,323)</u>	<u>(64,843)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State sources	-	-	1,142	1,142
Federal source	-	-	19,971	19,971
Transfer from Childcare	18,491	(18,491)	-	-
Interest income	11	1,207	159	1,377
Net cash provided by non-capital financing activities	<u>18,502</u>	<u>(17,284)</u>	<u>21,272</u>	<u>22,490</u>
Net increase (decrease) in cash and cash equivalents	11	(39,313)	(3,051)	(42,353)
Balances—beginning of year	924	115,796	1,144	117,864
Balances—end of year	<u>\$ 935</u>	<u>76,483</u>	<u>(1,907)</u>	<u>\$ 75,511</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating income	\$ -	(22,029)	(51,266)	\$ (73,295)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	-	-	2,727	2,727
Federal commodities	-	-	9,286	9,286
Decrease in interfund receivable, net	-	-	-	-
Increase in accounts receivable, net	-	-	-	-
Increase/(decrease)in inventories	-	-	220	220
(Increase) decrease in accounts payable	-	-	2,015	2,015
Decrease in interfund payable	(18,491)	-	10,372	(8,119)
(Increase) decrease in unearned revenue	-	-	2,323	2,323
Total adjustments	<u>(18,491)</u>	<u>-</u>	<u>26,943</u>	<u>8,452</u>
Net cash provided by (used in) operating activities	<u>\$ (18,491)</u>	<u>(22,029)</u>	<u>(24,323)</u>	<u>\$ (64,843)</u>

H. Fiduciary Funds

OCEANPORT SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Trust	Agency		Total
	Unemployment Compensation Trust	Student Activity	Payroll Agency	
ASSETS				
Cash and cash equivalents	\$ 133,733	\$ 62,577	\$ 175,200	\$ 371,510
Due from General Fund			105,776	105,776
Total assets	<u>133,733</u>	<u>62,577</u>	<u>280,976</u>	<u>477,286</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	280,976	280,976
Due to Student Groups	-	62,577	-	62,577
Total liabilities	<u>-</u>	<u>62,577</u>	<u>280,976</u>	<u>343,553</u>
NET POSITION				
Held in trust for unemployment claims and other purposes	133,733	-	-	133,733
Total net position	<u>133,733</u>	<u>-</u>	<u>-</u>	<u>133,733</u>
Total liabilities and net position	<u>\$ 133,733</u>	<u>\$ 62,577</u>	<u>\$ 280,976</u>	<u>\$ 477,286</u>

OCEANPORT SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2018

	Unemployment Compensation Trust
ADDITIONS	
Investment earnings:	
Interest	1,571
Total additions	1,571
DEDUCTIONS	
Unemployment claims	12,186
Total deductions	12,186
Change in net position	(10,615)
Net position—beginning of the year	144,348
Net position—end of the year	\$ 133,733

**OCEANPORT SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2018</u>
Elementary School:				
Maple Place	\$ 33,267	45,646	(49,007)	\$ 29,906
Maple Place - 8th Grade	16,992	47,276	(45,287)	18,981
Wolf Hill	15,895	19,581	(21,786)	13,690
Total	<u>\$ 66,154</u>	<u>\$ 112,503</u>	<u>\$ (116,080)</u>	<u>\$ 62,577</u>

**OCEANPORT SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2018</u>
Assets:				
Cash and Cash Equivalents	\$ 273,270	6,760,195	(6,858,265)	\$ 175,200
Due from General Fund	-	105,776	-	105,776
Total Assets	\$ 273,270	6,865,971	(6,858,265)	\$ 280,976
Liabilities:				
Payroll Deductions and Withholdings	\$ 273,270	6,865,971	(6,858,265)	\$ 280,976
Due to General Fund	-	-	-	-
Total Liabilities	\$ 273,270	6,865,971	(6,858,265)	\$ 280,976

I. Long-Term Debt

OCEANPORT SCHOOL DISTRICT
 Long-Term Debt
 Schedule Statement of Serial Bonds
 June 30, 2018

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2018</u>
			<u>Date</u>	<u>Amount</u>					
Alterations and Renovations at Maple Place and Wolf Hill Schools	12/15/2006	\$ 2,135,000			4.0-4.125%	\$ 125,000	-	125,000	-
Alterations and Renovations at Maple Place and Wolf Hill Schools (The bonds are held and issued by Monmouth County as part of a larger multi purpose bond. The refunding process was performed by Monmouth County)	10/5/2016	\$ 1,120,000	8/1/2018	130,000	3.0-4.0%	\$ 1,075,000	-	5,000	1,070,000
			8/1/2019	130,000					
			8/1/2020	130,000					
			8/1/2021	135,000					
			8/1/2022	135,000					
			8/1/2023	135,000					
			8/1/2024	135,000					
			8/1/2025	140,000					
Community Disaster Loan	2014-2015	876,989	7/1/2018	434,153	1.38%	434,153	-	-	434,153
						<u>\$ 1,634,153</u>	<u>-</u>	<u>130,000</u>	<u>\$ 1,504,153</u>

OCEANPORT SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Leases
 June 30, 2018

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Principal Balance July 1, 2017</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Principal Balance Outstanding June 30, 2018</u>
Ricoh Americas Corporation		\$ 87,443	\$ 65,505		\$ (24,766)	\$ 40,739
Monmouth County Improvement Authority	2-5%	100,000	<u>82,000</u>	<u>-</u>	<u>(19,000)</u>	<u>63,000</u>
			<u>\$ 147,505</u>	<u>-</u>	<u>(43,766)</u>	<u>\$ 103,739</u>

**OCEANPORT SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local tax levy	\$ 115,990	\$ -	\$ 115,990	\$ 115,990	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt service aid Type II	54,753	-	54,753	54,753	-
-	-	-	-	-	-
Total - State Sources	54,753	-	54,753	54,753	-
Total Revenues	<u>170,743</u>	<u>-</u>	<u>170,743</u>	<u>170,743</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	41,554	-	41,554	41,554	-
Redemption of principal	130,000	-	130,000	130,000	-
-	-	-	-	-	-
Total Regular Debt Service	171,554	-	171,554	171,554	-
Total expenditures	<u>171,554</u>	<u>-</u>	<u>171,554</u>	<u>171,554</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(811)	-	(811)	(811)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(811)	-	(811)	(811)	-
Fund Balance, July 1	16,649	-	16,649	16,649	-
Fund Balance, June 30	<u>\$ 15,838</u>	<u>\$ -</u>	<u>\$ 15,838</u>	<u>\$ 15,838</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

**OCEANPORT SCHOOL DISTRICT
Statistical Section**

J series

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

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Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue

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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

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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

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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.

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

OCEANPORT SCHOOL DISTRICT
Net Assets/Positions by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 2,791,756	\$ 2,757,960	\$ 2,985,305	\$ 3,731,111	\$ 3,493,436	\$ 3,701,607	\$ 3,697,236	\$ 3,754,589	\$ 3,445,140	\$ 3,513,665
Restricted	5,924	798	383,128	864,255	983,270	1,292,366	1,177,872	1,138,072	1,268,392	1,655,089
Unrestricted	(362,222)	(230,896)	(179,615)	(267,596)	217,955	52,255	(1,988,462)	(2,764,231)	(2,855,064)	(3,290,472)
Total governmental activities position	<u>\$ 2,435,458</u>	<u>\$ 2,527,862</u>	<u>\$ 3,188,818</u>	<u>\$ 4,327,770</u>	<u>\$ 4,694,661</u>	<u>\$ 5,046,228</u>	<u>\$ 2,886,646</u>	<u>\$ 2,128,430</u>	<u>\$ 1,858,468</u>	<u>\$ 1,878,282</u>
Business-type activities										
Net investment in capital assets	\$ 46,666	\$ 41,413	\$ 36,051	\$ 30,579	\$ 25,107	\$ 19,635	\$ 14,163	\$ 8,445	\$ 2,727	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(60,494)	(75,733)	(70,385)	(69,185)	(79,303)	(68,543)	(61,843)	102,348	114,528	75,506
Total business-type activities position	<u>\$ (13,828)</u>	<u>\$ (34,320)</u>	<u>\$ (34,334)</u>	<u>\$ (38,606)</u>	<u>\$ (54,196)</u>	<u>\$ (48,908)</u>	<u>\$ (47,680)</u>	<u>\$ 110,793</u>	<u>\$ 117,255</u>	<u>\$ 75,506</u>
District-wide										
Net investment in capital assets	\$ 2,838,422	\$ 2,799,373	\$ 3,021,356	\$ 3,761,690	\$ 3,518,543	\$ 3,721,242	\$ 3,711,399	\$ 3,763,034	\$ 3,447,867	\$ 3,513,665
Restricted	5,924	798	383,128	864,255	983,270	1,292,366	1,177,872	1,138,072	1,268,392	1,655,089
Unrestricted	(422,716)	(306,629)	(250,000)	(336,781)	138,652	(16,288)	(2,050,305)	(2,661,883)	(2,740,536)	(3,214,966)
Total district position	<u>\$ 2,421,630</u>	<u>\$ 2,493,542</u>	<u>\$ 3,154,484</u>	<u>\$ 4,289,164</u>	<u>\$ 4,640,465</u>	<u>\$ 4,997,320</u>	<u>\$ 2,838,966</u>	<u>\$ 2,239,223</u>	<u>\$ 1,975,723</u>	<u>\$ 1,953,788</u>

OCEANPORT SCHOOL DISTRICT
 Changes in Net Assets/Net Position
 Last Ten Fiscal Years
 UNAUDITED
 (accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular								\$ 3,428,786	\$ 3,485,308	\$ 3,649,558
Special education								802,143	1,059,188	1,049,990
Other special education								105,614	188,307	219,538
Vocational								-	-	-
Other instruction								-	-	-
Nonpublic school programs								-	-	-
Adult/continuing education programs								-	-	-
Support Services:										
Instruction								103,972	99,389	138,103
Attendance and social work								1,825	-	-
Health services								137,654	150,297	150,311
Improvement of instr. services								-	-	-
Educational media services								132,442	154,961	155,689
Instruction staff training								20,853	32,493	18,551
School Administrative services								359,397	360,618	376,407
General administration								198,406	238,729	304,133
Central Services								137,619	138,796	171,244
Plant operations and maintenance								976,627	978,271	932,310
Administrative information technology								37,708	35,849	9,636
Pupil transportation								361,602	308,378	280,081
Other support services								1,007,922	941,438	859,984
Security								48,622	69,993	77,005
Special Schools								-	-	-
Charter Schools								-	-	-
Interest on long-term debt								62,762	51,148	50,825
Unallocated employee benefits								-	745,975	980,046
Total governmental activities expenses	9,819,016	11,295,456	9,720,667	10,218,877	10,530,881	10,779,881	9,640,285	2,271,557	2,261,366	2,720,467
Business-type activities:										
Enterprise fund								(134,125)	346,433	318,304
Child Care								-	-	-
Total business-type activities expense	227,005	208,355	175,266	182,843	178,151	151,700	160,774	(134,125)	346,433	318,304
Total district expenses	\$ 10,046,021	\$ 11,503,811	\$ 9,895,933	\$ 10,401,720	\$ 10,709,032	\$ 10,931,581	\$ 9,801,059	\$ 10,061,386	\$ 11,646,937	\$ 12,462,182
Program Revenues										
Governmental activities:										
Total governmental activities program revenues	878,705	923,593	1,169,226	1,331,481	225,768	322,150	85,046	-	(745,975)	(980,046)
Business-type activities:										
Charges for services									(273,481)	(245,009)
Food service									-	-
Child care									-	-
Operating grants and contributions									(28,046)	(30,169)
Capital grants and contributions									-	-
Total business type activities program revenues	199,548	\$186,026	\$175,229	178,544.00	162,561	137,353	161,963	-	(301,527)	(275,178)
Total district program revenues	1,078,253	1,109,619	1,344,455	1,510,025	388,329	459,503	247,009	-	(1,047,502)	(1,255,224)
Net (Expense)/Revenue										
Governmental activities	(8,940,311)	(10,371,863)	(8,551,441)	(8,887,396)	(10,305,113)	(10,457,731)	(9,555,239)	(10,195,511)	(10,554,529)	(11,163,832)
Business-type activities	(27,457)	(22,329)	(37)	(4,299)	(15,590)	(14,347)	1,189	134,125	(44,906)	(43,126)
Total district-wide net expense	\$ (8,967,768)	\$ (10,394,192)	\$ (8,551,478)	\$ (8,891,695)	\$ (10,320,703)	\$ (10,472,078)	\$ (9,554,050)	\$ (10,061,386)	\$ (10,599,435)	\$ (11,206,958)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net								\$ 8,946,992	\$ 9,586,658	\$ 9,778,391
Taxes levied for debt service								115,686	120,000	115,990
Unrestricted grants and contributions								504,855	516,298	571,739
State aid - restricted								262,295	219,488	365,245
Tuition Received								-	-	-
Investment earnings								5,221	8,083	28,212
Transfer								-	(50,679)	-
Miscellaneous income								387,729	84,971	324,069
Other financing sources / uses								(785,483)	(200,252)	-
Total governmental activities	9,039,927	10,466,104	9,212,396	10,026,349	10,629,209	10,659,732	10,580,668	9,437,295	10,284,567	11,183,646
Business-type activities:										
Investment earnings								33	689	1,377
Transfers								24,315	50,679	-
Total business-type activities	-	-	23	27	-	-	39	24,348	51,368	1,377
Total district-wide	\$ 9,039,927	\$ 10,466,104	\$ 9,212,419	\$ 10,026,376	\$ 10,629,209	\$ 10,659,732	\$ 10,580,707	\$ 9,437,328	\$ 10,285,256	\$ 11,185,023
Change in Net Assets/Position										
Governmental activities	99,616	94,241	660,955	1,138,953	324,096	202,001	1,025,429	(758,216)	(269,962)	19,814
Business-type activities	(27,457)	(22,329)	(14)	(4,272)	(15,590)	(14,347)	1,228	158,473	6,462	(41,749)
Total district	\$ 72,159	\$ 71,912	\$ 660,941	\$ 1,134,681	\$ 308,506	\$ 187,654	\$ 1,026,657	\$ (599,743)	\$ (263,500)	\$ (21,935)

OCEANPORT SCHOOL DISTRICT
Fund Balances -Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,241,146	\$ 1,504,261
Committed	-	-	-	-	-	-	-	-	3,410	123,808
Assigned	-	-	-	-	-	-	-	-	7,187	11,182
Unassigned	-	-	-	-	-	-	-	-	216,636	264,970
Reserved	40	18,912	383,127	864,255	980,045	1,289,734	2,165,902	1,137,261	-	-
Unreserved	102,336	184,530	235,342	194,304	217,955	52,255	213,480	213,346	-	-
Total general fund	<u>\$ 102,376</u>	<u>\$ 203,442</u>	<u>\$ 618,469</u>	<u>\$ 1,058,559</u>	<u>\$ 1,198,000</u>	<u>\$ 1,341,989</u>	<u>\$ 2,379,382</u>	<u>\$ 1,350,607</u>	<u>\$ 1,468,379</u>	<u>\$ 1,904,221</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Debt service fund	-	-	-	-	-	-	-	-	16,649	15,838
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	5,884	758	-	3,225	3,225	2,632	(393)	811	-	-
Total all other governmental funds	<u>\$ 5,884</u>	<u>\$ 758</u>	<u>\$ -</u>	<u>\$ 3,225</u>	<u>\$ 3,225</u>	<u>\$ 2,632</u>	<u>\$ (393)</u>	<u>\$ 811</u>	<u>\$ 16,649</u>	<u>\$ 15,838</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	7,492,505	8,676,596	8,941,589	9,075,881	8,969,686	8,712,664	8,882,686	9,062,678	9,706,658	9,894,381
Tuition charges	836,142	995,090	-	-	-	-	-	331,893	304,623	295,448
Interest earnings	-	-	-	-	-	-	-	5,221	8,083	28,212
Transportation fees	-	-	-	-	-	-	-	-	-	4,918
Rents and royalties	-	-	-	-	-	-	-	-	-	18,550
Miscellaneous	67,363	46,910	180,398	286,435	310,116	284,315	232,728	55,836	20,690	5,153
State sources	1,229,704	1,441,277	944,857	1,297,034	1,394,827	1,315,325	1,470,436	1,240,016	1,262,273	1,551,785
Federal sources	180,007	273,817	335,367	211,109	186,158	633,457	473,311	262,295	219,488	365,245
Total revenue	9,805,721	11,433,690	10,402,211	10,870,459	10,860,787	10,945,761	11,059,161	10,957,939	11,521,815	12,163,692
Expenditures										
Instruction										
Regular Instruction	3,162,973	3,198,217	2,722,758	2,716,327	2,812,502	3,132,902	2,615,461	3,428,786	3,485,308	3,649,558
Special education instruction	981,966	1,074,718	759,389	841,551	1,072,228	1,031,845	800,250	802,143	1,059,188	1,049,990
Other special instruction	13,442	38,635	33,742	99,225	125,380	85,153	115,785	105,614	188,307	219,538
Support Services:	96,403	96,858	84,991	102,406						
Tuition	139,321	1,014,140	12,171	2,438	33,804	122,846	54,571	103,972	99,389	138,103
Student & inst. related services	674,898	911,333	1,169,358	1,317,005	1,364,069	1,387,374	1,189,288	292,774	337,751	324,551
General administration	280,486	275,595	353,290	310,254	629,569	632,275	324,501	198,406	238,729	304,133
School administrative services	377,507	374,638	264,935	348,859	314,478	260,420	305,512	359,397	360,618	376,407
Central services	-	-	-	-	-	-	-	137,619	138,796	171,244
Admin. information technology	-	-	-	-	-	-	-	37,708	35,849	9,636
Plant operations and maintenance	972,895	670,643	771,897	721,168	795,448	631,231	697,456	695,588	747,716	753,793
Security	-	-	-	-	-	-	-	48,622	69,993	77,005
Pupil transportation	282,930	382,178	360,927	298,090	394,015	337,422	340,301	361,602	308,378	280,081
Other Support Services	-	308,459	-	23,274	-	-	-	1,007,922	941,438	859,984
Employee benefits	1,629,500	1,760,704	2,731,084	2,934,469	2,700,983	2,677,262	2,974,793	2,780,189	2,914,207	3,220,530
On-behalf TPAF pension contributions	280,341	294,784	-	-	-	-	-	-	-	-
Contributions	334,352	362,194	-	-	-	-	-	-	-	-
Special Schools	199,829	273,817	335,367	187,835	186,158	199,304	30,475	-	-	-
Capital Projects Fund	-	-	-	352,675	-	-	-	-	-	-
Debt service:										
Principal	300,944	300,837	309,755	302,481	171,356	172,256	172,956	115,000	120,000	130,000
Interest and other charges	-	-	-	-	-	-	-	58,457	43,239	41,554
Capital outlay	-	-	131,511	581	115,546	4,147	174,046	223,392	103,368	122,554
Total expenditures	9,727,787	11,337,750	10,041,175	10,558,638	10,715,536	10,674,437	9,795,395	10,757,191	11,192,274	11,728,661
Excess (Deficiency) of revenues over (under) expenditures	77,934	(61,392)	361,036	311,821	145,251	271,324	1,263,766	200,748	329,541	435,031

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing sources (uses)										
Adjustment for Payroll Agency Disbursements	-	-	-	-	-	-	-	(327,015)	100,000	-
Community Development Loan never drawn down	-	-	-	-	-	-	-	(442,836)	(245,252)	-
Community Development Loan cash drawdown not recorded	-	-	-	-	-	-	-	(434,153)	-	-
Transfers in	966	-	-	131,494	-	36,121	-	-	-	-
Transfers out	(966)	-	-	-	(5,810)	-	(393,447)	(24,315)	(50,679)	-
Total other financing sources (uses)	-	-	-	131,494	(5,810)	36,121	(393,447)	(1,228,319)	(195,931)	-
Net change in fund balances	<u>77,934</u>	<u>(61,392)</u>	<u>361,036</u>	<u>443,315</u>	<u>139,441</u>	<u>307,445</u>	<u>870,319</u>	<u>(1,027,571)</u>	<u>133,610</u>	<u>435,031</u>
Debt service as a percentage of noncapital expenditures	3.09%	2.65%	3.13%	2.86%	1.62%	1.61%	1.80%	0.031	0.020	0.022

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Miscellaneous	Annual Totals
2009	836,142	2,320	44,273	882,735
2010	725,005	2,111	74,369	801,485
2011	150,947	4,301	25,150	180,398
2012	207,423	6,120	72,892	286,435
2013	245,346	6,915	57,855	310,116
2014	249,257	6,174	28,884	284,315
2015	189,928	6,768	36,032	232,728
2016	331,893	5,221	55,836	392,950
2017	304,623	8,083	19,086	331,792
2018	295,448	24,434	3,027	322,909

Source: District records

OCEANPORT SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
UNAUDITED

Oceanport Boro

Fiscal Year Ended June 30,	Net Assessed Valuation	Estimated Full Cash Valuations	% of Net Assessed to Estimated Full Cash Valuations
2009	1,356,186,207	1,356,186,207	100.00%
2010	1,045,954,002	1,311,705,546	79.74%
2011	1,048,364,465	1,215,635,975	86.24%
2012	1,050,192,330	1,202,969,450	87.30%
2013	1,020,133,815	1,141,027,317	89.40%
2014	1,031,964,800	1,137,778,170	90.70%
2015	1,144,745,650	1,269,400,809	90.18%
2016	1,040,047,619	1,168,755,514	88.99%
2017	1,296,265,900	1,296,916,659	99.95%
2018			

Sea Bright Boro

2009	\$ 525,411,098	\$ 827,158,529	63.52%
2010	521,260,003	767,687,780	67.90%
2011	519,636,031	761,959,664	68.20%
2012	517,871,100	764,096,652	67.78%
2013	447,804,294	632,760,059	70.77%
2014	467,246,587	724,188,758	64.52%
2015	437,700,056	634,347,907	69.00%
2016	683,156,100	683,634,536	99.93%
2017	737,640,000	738,116,674	99.94%
2018			

Source: Abstract of Ratables

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

OCEANPORT					
Fiscal Year Ended June 30,	Oceanport School District	Shore Regional High School	Oceanport Borough	Monmouth County	Total Direct and Overlapping Tax Rate
2009	0.573	0.262	0.380	0.255	1.470
2010	0.764	0.357	0.519	0.344	1.984
2011	0.762	0.419	0.528	0.332	2.041
2012	0.761	0.422	0.528	0.338	2.049
2013	0.784	0.405	0.508	0.346	2.043
2014	0.806	0.352	0.519	0.348	2.025
2015	0.806	0.372	0.529	0.304	2.011
2016	0.852	0.395	0.559	0.337	2.143
2017	0.743	0.271	0.487	0.288	1.789
2018					-

SEA BRIGHT					
Fiscal Year Ended June 30,	Oceanport School District	Shore Regional High School	Sea Bright Borough	Monmouth County	Total Direct and Overlapping Tax Rate
2009-2010	Unavailable				
2011	0.209	0.329	0.739	0.412	1.689
2012	0.189	0.411	0.766	0.431	1.797
2013	0.159	0.444	0.775	0.428	1.806
2014	0.122	0.586	0.808	0.481	1.997
2015	0.177	0.492	0.892	0.432	1.993
2016	0.124	0.311	0.596	0.274	1.305
2017	0.070	0.484	0.593	0.289	1.436
2018					

Source: Abstract of Ratables

**OCEANPORT SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
UNAUDITED**

OCEANPORT BOROUGH

	2016 (Unavailable for 2017)		2009	
	Assessed Valuation	As a percentage of District Net Assessed Valuation	Assessed Valuation	As a percentage of District Net Assessed Valuation
NJ Sports & Exposition Authority	108,830,930	8.40%	-	0.00%
Monmouht Park Corporate Center	14,141,800	1.09%	-	0.00%
Acutecare Management Services LLC	7,797,300	0.60%	-	0.00%
Oceanport Village Center LLC	6,551,900	0.51%	-	0.00%
Residences at Fort Monmouth	3,945,200	0.30%	-	0.00%
Individual Taxpayer #1	3,594,200	0.28%	-	0.00%
Individual Taxpayer #2	3,467,500	0.27%	-	0.00%
Individual Taxpayer #3	3,440,200	0.27%	-	0.00%
Individual Taxpayer #4	3,366,500	0.26%	-	0.00%
Individual Taxpayer #5	3,240,600	0.25%	-	0.00%
			275 E Main Street - Commercial	-
			Individual Taxpayer #1	-
			Individual Taxpayer #2	-
			Individual Taxpayer #3	-
			Individual Taxpayer #4	-
			Individual Taxpayer #5	-
			Individual Taxpayer #6	-
			Individual Taxpayer #7	-

SEA BRIGHT

	2016 (Unavailable for 2017)		2009	
	Assessed Valuation	As a percentage of District Net Assessed Valuation	Assessed Valuation	As a percentage of District Net Assessed Valuation
Ocean Ave Realty	15,204,900	2.06%	-	0.00%
Edgewater Beach Inc	10,730,800	1.45%	-	0.00%
Surfrider Beach Club, LLC	9,303,000	1.26%	-	0.00%
Beach Club Holdings, LLC	9,284,700	1.26%	-	0.00%
Rozinante, Inc	8,408,300	1.14%	-	0.00%
Seabright Beach Club	8,374,700	1.14%	-	0.00%
Navesink Partners LLC	7,113,800	0.96%	-	0.00%
SBBP LLC	6,342,600	0.86%	-	0.00%
Sea Bright Hospitality Group LLC	4,857,800	0.66%	-	0.00%
Individual Taxpayer #6	3,756,500	0.51%	-	0.00%
			Ocean Ave Realty	-
			Edgewater Beach Inc	-
			Individual Taxpayer #1	-
			Individual Taxpayer #2	-
			Hudson City Savings Bank	-
			Individual Taxpayer #3	-
			Ocean First Bank	-
			Individual Taxpayer #4	-
			Individual Taxpayer #5	-
			Individual Taxpayer #6	-

OCEANPORT SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
UNAUDITED

OCEANPORT			
Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percentage of Levy
2009	20,052,465	19,697,634	98.23%
2010	20,848,566	20,550,432	98.57%
2011	21,465,588	21,227,320	98.89%
2012	22,098,823	21,840,267	98.83%
2013	22,750,738	22,516,405	98.97%
2014	21,104,190	20,785,362	98.49%
2015	21,169,799	20,919,917	98.82%
2016	22,279,955	22,030,420	98.88%
2017	22,580,860	22,348,147	98.97%
2018			

SEA BRIGHT			
Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percentage of Levy
2009	\$ 8,520,943	8,224,127	96.52%
2010	\$ 8,612,775	8,253,329	95.83%
2011	\$ 8,811,325	8,556,001	97.10%
2012	\$ 8,520,943	8,224,127	96.52%
2013	\$ 8,145,264	7,957,350	97.69%
2014	\$ 9,330,829	9,169,206	98.27%
2015	\$ 8,841,471	8,637,632	97.69%
2016	\$ 8,985,795	8,760,350	97.49%
2017	\$ 10,324,683	10,144,141	98.25%
2018			

Source: District records including the Certificate and Report of School Taxes (A4F form)

OCEANPORT SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total Debt Per District	Percentage of Personal Income	Per Capita
2009	2,438,000	13,872	2,451,872	0.78%	428.00
2010	2,235,000	6,937	2,241,937	0.69%	391.00
2011	2,019,000	50,383	2,069,383	0.65%	355.00
2012	1,795,000	39,736	1,834,736	3.10%	314.00
2013	1,695,000	29,089	1,724,089	3.30%	290.59
2013	1,695,000	29,069	1,724,089	0.51%	295.58
2014	1,590,000	18,522	1,608,522	0.44%	273.28
2015	1,480,000	129,662	1,609,662	0.55%	280.48
2016	1,360,000	205,014	1,565,014	0.41%	272.70
2017	1,200,000	147,505	1,347,505	0.34%	235.99
2018	1,070,000	103,739	1,173,739	0.29%	204.87

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

OCEANPORT SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding
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
2009	5,733	1,343,248,981	2,438,000	0.182%	756.88
2010	5,730	1,356,186,207	2,235,000	0.165%	390.05
2011	5,832	1,045,954,002	2,019,000	0.193%	346.19
2012	5,837	1,048,364,465	1,795,000	0.171%	307.52
2013	5,833	1,050,192,330	1,695,000	0.161%	290.59
2014	5,816	1,019,494,800	1,590,000	0.156%	270.13
2015	5,672	1,031,964,800	1,480,000	0.143%	260.93
2016	5,739	1,028,488,106	1,360,000	0.132%	236.98
2017	5,725	1,144,745,650	1,200,000	0.105%	209.61
2018	5,755	1,040,047,619	1,070,000	0.103%	185.93

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

See Exhibit J-6 for property tax data

See Exhibit J-14 for population data

OCEANPORT SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2018
UNAUDITED

	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVERLAPPING DEBT
OCEANPORT			
Net Direct Debt of the School District as of June 30, 2016	\$ 1,179,053.00		-
Net Overlapping Debt of School District:			
Oceanport		\$ 19,346,540	
Regional High School		3,136,909	
County of Monmouth		15,563,714	
			39,226,216
Total Direct and Overlapping Bonded Debt as of June 30, 2018			\$ 39,226,216
SEA BRIGHT			
Debt repaid with Property Taxes	9,992,985		-
Other Debt:			
Two Rivers Sewer Authority	\$ 2,268,285	\$ -	-
Sub-total of Overlapping Debt	12,261,270		-
Regional School District Direct Debt	-	\$ 1,764,571	-
Local School District Debt	-	-	-
Total Direct and Overlapping Bonded Debt as of June 30, 2018			\$ 14,025,841

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.

**OCEANPORT SCHOOL DISTRICT
Legal Debt Margin Information
Last Seven Fiscal Years
UNAUDITED**

	Year	Equalized Valuation Basis
	2018	1,246,289,684
	2017	1,190,836,447
	2016	1,269,400,809
	[A]	3,706,526,940
	[A/3]	\$ 1,235,508,980
Debt limit (3 % of average equalization value)	[B]	37,065,269
Total Net Debt Applicable to Limit	[C]	1,070,000
Legal debt margin	[B-C]	\$ 35,995,269

	Fiscal Year						
	2018	2017	2016	2015	2014	2013	2012
Debt limit	\$ 37,065,269	\$ 33,687,254	\$ 32,865,575	\$ 33,232,144	\$ 34,893,548	\$ 35,773,064	\$ 37,240,931
Total net debt applicable to limit	1,070,000	1,200,000	1,360,000	1,480,000	1,585,000	1,695,000	1,795,000
Legal debt margin	\$ 35,995,269	\$ 32,487,254	\$ 31,505,575	\$ 31,752,144	\$ 33,308,548	\$ 34,078,064	\$ 35,445,931

	Year	Equalized Valuation Basis
	2018	\$ 723,531,143
	2017	699,175,583
	2016	683,634,536
	[A]	2,106,341,262
	[A/3]	\$ 702,113,754
Debt limit (3 % of average equalization value)	[B]	21,063,413
Total Net Debt Applicable to Limit	[C]	-
Legal debt margin	[B-C]	\$ 21,063,413

	2018	2017
Debt limit	\$ 13,828,101	\$ 11,213,346
Total net debt applicable to limit	-	-
Legal debt margin	\$ 13,828,101	\$ 11,213,346

Source: Abstract of Ratables
Limit set by NJSA 18A:24-19 for K through 12 District; other percentage limits would be applicable for other District types

OCEANPORT SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED

Year	Unemployment Rate	Personal Income	Per Capita Personal Income	Population
2009	UNAVAILABLE	UNAVAILABLE	57,337	5,807
2010	4.30%	191,129,880	57,873	5,730
2011	4.30%	210,091,968	61,001	5,832
2012	4.40%	257,224,916	63,001	5,837
2013	4.60%	340,384,715	63,067	5,833
2014	13.10%	361,553,436	61,426	5,886
2015	6.30%	293,429,576	51,733	5,672
2016	5.30%	378,883,041	66,019	5,739
2017	4.80%	397,382,250	69,410	5,725
2018	4.10%	409,968,935	71,237	5,755
Seabright Boro				
2017	4.10%	96,271,670	69,410	1,387
2018	3.70%	98,948,193	71,237	1,389

Source: New Jersey Department of Labor and Workforce Development

OCEANPORT SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
UNAUDITED

OCEANPORT
2016 (Unavailable for 2017)

<u>Company</u>	<u>Number of Employees</u>	<u>Percentage of Total Municipal Employment</u>
Monmouth Park Racetrack	200	Unavailbale
Wolf Hill Elementary School	62	Unavailbale
Maple Place School	56	Unavailbale
Borough of Oceanport	55	Unavailbale
Oceanport Police	20	Unavailbale
Oceanport Lions Swim Club	20	Unavailbale
Ben Perkins Jr Racing Stable	20	Unavailbale
Todd Pletcher Racing Stable	20	Unavailbale
Big A Trucking Co	18	Unavailbale

SEA BRIGHT
2017

<u>Company</u>	<u>Number of Employees</u>	<u>Percentage of Total Municipal Employment</u>
Tommy's Tavern & Tap	100	Unavailable
Edgewater Beach Club	90	Unavailable
Driftwood Beach club	70	Unavailable
Sea Bright Beach Club	65	Unavailable
ship Ahoy Beach club	55	Unavailable
Surfrider Beach club	50	Unavailable
Woody's	50	Unavailable
Navesink Partners	50	Unavailable
Sands Beach Club	50	Unavailable
Chapel Beach Club	45	Unavailable

Source: Borough of Oceanport

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Regular	61.00	56.00	46.00	46.00	46.00	47.00	50.00	50.00	44.20	44.60
Special education	2.00	2.00	38.0	38.0	37.00	38.00	34.00	32.00	35.30	41.80
Other instruction										
Support Services:										
Student & instruction related services	19.00	17.00	3.0	3.0	3.00	3.00	4.00	8.20	8.20	7.70
General administration	2.00	2.00	2.0	2.0	0.60	0.60	0.60	0.60	1.30	1.30
School administrative services	3.00	3.00	3.0	3.0	3.00	3.00	3.00	3.00	4.00	4.00
Other administrative services	-	-	-	-	-	0.25	0.25	0.25	0.25	0.25
Central services	6.00	6.00	5.0	5.0	5.00	4.00	4.00	4.00	1.60	1.60
Administrative Information Technology	1.00	1.00	1.0	1.0	1.00	1.00	1.00	1.00	1.00	1.00
Plant operations and maintenance	5.00	5.00	5.0	5.0	5.00	5.00	5.00	5.00	8.20	8.20
Other support services	5.00	5.00	2.0	2.0	2.00	1.00	1.00	1.00	2.50	2.50
Total	104.00	97.00	105.0	105.0	102.60	102.85	102.85	105.05	106.55	112.95

Source: District Records

OCEANPORT SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2009	715	9,472,328	13,248	0.00%	63	0	715	685	0.00%	96.00%
2010	705	11,036,913	15,655	18.20%	58	0	705	670	0.00%	95.00%
2011	566	9,731,420	17,193	9.80%	84	9	566	538	0.00%	95.00%
2012	650	9,902,901	15,235	-11.40%	84	0	647	616	14.30%	95.00%
2013	637	10,242,476	16,079	5.25%	83	7.7	617.9	599.4	-4.50%	97.00%
2014	618	10,515,273	16,206	5.99%	85	7.3	615.0	587.8	-0.47%	95.58%
2015	614	10,215,578	16,638	8.43%	84	7.3	602.0	590.0	-2.57%	98.01%
2016	610	9,610,563	15,755	-5.31%	84	7.3	604.2	581.4	-1.45%	96.22%
2017	610	10,357,899	16,980	7.78%	73	8.3	609.8	581.7	0.92%	95.39%
2018	580	10,209,690	17,603	11.73%	74	7.8	572.0	546.0	-6.19%	95.45%

Source: School Register Summary, District Records

OCEANPORT SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 UNAUDITED

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>District Building</u>										
<u>Elementary</u>										
Wolf Hill										
Square Feet	41,881	41,881	41,881	41,881	41,881	41,881	41,881	41,881	41,881	41,881
Capacity	465	465	465	465	465	465	465	465	465	465
Enrollment	382	382	278	278	355	317	339	338	341	342
<u>Middle School</u>										
Square Feet	58,327	58,327	58,327	58,327	58,327	58,327	58,327	58,327	58,327	58,327
Capacity	366	366	366	366	366	366	366	366	366	366
Enrollment	336	336	288	288	282	298	275	265	269	238

Source: District Records

OCEANPORT SCHOOL DISTRICT
Schedule of Allowable Maintenance Expenditures by School Facility
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Maple Place School	Wolf Hill Elementary	Total
2009	55,000	52,268	107,268
2010	53,153	52,268	105,421
2011	66,351	66,351	132,702
2012	63,536	69,166	132,702
2013	37,470	40,790	78,260
2014	27,710	31,165	58,875
2015	160,875	207,667	368,542
2016	83,319	40,759	124,078
2017	75,702	54,818	130,520
2018	99,088	79,879	178,967

Source: District records

**OCEANPORT SCHOOL DISTRICT
Insurance Schedule
June 30, 2018
UNAUDITED**

Insurance Coverage is provided by Boynton & Boynton of NJ
Policy period runs from July 1, 2017 thru July 1, 2018

Commercial Property Coverage	
For Building and Business Personal Property	\$ 17,523,513
For Special Class Only Commercial General Liability	55,925
General Aggregate Limit	2,000,000
Products - Completed Operations - Aggregate Limit	2,000,000
Personal and Advertising - Injury Limit	1,000,000
Each Occurrence Limit	1,000,000
Damage to Premises	100,000
Medical Expenses Limit	5,000
 Crime	 500,000
 Bond Saylor	 190,000
Bond Freidmann	200,000
 Flood Maple Place	 500000/500000
Flood Wolf Hill	500000/500000
 Monmouth Ocean County Shared Services Insurance Fund	 6,000,000
Errors & Omissions Liability Policy	

Source: District Records

SINGLE AUDIT SECTION

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

Honorable President and
Members of the
Oceanport School District
County of Monmouth
Oceanport, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Oceanport School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Oceanport School District basic financial statements, and have issued our report thereon dated January 31, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

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



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

Toms River, New Jersey
January 31, 2019

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

Honorable President and
Members of the Board of Education
Oceanport School District
County of Monmouth
Oceanport School District, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited Oceanport School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Oceanport School District's major federal programs for the year ended June 30, 2018. Oceanport 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Oceanport School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and the New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Oceanport 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of Oceanport School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Oceanport School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Respectfully submitted,

JUMP, PERRY AND COMPANY, L.L.P.
Toms River, New Jersey



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

Toms River, New Jersey
January 31, 2019

OCEANPORT SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
for the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Program or Award Amount	Balance at June 30, 2017	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2018			
									Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education												
Passed-through State Department of Education												
Child Nutrition Cluster												
National School Lunch Program	10.555	7/1/16-6/30/17	\$ 19,649	\$ (1,648)	\$ 1,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
National School Lunch Program	10.555	7/1/17-6/30/18	18,375	-	16,958	(18,375)	-	-	(1,417)	-	-	-
National School PB Lunch Program	10.555	7/1/16-6/30/17	1,357	(118)	118	-	-	-	-	-	-	-
National School PB Lunch Program	10.555	7/1/17-6/30/18	1,357	-	1,247	(1,357)	-	-	(110)	-	-	-
Subtotal of Child Nutrition Cluster			40,738	(1,766)	19,971	(19,732)	-	-	(1,527)	-	-	-
Food Distribution	10.550	7/1/17-6/30/18	9,286	-	9,286	(9,286)	-	-	-	-	-	-
Total U.S.Department of Agriculture			<u>50,024</u>	<u>(1,766)</u>	<u>29,257</u>	<u>(29,018)</u>	<u>0</u>	<u>0</u>	<u>(1,527)</u>	<u>0</u>	<u>0</u>	<u>0</u>
U.S. Department of Education												
Passed-through State Department of Education												
Special Revenue Fund:												
Title I	84.010A	7/1/16-6/30/17	105,421	(11,051)	11,051	-	-	-	-	-	-	-
Title I	84.010A	7/1/17-6/30/18	177,061	-	170,086	(172,599)	-	-	(2,513)	-	-	-
Title II, Part A	84.367A	7/1/16-6/30/17	10,743	(165)	165	-	-	-	-	-	-	-
Title II, Part A	84.367A	7/1/17-6/30/18	28,279	-	21,002	(23,030)	-	-	(2,028)	-	-	-
Title III		7/1/17-6/30/18	11,095	-	11,095	(11,095)	-	-	-	-	-	-
Special Education Cluster:												
IDEA Basic	84.027	7/1/17-6/30/18	152,859	-	152,859	(152,859)	-	-	-	-	-	-
IDEA Preschool	84.027	7/1/17-6/30/18	5,662	-	5,662	(5,662)	-	-	-	-	-	-
Subtotal of Special Education Cluster			-	-	158,521	(158,521)	-	-	-	-	-	-
Total U.S.Department of Education				<u>(11,216)</u>	<u>371,920</u>	<u>(365,245)</u>	<u>-</u>	<u>-</u>	<u>(4,541)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Revenue Fund				<u>\$ (12,982)</u>	<u>\$ 401,177</u>	<u>\$ (394,263)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,068)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to schedules of expenditures.

OCEANPORT SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
for the Fiscal Year Ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017			Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2018			MEMO		
			From	To	Deferred Revenue (Accts Receivable)	Cash Received	Budgetary Expenditures		(Accounts Receivable)	Deferred Revenue/Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education														
General Fund:														
Transportation Aid	18-495-034-5120-014	32,531	7/1/17	6/30/18	-	29,286	(32,531)	-	-	-	-	(3,245)	32,531	
Special Education Aid	18-495-034-5120-012	360,177	7/1/17	6/30/18	-	324,256	(360,177)	-	-	-	-	(35,921)	360,177	
Extraordinary Aid	18-495-034-5120-044	52,749	7/1/17	6/30/18	-	-	(52,749)	-	(52,749)	-	-	-	52,749	
Extraordinary Aid	17-495-034-5120-044	7,999	7/1/16	6/30/17	(7,999)	7,999	-	-	-	-	-	-	-	
Security Aid	18-495-034-5120-084	20,253	7/1/17	6/30/18	-	18,233	(20,253)	-	-	-	-	(2,020)	20,253	
Adjustment Aid	18-495-034-5120-085	25,173	7/1/17	6/30/18	-	22,662	(25,173)	-	-	-	-	(2,511)	25,173	
Additional Adjustment Aid	18-495-034-5120-085	2,126	7/1/17	6/30/18	-	1,914	(2,126)	-	-	-	-	(212)	2,126	
PARCC Readiness Aid	18-495-034-5120-098	5,860	7/1/17	6/30/18	-	5,276	(5,860)	-	-	-	-	(584)	5,860	
Per Pupil Growth Aid	18-495-034-5120-101	5,860	7/1/17	6/30/18	-	5,276	(5,860)	-	-	-	-	(584)	5,860	
Prof Learning Comm. Aid	18-495-034-5120-098	5,490	7/1/17	6/30/18	-	4,943	(5,490)	-	-	-	-	(547)	5,490	
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	320,522	7/1/17	6/30/18	-	320,522	(320,522)	-	-	-	-	-	320,522	
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	323,134	7/1/16	6/30/17	(15,776)	-	-	-	-	-	-	-	-	
On-Behalf TPAF Pension Contribution	18-100-034-5095-002	443,015	7/1/17	6/30/18	-	443,015	(443,015)	-	-	-	-	-	443,015	
On-Behalf TPAF Post-Retirement Medical	18-100-034-5095-001	658,911	7/1/17	6/30/18	-	658,911	(658,911)	-	-	-	-	-	658,911	
On-Behalf TPAF Long-Term Disability Insu	18-100-034-5095-004	613	7/1/17	6/30/18	-	613	(613)	-	-	-	-	-	613	
Nonpublic Transportation Aid	18-495-034-5120-014	7,845	7/1/17	6/30/18	-	-	(7,845)	-	(7,845)	-	-	-	7,845	
Nonpublic Transportation Aid	17-495-034-5120-014	3,183	7/1/16	6/30/17	(3,183)	3,183	-	-	-	-	-	-	-	
Total General Fund					(26,958)	1,846,089	(1,941,125)	-	(60,594)	-	-	(45,624)	1,941,125	
Debt Service Fund														
Debt service aid Type II	18-495-034-5120-017	54,753	7/1/17	6/30/18	-	54,753	(54,753)	-	-	-	-	-	54,753	
Food Service Fund														
State School Lunch Program	17-100-010-3350-023	948	7/1/16	6/30/17	(84)	84	-	-	-	-	-	-	-	
State School Lunch Program	18-100-010-3350-023	1,151	7/1/17	6/30/18	-	1,058	(1,151)	-	(93)	-	-	-	1,151	
Total Food Service Fund					(84)	1,142	(1,151)	-	(93)	-	-	-	1,151	
Capital Projects Fund														
NJSDA	3250-050-10-1001	65,604	7/1/10	6/30/11	(65,604)	-	-	-	(65,604)	-	-	-	-	
NJSDA	3250-050-10-1002	28,420	7/1/10	6/30/11	(26,420)	-	-	-	(26,420)	-	-	-	-	
Total Capital Projects Fund					(92,024)	-	-	-	(92,024)	-	-	-	-	
Total State Expenditures Subject to Single Audit Determination					(119,066)	1,901,984	(1,997,029)	-	(152,711)	-	-	(45,624)	1,997,029	
State Expenditures Not Subject to Major Program Determination					-	1,102,539	(1,102,539)	-	-	-	-	-	-	
Total Expenditures of State Awards Subject to Major Program Determination					\$ (119,066)	\$ 799,445	\$ (894,490)	\$ -	\$ (152,711)	\$ -	\$ -	\$ (45,624)	\$ 1,997,029	

See accompanying notes to schedules of expenditures.

Oceanport School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2018

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(444,093) for the general fund, \$- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page.

Oceanport School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2018

3. Relationship to Basic Financial Statements (cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	1,497,032	1,497,032
Special Revenue Fund	365,245	-	365,245
Debt Service Fund	-	54,753	54,753
Capital Projects Fund	-	-	-
Food Service Fund	<u>29,018</u>	<u>1,151</u>	<u>30,169</u>
Total awards and financial assistance	<u>\$ 394,263</u>	<u>1,552,936</u>	<u>\$ 1,947,199</u>

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2018.

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

6. Indirect Costs

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

Oceanport School District

Notes to Schedules of Awards and Financial Assistance (Cont'd)

June 30, 2018

Section I - Summary of Auditor's Results
Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to general-purpose financial statements noted? yes no

Federal Awards Section - N/A

Internal Control over major programs:

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

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
N/A	

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

Auditee qualified as low-risk auditee? yes no

Oceanport School District

Notes to Schedules of Awards and Financial Assistance (Cont'd)

June 30, 2018

Section I - Summary of Auditor's Results (Cont'd)

State Awards Section

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

Auditee qualified as low-risk auditee? yes no

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

Internal Control over major programs:

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

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

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5094-003	Reimbursed TPAF Social Security Contributions

Oceanport School District
Schedule of Finding and Questioned Costs
June 30, 2018

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2018.

Prior Year Audit Findings - N/A

Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2018.

Oceanport School District
Summary Schedule of Prior Audit Findings
June 30, 2018

There were no prior year findings for the period ended June 30, 2017.