

SCHOOL DISTRICT

Oceanport School District
Of Monmouth County

Oceanport, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Oceanport Board of Education
of Monmouth County

Oceanport, New Jersey

For the Fiscal Year Ended June 30, 2020

Prepared by

Oceanport Board of Education
Finance Department

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INTRODUCTORY SECTION



Oceanport School District

ADMINISTRATIVE OFFICES • 29 Wolf Hill Ave. • Oceanport, NJ 07757

Valery Petrone
Business Administrator
732-542-0683

November 5, 2020

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

The comprehensive annual financial report of the Oceanport School District (District) for the fiscal year ended June 30, 2020, 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 contains a Letter of Transmittal, Roster of Officials, List of Consultants, Independent Auditors and Advisors, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the district's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the school district, generally presented on a multi-year basis;
- The Single Audit Section – The district is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and the New Jersey State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this Single Audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the Single Audit Section of this report.

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 2019-2020 fiscal year with an enrollment of 610 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 remains stable and several accomplishments have occurred as a result.

The Oceanport Public School District had spent considerable time over the past years evaluating the conditions of the facilities, and researching possible solutions to support curricular initiatives. As a result the District held a referendum vote in December of 2019. The voters of Oceanport supported these solutions and initiatives by passing the bond issue. Renovations are slated to begin in the 2020-2021 school year. Our buildings will be transformed to support 21st Century classroom learning and the improvement building environments in both district schools.

MAJOR INITIATIVES:

Throughout the 2019-2020 school year, the District continued to refine, expand and re-evaluate programs to provide opportunities for both students and staff. We are pleased that several initiatives were supported through local funding. More specifically, instructional materials and resources, curricula writing stipends, and professional development services encompassed the relative purchases.

At the preschool level, the High Scope State-Approved Preschool Curriculum program was implemented, which included manipulative materials and other enhancements to the structured-play environment in each preschool classroom. Additionally, a grade 6-8 Savvas Math program was introduced in both hard copy and online format.

The district administered i-Ready benchmark assessments and examined data related to progress. The Intervention & Referral Services committees in both buildings created spreadsheets to identify students in need of further intervention opportunities. Spreadsheets incorporate multiple criteria, including teacher input, to further identify need.

In conjunction with the purchase of instructional materials and resources, curricula writing was completed for these courses: grades K-8 social studies, grades K-8 guidance, grades K-8 financial literacy addendum, and preschool curricula for the core content areas. Curricula writing included alignment to content standards and additional New Jersey Department of Education requirement (e.g., differentiation). Student data to guide instructional practices in the classroom. Also noteworthy was the district's participation in two professional development consortia: Brookdale Education Networks and the Regional Professional Development Academy. In addition, in-district professional development focused on differentiation strategies in both English Language Arts and Mathematics.

Special Services: Department members attended several professional development sessions related to special education and 504 compliance. The Child Study Team provided presentations for our district parent group around the evaluation process and offered several professional development opportunities for teaching staff and paraprofessionals related to mental health, significant behaviors, and IEP writing. Stakeholders from across the district also participated in a pilot program through Nextmark Schools, which focused on building knowledge and strategies for students with significant mental health needs.

Wolf Hill School: Staff rose to the occasion during the COVID-19 statewide school closure. Staff created and implemented the Google Classroom platform for the first time in Grades K-2. We expanded the use of our instructional tools to include Google Meet, Seesaw, Flip-Grid, Google Classroom, etc. Teachers of grades 3 and 4 collaborated to utilize Google Classroom as the main forum for student assignments and task completion, which permits students to work collaboratively with their peers and communicate with their teacher for more immediate feedback. Staff in grades K-4 implemented the new i-Ready platform to streamline our benchmarking procedures and progress monitoring. This also served as an essential tool for our students during remote learning. We were able to outfit every student with a technological device when needed during COVID-19 closures. In support of our learners' social and emotional growth, we have fully implemented the MindUp curriculum led by our school counselor. We implemented a school wide character education program where students received recognition as Students of the Month for exhibiting one of the six pillars of character development. In conjunction with the physical education teachers at Maple Place, Wolf Hill physical education teachers organized a Hoops for Heart event, where they collected money for the American Heart Association. Students and staff in Kindergarten organized a school wide fundraiser in support of the animals who were endangered due to the Australian wildfires.

Maple Place School: Students continued to explore the curriculum with additional focus on diagnostic measures of student progress and instructional effectiveness. This included the continued use of Google Classroom, as well as the implementation of I-Ready in grades 5-8 in the areas of English language arts and mathematics. With the use of I-Ready, a consistent benchmark process and plan has been implemented. By year's end, staff will have been involved in 3 separate professional development experiences to understand how to maximize the program and use the data in classroom instruction. This process dovetails effectively with our continued implementation and development of our New Jersey Tiered System of Support. To this end, key staff are engaged in training around the NJTSS. Our Intervention and Referral Services team has also worked to refine and revamp our processes after their collective professional development experience in this area.

In support of our learners' social and emotional growth, we have fully implemented Suite 360, with a focus on proactive growth and restorative justice practices where applicable. Learners are engaged in high value activities that allow them to consider their role in the world through a wide array of extracurricular clubs and activities. Over the course of the year, the school had numerous educational assembly programs aimed at teaching tolerance and understanding. We have also focused our energies on giving the students the tools needed to make wise decisions related to vaping and their use of social media. Of note, we held our first ever "Women in Science" field trip for interested students. This opportunity allowed students to have a guided tour of the Museum of Natural History provided by a scientist associated with NASA. Our tradition of providing excellent extracurricular activities and clubs allowed us to widen the learner's scope of understanding through positive peer socialization.

Facility Improvements: The gymnasiums at both the Wolf Hill and Maple Place Schools are now slated for renovation. The Cafeteria/All Purpose Room at Maple Place is also slated to be renovated. New flooring will be installed and graphics will be added to the walls, the stage curtains are to be replaced giving a much needed face-lift to the space. In addition, all of the "gang" bathrooms are to be renovated during the coming school year at both schools. Roof replacement will take place over the Wolf Hill gymnasium and at most of Maple Place.

INTERNAL CONTROLS

Management of the district is responsible for establishing and maintaining an internal control system 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 system 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 awards, the district also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. This internal control system 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 adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws, regulations, contracts and grants.

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, 2020.

ACCOUNTING SYSTEM AND REPORTS

The District's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is an encumbrance accounting system that is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance at fiscal year end. These funds are explained in "Notes to the Basic 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.

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet requirements of Title 2 U.S. Code of Federal Requirements Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditors' report on the basic financial statements, required supplementary information, individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the Single Audit are included in the single audit section of this report.

Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

ACKNOWLEDGMENTS

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. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,

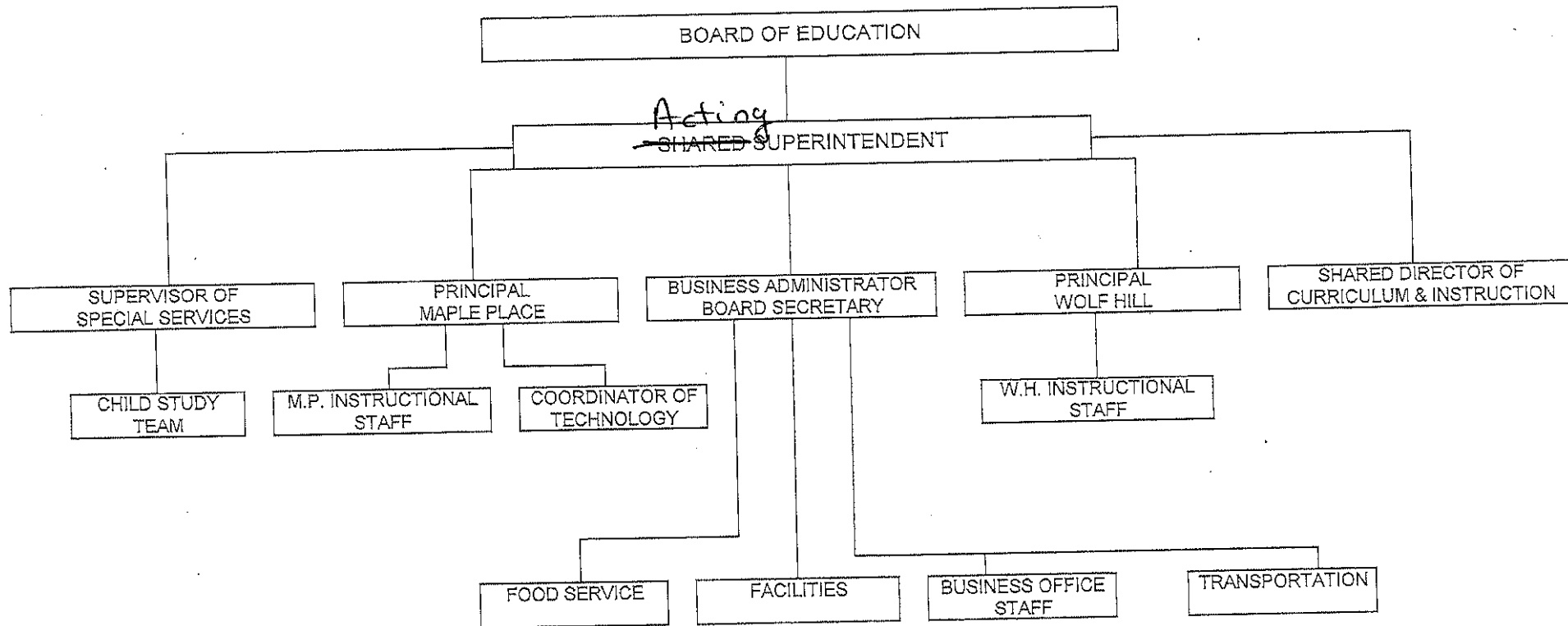


Anne R. Facendo
Superintendent of Schools



Valery Pertone
School Business Administrator/
Board Secretary

OCEANPORT BOARD OF EDUCATION
ORGANIZATIONAL CHART



Oceanport Board of Education
Oceanport, New Jersey

Roster of Officials
June 30, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Lisa Harvey, President	2020
John Fleming, Vice President	2021
Maura Kelly	2020
Andrea Fitzpatrick	2020
Bryan Russell	2020
Marion Wilhalme	2022
Richard McKenna	2020
Deirdre Bova	2020
Mark Pattersone	2022

Other Officials

Anne Facendoi, Superintendent of Schools

Denise C. Friedmann, Interim Business Administrator/Board Secretary (July 1, 2018 - August 30, 2019)

Valery Petrone, Interim Business Administrator/Board Secretary (September 1, 2019 - present)

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

Machado Law Group
1 Cleveland Place
Springfield NJ, 07081

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, 2020, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Oceanport School District in the County of Monmouth, State of New Jersey as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

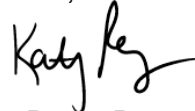
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2020 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
November 5, 2020

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Oceanport School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
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, 2020. 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, 2020 are as follows:

Net position totaled \$2,097,092, which represents a 3.02 percent increase from June 30, 2019.

General revenues accounted for \$11,488,772 in revenue or 91.16 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 \$1,113,499 or 8.84 percent of total revenues of \$12,602,271.

Total assets decreased by \$111,935 as current assets decreased by \$141,433 and capital assets, net increased by \$29,498.

The School Board had \$12,540,876 in expenses; only \$1,113,499 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,488,772 were adequate to provide for these programs.

Among major funds, the General Fund had \$11,917,584 in revenues and \$11,904,401 in expenditures and transfers. The General Fund's balance increased \$13,183 over June 30, 2019. The General Fund's balance is \$1,396,757.

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

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund, Special Revenue Fund, 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, 2020 and 2019.

Table 1

Net Position as of June 30, 2020 and June 30, 2019

	June 30, 2020			June 30, 2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 1,412,743	\$ (12,722)	\$ 1,400,021	\$ 1,479,300	\$ 62,154	\$ 1,541,454
Capital assets, net	4,602,973	-	4,602,973	4,573,475	-	4,573,475
Total assets	6,015,716	(12,722)	6,002,994	6,052,775	62,154	6,114,929
Deferred outflow of resources	518,794	-	518,794	843,878	-	843,878
Liabilities:						
Current liabilities	28,897	5,633	34,530	110,303	16,714	127,017
Long-term liabilities outstanding	3,268,340	-	3,268,340	3,801,852	-	3,801,852
Total liabilities	3,297,237	5,633	3,302,870	3,912,155	16,714	3,928,869
Deferred inflow of resources	1,121,826	-	1,121,826	994,241	-	994,241
Net position:						
Net investment in capital assets	3,720,175	-	3,720,175	3,573,876	-	3,573,876
Restricted	1,088,366	-	1,088,366	1,131,410	-	1,131,410
Unrestricted	(2,693,094)	(18,355)	(2,711,449)	(2,715,029)	45,440	(2,669,589)
Total Net Position	\$ 2,115,447	\$ (18,355)	\$ 2,097,092	\$ 1,990,257	\$ 45,440	\$ 2,035,697

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

The School Board's combined net position was \$2,097,092 on June 30, 2020. This is a change of 3.02% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2020 and 2019.

Table 2

Changes in Net Position

	June 30, 2020			June 30, 2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 136,246	\$ 197,228	\$ 333,474	\$ 217,899	\$ 241,342	\$ 459,241
Operating and capital grants and contributions	751,490	28,535	780,025	764,752	38,119	802,871
General revenues:						
Property taxes	10,465,706	-	10,465,706	10,150,750	-	10,150,750
Federal and state aid	961,460	-	961,460	887,784	-	887,784
Investment earnings	23,668	660	24,328	32,815	1,244	34,059
Miscellaneous	37,278	-	37,278	504,224	-	504,224
Total revenues	12,375,848	226,423	12,602,271	12,558,224	280,705	12,838,929
Expenses						
Instructional services	5,151,760	-	5,151,760	5,075,272	-	5,075,272
Support services	7,065,487	290,218	7,355,705	7,335,658	310,771	7,646,429
Interest on long-term liabilities	33,411	-	33,411	35,319	-	35,319
Total expenses	12,250,658	290,218	12,540,876	12,446,249	310,771	12,757,020
Change in net position	125,190	(63,795)	61,395	111,975	(30,066)	81,909
Transfers	-	-	-	-	-	-
Net position - beginning	1,990,257	45,440	2,035,697	1,878,282	75,506	1,953,788
Net position (deficit) - ending	\$ 2,115,447	\$ (18,355)	\$ 2,097,092	\$ 1,990,257	\$ 45,440	\$ 2,035,697

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 decreased primarily due to the additional other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year June 30, 2020

Business-Type Activities

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

Total Enterprise Fund revenues fell behind expenses by \$63,795.

Charges for services represent \$197,228 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 \$28,535.

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			
	2020		2019	
	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	\$ 5,151,760	\$ 5,015,514	\$ 5,075,272	\$ 4,857,373
Support Services:				
Pupils and Instructional Staff	2,547,025	1,795,535	2,422,205	1,657,453
General Administration, School Administration, Business Operation and Maintenance of Facilities	4,219,377	4,219,377	4,453,725	4,453,725
Pupil Transportation	299,085	299,085	459,728	459,728
Interest and Fiscal Charges	33,411	33,411	35,319	35,319
Total Expenses	\$ 12,250,658	\$ 11,362,922	\$ 12,446,249	\$ 11,463,598

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, 2020, it reported a combined fund balance of \$1,396,763, which is an increase of \$13,183. The Statement of Revenues Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2020.

<u>Revenue</u>	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 10,662,898	86.16 %	\$ 210,708	2.02 %
State Sources	1,438,252	11.62	70,855	5.18
Federal Sources	<u>274,698</u>	<u>2.22</u>	<u>(10,441)</u>	<u>(3.66)</u>
Total	<u>\$ 12,375,848</u>	<u>100.00 %</u>	<u>\$ 271,122</u>	<u>2.24 %</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, 2020.

<u>Expenditures</u>	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 5,151,760	41.67 %	\$ 76,488	1.51 %
Undistributed				
Expenditures	6,932,720	56.08	(301,209)	(4.16)
Capital Outlay	115,135	0.93	(49,925)	(30.25)
Debt Service:				
Principal	130,000	1.05	-	-
Interest	<u>33,050</u>	<u>0.27</u>	<u>(3,894)</u>	<u>(10.54)</u>
Total	<u>\$ 12,362,665</u>	<u>100.00 %</u>	<u>\$ (278,540)</u>	<u>(2.20)%</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 \$544,602 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$86,960 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 as follows:

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 220,076
Capital Reserve	150,042
Maintenance Reserve	448,978
Emergency Reserve	20,237
Excess Surplus - Current Year	248,677

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 2019-2020 fiscal year and will be used to reduce the local tax levy for the 2021-2022 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2020, the School Board had \$4,602,973 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2020 and June 30, 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,315,100	\$ 1,315,100	\$ -	\$ -	\$ 1,315,100	\$ 1,315,100
Construction in Progress	-	-	-	-	-	-
Building and Improvements	2,811,887	2,908,322	-	-	2,811,887	2,908,322
Machinery and Equipment	475,986	350,053	-	-	475,986	350,053
Total	\$ 4,602,973	\$ 4,573,475	\$ -	\$ -	\$ 4,602,973	\$ 4,573,475

During the current fiscal year, \$208,122 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Bonds Payable (net)	\$ 810,000	\$ 940,000
Capital Leases payable	72,798	59,599
Pension Liability-PERS	1,912,816	2,401,217
Compensated Absences payable	<u>472,726</u>	<u>401,036</u>
Total long-term liabilities	<u>\$ 3,268,340</u>	<u>\$ 3,801,852</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 2019-2020 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 13.84% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 86.16% of total revenue is from local sources.

The \$(2,693,094) 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 2019-2020 budget was adopted in March 2019 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 2020-2021 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

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

BASIC FINANCIAL STATEMENTS

OCEANPORT SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,152,620	\$ (14,100)	\$ 1,138,520
Capital reserve cash	41	-	41
Interfund receivable	-	-	-
Receivables - state	213,909	-	213,909
Receivables - federal	45,435	-	45,435
Receivables- other	738	-	738
Inventory	-	1,378	1,378
Capital assets, non-depreciable	1,315,100	-	1,315,100
Capital assets, depreciable, net	3,287,873	-	3,287,873
Total assets	<u>6,015,716</u>	<u>(12,722)</u>	<u>6,002,994</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	518,794	-	518,794
	<u>518,794</u>	<u>-</u>	<u>518,794</u>
LIABILITIES			
Accounts payable	-	-	-
Interfund payable	15,980	-	15,980
Other liabilities	12,917	-	12,917
Unearned revenue	-	5,633	5,633
Noncurrent liabilities:			
Due within one year	161,568	-	161,568
Due beyond one year	3,106,772	-	3,106,772
Total liabilities	<u>3,297,237</u>	<u>5,633</u>	<u>3,302,870</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	1,121,826	-	1,121,826
	<u>1,121,826</u>	<u>-</u>	<u>1,121,826</u>
NET POSITION			
Net investment in capital assets	3,720,175	-	3,720,175
Restricted for:			
Capital projects	150,042	-	150,042
Debt service	6	-	6
Other purposes	938,318	-	938,318
Unrestricted	(2,693,094)	(18,355)	(2,711,449)
Total net position	<u>\$ 2,115,447</u>	<u>\$ (18,355)</u>	<u>\$ 2,097,092</u>

OCEANPORT SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

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	\$ 3,630,997	\$ 136,246	\$ -	\$ -	\$ (3,494,751)	\$ -	\$ (3,494,751)
Special education instruction	1,381,182	-	-	-	(1,381,182)	-	(1,381,182)
Other special instruction	139,581	-	-	-	(139,581)	-	(139,581)
Support services and undistributed costs:							
Instruction	146,544	-	-	-	(146,544)	-	(146,544)
Health services	158,719	-	-	-	(158,719)	-	(158,719)
Other support services	1,309,056	-	-	-	(1,309,056)	-	(1,309,056)
Educational media services	169,287	-	-	-	(169,287)	-	(169,287)
Instruction staff training	11,929	-	-	-	(11,929)	-	(11,929)
General administrative services	352,256	-	-	-	(352,256)	-	(352,256)
School administrative services	354,623	-	-	-	(354,623)	-	(354,623)
Central services	204,267	-	-	-	(204,267)	-	(204,267)
Admin. information technology	30,148	-	-	-	(30,148)	-	(30,148)
Allowed maintenance for school facilities	2,964	-	-	-	(2,964)	-	(2,964)
Other operation & maintenance of plant	855,942	-	-	-	(855,942)	-	(855,942)
Security	86,369	-	-	-	(86,369)	-	(86,369)
Student transportation services	299,085	-	-	-	(299,085)	-	(299,085)
Unallocated employee benefits	2,332,808	-	-	-	(2,332,808)	-	(2,332,808)
Non-budgeted expenditures	751,490	-	751,490	-	-	-	-
Interest expense	33,411	-	-	-	(33,411)	-	(33,411)
Total governmental activities	<u>12,250,658</u>	<u>136,246</u>	<u>751,490</u>	<u>-</u>	<u>(11,362,922)</u>	<u>-</u>	<u>(11,362,922)</u>
Business-type activities:							
Enterprise fund	290,218	197,228	28,535	-	-	(64,455)	(64,455)
Total business-type activities	<u>290,218</u>	<u>197,228</u>	<u>28,535</u>	<u>-</u>	<u>-</u>	<u>(64,455)</u>	<u>(64,455)</u>
Total primary government	<u>\$ 12,540,876</u>	<u>\$ 333,474</u>	<u>\$ 780,025</u>	<u>\$ -</u>	<u>\$ (11,362,922)</u>	<u>\$ (64,455)</u>	<u>\$ (11,427,377)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 10,358,093	\$ -	\$ 10,358,093
Taxes levied for debt service					107,613	-	107,613
Federal and state aid not restricted					686,762	-	686,762
Federal aid restricted					274,698	-	274,698
Miscellaneous income					37,278	-	37,278
Investment earnings					23,668	660	24,328
Transfer					-	-	-
Other Financing Sources/(Uses)					-	-	-
Total general revenues					<u>\$ 11,488,112</u>	<u>\$ 660</u>	<u>11,488,772</u>
Change in net positions					125,190	(63,795)	61,395
Net position—beginning					1,990,257	45,440	2,035,697
Net position—ending					<u>\$ 2,115,447</u>	<u>\$ (18,355)</u>	<u>\$ 2,097,092</u>

OCEANPORT SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,198,787	\$ (46,173)	\$ -	\$ 6	\$ 1,152,620
Capital reserve	41	-	-	-	41
Interfund receivables	92,024	-	-	-	92,024
Receivables from federal	-	45,435	-	-	45,435
Receivables from state	121,885	-	92,024	-	213,909
Other receivables	-	738	-	-	738
Total assets	<u>1,412,737</u>	<u>-</u>	<u>92,024</u>	<u>6</u>	<u>1,504,767</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Interfund payable	15,980	-	92,024	-	108,004
Payable to federal government	-	-	-	-	-
Payable to state government	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>15,980</u>	<u>-</u>	<u>92,024</u>	<u>-</u>	<u>108,004</u>
Fund Balances:					
Restricted for:					
Legally restricted - designated for subsequent year's expenditures	-	-	-	-	-
Excess surplus - current year	248,677	-	-	-	248,677
Excess surplus - prior year- designated for subsequent year's expenditures	220,076	-	-	-	220,076
Capital reserve account	150,042	-	-	-	150,042
Maintenance reserve account	448,978	-	-	-	448,978
Emergency reserve account	20,237	-	-	-	20,237
Debt services	-	-	-	6	6
Committed to:					
Debt Service Fund	-	-	-	-	-
Other purposes	350	-	-	-	350
Assigned to:					
Other purposes	-	-	-	-	-
Designated by the BOE for subsequent year's expenditures	50,905	-	-	-	50,905
Unassigned:					
General fund	257,492	-	-	-	257,492
Total fund balances	<u>1,396,757</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>1,396,763</u>
Total liabilities and fund balances	<u>\$ 1,412,737</u>	<u>\$ -</u>	<u>\$ 92,024</u>	<u>\$ 6</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 \$8,757,324 and the accumulated depreciation is \$4,183,848.	4,602,973
Deferred outflows related to the PERS pension plan	518,794
Deferred inflows related to the PERS pension plan	(1,121,826)
Accrued interest	(12,917)
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>(3,268,340)</u>
Net position of governmental activities	<u>\$ 2,115,447</u>

OCEANPORT SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Local tax levy	\$ 10,358,093	\$ -	\$ 107,613	\$ 10,465,706
Tuition charges	136,246	-	-	136,246
Interest on investments	12,461	-	-	12,461
Interest earned on reserve funds	11,207	-	-	11,207
Transportation fees	600	-	-	600
Rents and royalties	12,985	-	-	12,985
Miscellaneous	3,177	20,516	-	23,693
Total - local sources	10,534,769	20,516	107,613	10,662,898
State sources	1,382,815	-	55,437	1,438,252
Federal sources	-	274,698	-	274,698
Total revenues	11,917,584	295,214	163,050	12,375,848
EXPENDITURES				
Current:				
Regular instruction	\$ 3,417,378	\$ 213,619	\$ -	\$ 3,630,997
Special education instruction	1,381,182	-	-	1,381,182
Other special instruction	34,550	-	-	34,550
School sponsored/other instructional	105,031	-	-	105,031
Undistributed - current:				
Instruction	146,544	-	-	146,544
Bilingual education	-	-	-	-
Health services	158,719	-	-	158,719
Other support services	1,227,461	81,595	-	1,309,056
Educational media services	169,287	-	-	169,287
Instruction staff training	11,929	-	-	11,929
General administrative services	352,256	-	-	352,256
School administrative services	354,623	-	-	354,623
Central services	204,267	-	-	204,267
Admin. info. technology	30,148	-	-	30,148
Allowed maintenance for school facilities	136,357	-	-	136,357
Other operation & maintenance of plant	625,740	-	-	625,740
Security	86,369	-	-	86,369
Student transportation services	299,085	-	-	299,085
Unallocated employee benefits	2,296,850	-	-	2,296,850
Non-budgeted expenditures	751,490	-	-	751,490
Debt service:				
Principal	-	-	130,000	130,000
Interest and other charges	-	-	33,050	33,050
Capital outlay	115,135	-	-	115,135
Total expenditures	11,904,401	295,214	163,050	12,362,665
Excess (deficiency) of revenues over expenditures	13,183	-	-	13,183
OTHER FINANCING SOURCES (USES)				
Capital leases-non budgeted	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	13,183	-	-	13,183
Fund balance—July 1	1,383,574	-	6	1,383,580
Fund balance—June 30	\$ 1,396,757	\$ -	\$ 6	\$ 1,396,763

**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 Year Ended June 30, 2020**

Total net change in fund balances - governmental funds (from B-2)	\$	13,183
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	(230,202)	
Capital outlays	<u>259,700</u>	29,498
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		35,732
In the statement of activities, interest expense is recorded when paid.		
In the governmental funds, the interest is expensed when due and shown as payable at year end.		1,666
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.		130,000
In the Statement of Activities, the new capital leases are recorded as a increase in the long-term liability.		
In the governmental funds, the capital lease is included in other financing sources.		(51,578)
In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability.		
In the governmental funds, the payments are an expenditure. (Amount is net of payments included in capital outlay)		38,379
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 of financial resources used, essentially, the amounts actually paid. This year, sick leave was decreased.		<u>(71,690)</u>
Change in net position of governmental activities	\$	<u>125,190</u>

OCEANPORT SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2020

	<u>Childcare</u>	<u>Food Service</u>	<u>Total Enterprise Fund</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ (9,819)	\$ (4,281)	\$ (14,100)
Interfund receivable	-	-	-
Receivable from state	-	-	-
Receivable from other governments	-	-	-
Other receivables	-	-	-
Inventory	-	1,378	1,378
Total current assets	<u>(9,819)</u>	<u>(2,903)</u>	<u>(12,722)</u>
Noncurrent assets:			
Furniture, machinery and equipment	-	228,723	228,723
Less accumulated depreciation	-	<u>(228,723)</u>	<u>(228,723)</u>
Total noncurrent assets	-	-	-
Total assets	<u>(9,819)</u>	<u>(2,903)</u>	<u>(12,722)</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	-	-
Unearned revenue	-	5,633	5,633
Interfund payable	-	-	-
Total current liabilities	<u>-</u>	<u>5,633</u>	<u>5,633</u>
NET POSITION			
Investment in capital assets	-	-	-
Unrestricted	<u>(9,819)</u>	<u>(8,536)</u>	<u>(18,355)</u>
Total net position	<u>(9,819)</u>	<u>(8,536)</u>	<u>(18,355)</u>
Total liabilities and net position	<u>\$ (9,819)</u>	<u>\$ (2,903)</u>	<u>\$ (12,722)</u>

OCEANPORT SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Positions
Proprietary Funds
For the Year Ended June 30, 2020

	Childcare	Food Service	Totals Enterprise Fund
Operating revenues:			
Daily Sales Reimbursable Programs	\$ -	53,136	\$ 53,136
Tuition	94,978	-	94,978
School Lunch	-	49,114	49,114
Miscellaneous	-	-	-
Total operating revenues	<u>94,978</u>	<u>102,250</u>	<u>197,228</u>
Operating expenses:			
Salaries	91,590	59,307	150,897
Employee Benefits	6,720	8,843	15,563
Other purchased services	12,985	13,891	26,876
Supplies and materials	7,642	34,856	42,498
Depreciation	-	-	-
Cost of sales - reimbursable programs	-	54,384	54,384
Cost of sales - non-reimbursable programs	-	-	-
Total operating expenses	<u>118,937</u>	<u>171,281</u>	<u>290,218</u>
Operating income (loss)	<u>(23,959)</u>	<u>(69,031)</u>	<u>(92,990)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	-	841	841
Federal sources:			
National school lunch program	-	16,631	16,631
National school lunch program-PB	-	1,151	1,151
Food distribution program	-	9,912	9,912
Interest and investment revenue	481	179	660
Total non-operating revenues (expenses)	<u>481</u>	<u>28,714</u>	<u>29,195</u>
Change in net position	<u>(23,478)</u>	<u>(40,317)</u>	<u>(63,795)</u>
Transfer	(37,000)	37,000	-
	-	-	-
Total net position—beginning	50,659	(5,219)	45,440
Total net position—ending	<u>\$ (9,819)</u>	<u>\$ (8,536)</u>	<u>(18,355)</u>

OCEANPORT SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Childcare	Food Service	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 94,978	\$ 104,983	\$ 199,961
Payments to employees	(91,590)	(59,307)	(150,897)
Payments for employee benefits	(6,720)	(8,843)	(15,563)
Payments to suppliers	(20,627)	(107,444)	(128,071)
Net cash provided by (used in) operating activities	<u>(23,959)</u>	<u>(70,611)</u>	<u>(94,570)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources		946	946
Federal sources		19,968	19,968
Transfers	(37,000)	37,000	-
Interest income	481	179	660
Net cash provided by (used in) non-capital financing activities	<u>(36,519)</u>	<u>58,093</u>	<u>21,574</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Due from general fund	-	4,026	4,026
Net cash provided by (used for) financing activities	<u>-</u>	<u>4,026</u>	<u>4,026</u>
Net increase (decrease) in cash and cash equivalents	(60,478)	(8,492)	(68,970)
Balances—beginning of year	50,659	4,211	54,870
Balances—end of year	<u>\$ (9,819)</u>	<u>\$ (4,281)</u>	<u>\$ (14,100)</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (23,959)	\$ (69,031)	\$ (92,990)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	-	-
Federal commodities	-	9,912	9,912
Increase (decrease) in accounts receivable, net	-	-	-
Increase (decrease) in inventories	-	(411)	(411)
(Increase) decrease in accounts payable	-	(13,814)	(13,814)
Increase (decrease) in interfund payable	-	-	-
(Increase) decrease in unearned revenue	-	2,733	2,733
Total adjustments	<u>-</u>	<u>(1,580)</u>	<u>(1,580)</u>
Net cash provided by (used in) operating activities	<u>\$ (23,959)</u>	<u>\$ (70,611)</u>	<u>\$ (94,570)</u>

OCEANPORT SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 157,782	\$ 69,037	\$ 226,819
Interfund receivable	-	15,980	15,980
Total assets	<u>157,782</u>	<u>85,017</u>	<u>242,799</u>
LIABILITIES			
Payroll deductions and withholdings	-	23,711	23,711
Payable to student groups	-	61,306	61,306
Total liabilities	<u>-</u>	<u>85,017</u>	<u>85,017</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>157,782</u>	-	<u>157,782</u>
Total net position	<u>157,782</u>	<u>-</u>	<u>157,782</u>
Total liabilities and net position	<u>\$ 157,782</u>	<u>\$ 85,017</u>	<u>\$ 242,799</u>

OCEANPORT SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ 11,799
Other	-
Total contributions	11,799
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	1,688
Net investment earnings	1,688
Total additions	13,487
 DEDUCTIONS	
Unemployment claims	5,936
Total deductions	5,936
Change in net position	7,551
Net position—beginning of the year	150,231
Net position—end of the year	\$ 157,782

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

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, Basis of Accounting

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, 2020

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 Aid, district taxes and appropriated fund balances. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2020

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 and School Age Childcare.

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

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

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others 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, 2020

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 are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.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 judgment'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, 2020

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:23:23-16.2(f).

All budget amendments/transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2020 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, 2020

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 2019-2020 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.

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

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

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, 2020

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 Revenue

Unearned 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, 2020

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

Q. Fund Balance Reserves

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. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.
5. Unassigned - includes all spendable amounts not contained in the other classifications

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, 2020

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 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.

U. GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

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

U. GASB Pronouncements (Cont'd)

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019. Management has not yet determined the potential impact on the School District's financial statements.

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

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

U. GASB Pronouncements (Cont'd)

Statement No. 93, *Replacement of Interbank Offered Rates*, Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of Statement No. 93 are effective for reporting periods beginning after June 15, 2020. Management has not yet determined the potential impact on the School District's financial statements.

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

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Cash and Cash Equivalents

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-414 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the ACT, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA., However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2020, the School District's bank balance of \$1,885,111 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 1,658,292
Uninsured and Uncollateralized	<u>226,819</u>
	\$ <u>1,885,111</u>

3. Investments

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

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, 2020

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 1, 2019 to June 30, 2020 fiscal year is as follows:

Balance, July 1, 2019	\$	41
Interest Earned		1
Board Contribution		150,000
Withdrawals		<u>-</u>
Balance, at June 30, 2020	\$	<u><u>150,042</u></u>

There were no withdrawals from the capital reserve for DOE approved facilities projects in 2020.

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, 2020

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, 2020.

The activity of the Maintenance Reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Balance, July 1, 2019	\$	442,459
Interest earned		8,849
Increase per resolution		150,000
Withdrawals/use in budget		<u>(152,330)</u>
Balance, at June 30, 2020	\$	<u><u>448,978</u></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 1, 2019 to June 30, 2020 fiscal year is as follows:

Balance, July 1, 2019	\$	117,880
Board Contribution		-
Interest		2,357
Withdrawals		<u>(100,000)</u>
Balance, at June 30, 2020	\$	<u><u>20,237</u></u>

7. Receivables

Receivables at June 30, 2020, 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, 2020

7. Receivables (Cont'd)

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$ 213,909	\$ 213,909
Federal Aid	45,435	45,435
Interfunds	92,024	-
Other	<u>738</u>	<u>738</u>
Gross Receivables	352,106	260,082
Allowance for Uncollectible	-	-
Total Receivables, Net	<u>\$ 352,106</u>	<u>\$ 260,082</u>

8. Capital Assets

Capital Assets consisted of the following at June 30, 2020.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 1,315,100	-	-	\$ 1,315,100
Total Capital Assets Not Being Depreciated	<u>1,315,100</u>	-	-	<u>1,315,100</u>
Capital Assets Being Depreciated				
Building and Building Improvements	6,446,607	48,125	-	6,494,732
Machinery and Equipment	<u>995,617</u>	<u>159,997</u>	-	<u>1,155,614</u>
Totals at Historical Cost	<u>7,442,224</u>	<u>208,122</u>	-	<u>7,650,346</u>
Less Accumulated Depreciation for:				
Site Improvements	-	-	-	-
Building and Building Improvements	(3,538,285)	(144,560)	-	(3,682,845)
Machinery and Equipment	<u>(645,564)</u>	<u>(85,642)</u>	-	<u>(731,206)</u>
Total Accumulated Depreciation	<u>(4,183,849)</u>	<u>(230,202)</u>	-	<u>(4,414,051)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>3,258,375</u>	<u>(22,080)</u>	-	<u>3,236,295</u>
Government Activity Capital Assets, Net	<u>\$ 4,573,475</u>	<u>(22,080)</u>	-	<u>\$ 4,551,395</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	228,723	-	-	228,723
Less: Accumulated Depreciation	<u>(228,723)</u>	-	-	<u>(228,723)</u>
Enterprise Fund Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>

Depreciation expense was charged to governmental functions as follows:

Operations and maintenance	\$ 230,202
Total depreciation expense	<u>\$ 230,202</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

9. Non-current Liabilities

During the fiscal year ended June 30, 2020 the following changes occurred in the non-current liabilities:

	Balance <u>July 01, 2019</u>	Increase/ <u>(Decrease)</u>	Balance <u>June 30, 2020</u>	Due within <u>one year</u>
Bonds payable	\$ 940,000	(130,000)	810,000	\$ 130,000
Capital leases	59,599	13,199	72,798	31,568
Compensated absences payable	401,036	71,690	472,726	-
Pension liability - PERS	<u>2,401,217</u>	<u>(488,401)</u>	<u>1,912,816</u>	-
	<u>\$ 3,801,852</u>	<u>(533,512)</u>	<u>3,268,340</u>	<u>\$ 161,568</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Capital leases compensated absences payable, and pension liability - PERS are liquidated by the general fund.

a. Bonds Payable

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

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

Year ended June 30	Principal	Interest	Total
2021	\$ 130,000	\$ 29,150	\$ 159,150
2022	135,000	24,500	159,500
2023	135,000	19,100	154,100
2024	135,000	13,700	148,700
2025-2026	<u>275,000</u>	<u>11,100</u>	<u>286,100</u>
	<u>\$ 810,000</u>	<u>\$ 97,550</u>	<u>\$ 907,550</u>

The bonds, issued in October 2016 for \$1,120,000, were used for the alterations and renovations of the Maple Place and Wolf Hill schools.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

9. Non-current Liabilities (Cont'd)

b. Bonds Authorized But Not Issued

As of June 30, 2020, the District had authorized bonds in the amount of \$33,154,000 the district received the bond proceeds in July of 2020. The bonds are to be used for major renovations and capital improvements at the Maple Place and Wolf Hill schools.

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, 2020:

Year ended June 30,		
2021	\$	33,956
2022		11,760
2023		12,130
2024		12,514
2025		<u>11,865</u>
Total minimum lease payments		82,225
Less: amounts representing interest		<u>(9,427)</u>
Present value of lease payments	\$	<u><u>72,798</u></u>

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

10. 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.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Pension Plans (Cont'd)

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

Plan Description (Cont'd) - 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

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.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Pension Plans (Cont'd)

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, 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, 2020, the School District reported a liability of \$1,912,816 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019. The School District's proportion measured as of June 30, 2019, was .0106158551%, which was an decrease of .00158% from its proportion measured as of June 30, 2018.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Pension Plans (Cont'd)

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

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$170,826 in the government-wide financial statements consisting of employer contributions of \$121,305 and non-employer contributions of \$49,521. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 34,333	\$ 8,450
Changes of assumptions	191,002	663,932
Net difference between projected and actual earnings on pension plan investments	-	30,195
Changes in proportion and differences between District contributions and proportionate share of contributions	189,926	419,249
District contributions subsequent to the measurement date	<u>103,533</u>	<u>-</u>
Total	<u>\$ 518,794</u>	<u>\$ 1,121,826</u>

\$103,533 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2019-2020 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2021 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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:	
2020	\$ (81,774)
2021	(265,273)
2022	(236,873)
2023	(111,224)
2024	(11,420)
Thereafter	-
Total	<u>\$ (706,564)</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Pension Plans (Cont'd)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00

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 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2020

10. Pension Plans (Cont'd)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:

Through 2026	2.00% - 6.00% Based on years of service
Thereafter	3.00% -7.00% Based on years of service

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. 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>
Risk Mitigation Strategies	3.00 %	4.67 %
Cash Equivalents	5.00 %	2.00 %
U.S. Treasuries	5.00 %	2.68 %
Investment Grade Credit	10.00 %	4.25 %
High Yield	2.00 %	5.37 %
Private Credit	6.00 %	7.92 %
Real Assets	2.50 %	9.31 %
Real Estate	7.50 %	8.33 %
U.S. Equity	28.00 %	8.26 %
Non-U.S. Developed Markets Equity	12.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.37 %
Private Equity	12.00 %	10.85 %

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 70% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, 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, 2020

10. 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, 2019 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 (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the net pension liability	2,433,006	1,912,816	1,499,002

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

	<u>6/30/20</u>	<u>6/30/19</u>
Collective Deferred Outflows of Resources	3,149,522,616	4,684,852,302
Collective Deferred Inflows of Resources	7,645,087,574	7,646,736,226
Collective Net Pension Liability	18,143,832,135	19,689,501,539
School District's Portion	.0106158551%	.0121954172%

B. Teachers' Pension and Annuity (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/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. 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, 2020

10. 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 2019, the State's pension contribution was less than the actuarial determined amount.

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. 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, 2019 was \$27,363,504. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the State proportionate share of the TPAF net pension liability attributable to the School District was .0445870679%, which was an decrease of .0008861814% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized a pension expense in the amount of \$1,004,248 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, 2019 measurement date.

Actuarial Assumptions - The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

Long-term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	4.67 %
Cash Equivalents	5.00 %	2.00 %
U.S. Treasuries	5.00 %	2.68 %
Investment Grade Credit	10.00 %	4.25 %
High Yield	2.00 %	5.37 %
Private Credit	6.00 %	7.92 %
Real Assets	2.50 %	9.31 %
Real Estate	7.50 %	8.33 %
U.S. Equity	28.00 %	8.26 %
Non-U.S. Developed Markets Equity	12.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.37 %
Private Equity	12.00 %	10.85 %

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. 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 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 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, 2019 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 (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's proportionate share of the net pension liability	32,345,532	27,363,504	23,350,871

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, 2020

11. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

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

Basis of Presentation

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

11. Post-Retirement Benefits (Cont'd)

Employees covered by benefit terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	148,051
Active plan members	<u>216,051</u>
Total	<u><u>364,102</u></u>

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other imputes

The total OPEB liability in the June 30, 2019 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.50%
Salary Increases through 2026	PERS 2.00%-6.00% PFRS 3.25%-15.25% TPAF 1.55%-3.05%
Salary Increases after 2026	PERS 3.00%-7.00% PFRS 3.25%-15.25% TPAF 1.55%-3.05%
Discount Rate	3.50%
Healthcare Cost Trend Rates	4.5%-5.7%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

y.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

11. Post-Retirement Benefits (Cont'd)

Actuarial assumptions and other imputes (Cont'd)

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019

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

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

Balance at June 30, 2018	\$ 46,110,832,982
Changes for the year:	
Service cost	1,734,404,850
Interest on the total OPEB liability	1,827,787,206
Differences between expected and actual experiences	(7,323,140,818)
Changes in assumptions	622,184,027
Gross benefit payments by the state	(1,280,958,373)
Contributions from members	<u>37,971,171</u>
Net changes	<u>(4,381,751,937)</u>
Balance at June 30, 2019	<u>\$ 41,729,081,045</u>

Discount rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

11. Post-Retirement Benefits (Cont'd)

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

The following presents the June 30, 2019 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 (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability of the State for School Retirees	\$49,298,534,898	\$41,729,081,045	\$35,716,321,820
Total OPEB Liability of the State Associated with the School District for School Retirees	\$26,816,473	\$22,703,900	\$19,432,486

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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

The following presents the June 30, 2019 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$34,382,902,820	\$41,729,081,045	\$51,453,912,586
Total OPEB Liability of the State Associated with the School District for School Retirees	\$18,707,001	\$22,703,900	\$27,994,974

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

11. Post-Retirement Benefits (Cont'd)

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

For the year ended June 30, 2020, the board of education recognized OPEB expense of \$372,558 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, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$(10,484,965,300)
Changes of assumptions	\$ -	\$ (8,481,529,343)
Contributions made in fiscal year ending 2019 after June 30, 2018 measurement date	-	-
Total	<u>\$ -</u>	<u>\$(18,966,494,643)</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:	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
Total	<u>\$ (18,966,494,643)</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

12. 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 financial's. 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.

13. 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

14. 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.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

14. Risk Management (cont'd)

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 trust fund for the current and prior years:

District Financial Year	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2019-2020	\$ 11,799	\$ 1,687	\$ (5,935)	\$ 157,782
2018-2019	27,459	2,126	(13,087)	150,231
2017-2018	-	1,571	(12,486)	133,733

15. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2020:

	Interfund Receivable	Interfund Payable
General Fund	\$ 92,024	\$ 15,980
Special Revenue Fund	-	-
Capital Projects Fund	-	92,024
Debt Service Fund	-	-
Enterprise Fund	-	-
Trust and Agency Fund	15,980	-
	<u>\$ 108,004</u>	<u>\$ 108,004</u>

The Capital Projects Fund owes the General Fund for cash advances during the fiscal year.

The General Fund owes the Agency Fund for timing differences in cash transfers.

16. Inventory

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$ 1,133
Supplies	<u>245</u>
	<u>\$ 1,378</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.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

17. 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.

Construction Commitments

The district has entered into construction projects as of June 30, 2020. The projects are expected to begin in July 2020 for various improvement at both the Maple Place and Wolf Hill Schools.

Project	Spent to Date	Remaining Commitment
State Project # 3830-050-19-1000	\$ -	\$ 14,052,705
State Project # 3830-050-19-2000	-	9,007,788
State Project # 3830-030-19-1000	-	7,264,527
State Project # 3830-030-19-2000	-	2,829,870

18. Fund Balances

General Fund - Of the \$1,396,757 General Fund balance at June 30, 2020, \$350 of encumbrances is assigned to other purposes, \$150,042 is restricted for capital reserve, \$448,978 is restricted for maintenance reserve, \$20,237 is restricted for the emergency reserve, \$220,076 is restricted for excess surplus for subsequent year expenditures, \$50,905 has been classified as assigned fund balance designated for subsequent year expenditures, \$248,677 is restricted for excess surplus and \$257,492 is unassigned.

19. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$248,677. The excess fund balance at July 01, 2019 was \$220,076.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2020

20. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2020. 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, 2017.

21. Subsequent Events

Management has evaluated subsequent events through November 5, 2020, the date the financial statements were available to be issued.

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

22. Tax Abatement

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

23. Economic Dependency

Economic Dependency - The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District's programs and activities.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 10,358,093	\$ -	\$ 10,358,093	\$ 10,358,093	\$ -
Tuition - non-residents	123,014	-	123,014	136,246	13,232
Interest	-	-	-	12,461	12,461
Interest earned on current expense emergency reserve	5	(5)	-	2,357	2,357
Interest earned on maintenance reserve	10	(10)	-	8,849	8,849
Interest earned on capital reserve funds	1	(1)	-	1	1
Transportation fees	-	6,000	6,000	600	(5,400)
Rents and royalties	16,000	(6,000)	10,000	12,985	2,985
Miscellaneous	10,500	-	10,500	3,177	(7,323)
Total - local sources	10,507,623	(16)	10,507,607	10,534,769	27,162
State sources:					
Transportation aid	92,108	-	92,108	92,108	-
Special education aid	399,674	-	399,674	399,674	-
Extraordinary aid	-	43,208	43,208	102,852	59,644
Non-public transportation	-	-	-	154	154
Categorical security	20,253	-	20,253	20,253	-
Adjustment aid	19,855	-	19,855	19,855	-
TPAF-LTDI (on-behalf - Non-budgeted)	-	-	-	539	539
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	372,558	372,558
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	1,004,248	1,004,248
TPAF social security (reimbursed - Non-budgeted)	-	-	-	378,393	378,393
Total state sources	531,890	43,208	575,098	2,390,634	1,815,536
Total revenues	11,039,513	43,192	11,082,705	12,925,403	1,842,698
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	243,205	22,122	265,327	265,229	98
Grades 1-5 - Salaries of teachers	1,566,010	(48,791)	1,517,219	1,483,898	33,321
Grades 6-8 - Salaries of teachers	1,228,350	29,370	1,257,720	1,234,736	22,984
Regular Programs - Home Instruction:					
Salaries of teachers	7,200	(1,830)	5,370	1,479	3,891
Purchased professional-educational services	185,000	(40,081)	144,919	136,168	8,751
Regular Programs - Undistributed Instruction					
Other purchased services (400-500 series)	144,821	-	144,821	131,762	13,059
General supplies	126,350	(16,154)	110,196	88,162	22,034
Textbooks	68,100	2,750	70,850	70,733	117
Other objects - misc. exp.	10,000	(3,769)	6,231	5,211	1,020
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,579,036	(56,383)	3,522,653	3,417,378	105,275
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	182,175	17,923	200,098	195,441	4,657
Other salaries for instruction	100,577	(14,543)	86,034	80,456	5,578
Purchased professional-educational services	-	-	-	-	-
General supplies	-	-	-	-	-
Total Learning and/or Language Disabilities	282,752	3,380	286,132	275,897	10,235
Resource Room/Resource Center:					
Salaries of teachers	799,893	78,500	878,393	876,496	1,897
General supplies	-	-	-	-	-
Total Resource Room/Resource Center	799,893	78,500	878,393	876,496	1,897
Preschool Disabilities - Full Time					
Salaries	176,295	(4,945)	171,350	170,599	751
Other salaries for instruction	95,221	(36,940)	58,281	58,190	91
General supplies	-	-	-	-	-
Total Preschool Disabilities - Full Time	271,516	(41,885)	229,631	228,789	842
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,354,161	39,995	1,394,156	1,381,182	12,974

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of teachers	\$ 77,586	\$ (42,392)	\$ 35,194	\$ 34,517	\$ 677
General supplies	400	-	400	33	367
Total Basic Skills/Remedial - Instruction	<u>77,986</u>	<u>(42,392)</u>	<u>35,594</u>	<u>34,550</u>	<u>1,044</u>
Bilingual Education - Instruction					
Salaries of teachers	63,746	(63,746)	-	-	-
General supplies	500	-	500	-	500
Total Bilingual Education - Instruction	<u>64,246</u>	<u>(63,746)</u>	<u>500</u>	<u>-</u>	<u>500</u>
School Sponsored CoCurricular Act.-Instruction					
Salaries	58,180	(648)	57,532	57,528	4
Supplies and Materials	2,800	(1,400)	1,400	-	1,400
Other Objects	4,500	(1,452)	3,048	524	2,524
Total School Sponsored Cocurricular Act-Instruction	<u>65,480</u>	<u>(3,500)</u>	<u>61,980</u>	<u>58,052</u>	<u>3,928</u>
School Sponsored Athletics-Instruction					
Salaries	39,805	(475)	39,330	39,098	232
Supplies and Materials	4,000	375	4,375	3,855	520
Other Objects	4,000	100	4,100	4,026	74
Total School Sponsored Athletics-Instruction	<u>47,805</u>	<u>-</u>	<u>47,805</u>	<u>46,979</u>	<u>826</u>
Total Instruction	<u>5,188,714</u>	<u>(126,026)</u>	<u>5,062,688</u>	<u>4,938,141</u>	<u>124,547</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - special	10,000	(8,175)	1,825	-	1,825
Tuition to private schools for the handicapped - Within state	144,605	13,283	157,888	146,544	11,344
Total Undistributed Expenditures - Instruction:	<u>154,605</u>	<u>5,108</u>	<u>159,713</u>	<u>146,544</u>	<u>13,169</u>
Undist. Expend. - Health Services					
Salaries	158,556	(2,950)	155,606	154,841	765
Purchased professional and technical services	3,000	-	3,000	130	2,870
Other purchased services (400-500 series)	9,100	(9,100)	-	-	-
Supplies and materials	2,500	11,830	14,330	3,748	10,582
Total Undistributed Expenditures - Health Services	<u>173,156</u>	<u>(220)</u>	<u>172,936</u>	<u>158,719</u>	<u>14,217</u>
Undist. Expend. - Other Support Services - Students-Related Srvc					
Salaries	178,332	-	178,332	176,513	1,819
Supplies and materials	1,500	-	1,500	982	518
Total Undist. Expend.-Other Support Svcs-Students-Related Srvc	<u>179,832</u>	<u>-</u>	<u>179,832</u>	<u>177,495</u>	<u>2,337</u>
Undist. Expend.- Other Support Services -Students-Extraordinary Srvc					
Salaries	334,818	64,350	399,168	399,166	2
Purchased professional - educational services	25,000	(5,000)	20,000	18,047	1,953
Total Undist. Expend.-Othr Sprt Svcs Students-Extraordinary Svcs	<u>359,818</u>	<u>59,350</u>	<u>419,168</u>	<u>417,213</u>	<u>1,955</u>
Undist. Expend.- Other Support Services Students-Regular					
Salaries of other professional staff	131,856	205	132,061	132,060	1
Purchased professional - educational services	2,500	-	2,500	1,500	1,000
Supplies and materials	4,500	(205)	4,295	2,238	2,057
Total Undist. Expend. - Other Support Services - Students-Regular	<u>138,856</u>	<u>-</u>	<u>138,856</u>	<u>135,798</u>	<u>3,058</u>
Undist. Expend. - Other Support Services - Students-Special					
Salaries of other professional staff	313,541	1,200	314,741	314,645	96
Salaries of secretarial and clerical assistants	52,830	-	52,830	52,830	-
Purchased professional - educational services	4,000	4,475	8,475	8,475	-
Supplies and materials	4,367	(1,330)	3,037	2,837	200
Other objects	2,500	(1,375)	1,125	1,040	85
Total Undist. Expend. - Other Support Services - Students-Special	<u>377,238</u>	<u>2,970</u>	<u>380,208</u>	<u>379,827</u>	<u>381</u>
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	-	80,000	80,000	79,988	12
Salaries of other professional staff	7,140	-	7,140	7,140	-
Purchased professional - educational services	39,000	(8,025)	30,975	30,000	975
Total Undist. Expend. - Improvement of Instruction Services	<u>46,140</u>	<u>71,975</u>	<u>118,115</u>	<u>117,128</u>	<u>987</u>
Undist. Expend. - Educational Media Services/School Library					
Salaries	99,312	1,105	100,417	100,414	3
Salaries of Technology Coordinators	65,000	-	65,000	65,000	-
Supplies and materials	4,000	(52)	3,948	3,873	75
Total Undist. Expend. - Educational Media Services/School Library	<u>168,312</u>	<u>1,053</u>	<u>169,365</u>	<u>169,287</u>	<u>78</u>

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	\$ 8,000	\$ 457	\$ 8,457	\$ 7,133	\$ 1,324
Other purchased services (400-500 series)	4,000	807	4,807	4,796	11
Total Undist. Expend. - Instruction Staff Training Services	12,000	1,264	13,264	11,929	1,335
Undist. Expend. - Support Service - General Administration					
Salaries	130,737	4,531	135,268	135,265	3
Legal services	42,000	49,115	91,115	91,112	3
Audit fees	15,700	(1,989)	13,711	13,700	11
Architectural/engineering services	20,000	-	20,000	20,000	-
Other purchased professional services	-	-	-	-	-
Communications/Telephone	35,500	(3,455)	32,045	31,950	95
Other purchased services (400-500 series)	35,736	6,339	42,075	42,002	73
General supplies	3,000	(1,889)	1,111	956	155
Miscellaneous expenditures - Board of Ed	8,000	2,720	10,720	10,692	28
Membership Dues and Fees	8,500	(1,705)	6,795	6,579	216
Total Undist. Expend. - Support Service - General Administration	299,173	53,667	352,840	352,256	584
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	241,624	(22,592)	219,032	217,800	1,232
Salaries of secretarial and clerical assistants	83,874	789	84,663	84,091	572
Other purchased services (400-500 series)	36,000	(841)	35,159	29,400	5,759
Supplies and materials	15,000	-	15,000	13,741	1,259
Other objects	11,100	841	11,941	9,591	2,350
Total Undist. Expend. - Support Service - School Administration	387,598	(21,803)	365,795	354,623	11,172
Undist. Expend. - Central Services					
Salaries	157,220	28,750	185,970	167,785	18,185
Purchased professional services	17,000	10,250	27,250	27,052	198
Misc. Pur Serv (400-500 series)	3,000	2,025	5,025	5,000	25
Supplies and materials	4,100	(250)	3,850	3,035	815
Misc Expenditures	3,250	(1,275)	1,975	1,395	580
Total Undist. Expend. - Central Services	184,570	39,500	224,070	204,267	19,803
Undist. Expend. - Admin. Info. Technology					
Purchased technical services	1,500	-	1,500	554	946
Supplies and materials	29,850	-	29,850	29,594	256
Total Undist. Expend - Admin. Info. Technology	31,350	-	31,350	30,148	1,202
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	185,000	(11,500)	173,500	136,357	37,143
Total Undist. Expend. - Allowed Maintenance for School Facilities	185,000	(11,500)	173,500	136,357	37,143
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - Custodians	280,863	13,500	294,363	267,575	26,788
Salaries - Café./Playground Aides	35,000	(1,480)	33,520	28,905	4,615
Cleaning, repair and maintenance services - up keep	10,370	1,480	11,850	9,966	1,884
Other purchased property services	23,000	-	23,000	22,064	936
Insurance	59,382	-	59,382	57,951	1,431
General supplies	40,000	10,000	50,000	49,118	882
Energy (Natural Gas)	57,000	40,500	97,500	92,434	5,066
Energy (Electricity)	97,500	(40,500)	57,000	51,774	5,226
Other objects	2,500	-	2,500	995	1,505
Total Undist. Expend. - Other Operation & Maintenance Of Plant	605,615	23,500	629,115	580,782	48,333
Care and Upkeep of Grounds					
Cleaning, repair and maintenance services	50,100	(3,750)	46,350	44,958	1,392
Total Undist. Expend. - Care and Upkeep of Grounds	50,100	(3,750)	46,350	44,958	1,392
Undist. Expend. - Security					
Salaries	55,860	2,636	58,496	58,495	1
Purchased professional services	20,000	-	20,000	17,500	2,500
Cleaning, repair and maintenance services	16,200	(2,636)	13,564	10,374	3,190
Total Undist. Expend. - Security	92,060	-	92,060	86,369	5,691
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation(between home and school)-Special	-	-	-	-	-
Management fee - ESC	22,000	-	22,000	22,000	-
Cleaning, repair and maintenance services	2,000	-	2,000	1,027	973
Contract services Aid in Lieu Pymnts - NonPub Sch	22,000	-	22,000	20,340	1,660
Contract services (between home & school) - Vendors	231,450	-	231,450	217,352	14,098
Contract services -(other between home and school) - Vendors	29,000	(11,500)	17,500	1,000	16,500
Contract services-(regular) - ESC's	20,000	-	20,000	5,778	14,222
Contract services-(special education students)-ESC's & CTSA's	87,181	20,000	107,181	31,588	75,593
Total Undist. Expend. - Student Transportation Services	413,631	8,500	422,131	299,085	123,046

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Interest Earned on Current Expense Emergency Reserve					
Interest earned on current expense emergency reserve	5	(5)	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	<u>5</u>	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interest Earned on Current Expense Capital Reserve					
Interest earned on current expense capital reserve	1	(1)	-	-	-
Total Interest Earned on Current Expense Capital Reserve	<u>1</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNALLOCATED EMPLOYEE BENEFITS					
Perfect attendance	-	-	-	-	-
Social security contributions	136,000	12	136,012	135,363	649
Other retirement contributions - PERS	115,142	(3,975)	111,167	103,533	7,634
Other retirement contributions - regular	9,895	3,975	13,870	13,518	352
Workmen's compensation	113,641	(6,265)	107,376	106,485	891
Health benefits	2,067,099	(28,197)	2,038,902	1,934,805	104,097
Tuition reimbursement	20,000	(15,000)	5,000	2,546	2,454
Unused sick payments to term/ret staff	-	600	600	600	-
TOTAL UNALLOCATED EMPLOYEE BENEFITS	<u>2,461,777</u>	<u>(48,850)</u>	<u>2,412,927</u>	<u>2,296,850</u>	<u>116,077</u>
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	539	(539)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	372,558	(372,558)
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	1,004,248	(1,004,248)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	378,393	(378,393)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,755,738</u>	<u>(1,755,738)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>2,461,777</u>	<u>(48,850)</u>	<u>2,412,927</u>	<u>4,052,588</u>	<u>(1,639,661)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>6,320,847</u>	<u>180,748</u>	<u>6,501,595</u>	<u>7,855,373</u>	<u>(1,353,778)</u>
TOTAL GENERAL CURRENT EXPENDITURES	<u>11,509,561</u>	<u>54,722</u>	<u>11,564,283</u>	<u>12,793,514</u>	<u>(1,229,231)</u>
CAPITAL OUTLAY					
Regular Programs - Instruction:					
Grades 1-5	57,000	-	57,000	54,736	2,264
Grades 6-8	15,000	-	15,000	-	15,000
Undistributed:					
Undistributed expenditures - Instruction	-	-	-	-	-
Undistributed expenditures - Security	60,000	-	60,000	59,169	831
Total Equipment	<u>132,000</u>	<u>-</u>	<u>132,000</u>	<u>113,905</u>	<u>18,095</u>
Facilities Acquisition and Construction Services					
Debt Service Assessment	1,230	-	1,230	1,230	-
Total Facilities Acquisition and Construction Services	<u>1,230</u>	<u>-</u>	<u>1,230</u>	<u>1,230</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>133,230</u>	<u>-</u>	<u>133,230</u>	<u>115,135</u>	<u>18,095</u>
TOTAL EXPENDITURES	<u>11,642,791</u>	<u>54,722</u>	<u>11,697,513</u>	<u>12,908,649</u>	<u>(1,211,136)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(603,278)</u>	<u>(11,530)</u>	<u>(614,808)</u>	<u>16,754</u>	<u>631,562</u>
Other Financing Uses:					
Transfer to Cover Deficit (enterprise fund)	-	-	-	-	-
Capital Leases-non-budgeted	-	-	-	-	-
Forgiveness of CDL Loan	-	-	-	-	-
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(603,278)</u>	<u>(11,530)</u>	<u>(614,808)</u>	<u>16,754</u>	<u>631,562</u>
Fund Balance, July 1	<u>1,432,309</u>	<u>-</u>	<u>1,432,309</u>	<u>1,432,309</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 829,031</u>	<u>\$ (11,530)</u>	<u>\$ 817,501</u>	<u>\$ 1,449,063</u>	<u>\$ 631,562</u>

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				\$ 150,042	
Maintenance reserve				448,978	
Emergency reserve				20,237	
Excess surplus - Designated for subsequent year's expenditures				220,076	
Excess surplus - Current year				248,677	
Committed Fund Balance:					
Year-end encumbrances				350	
Assigned Fund Balance:					
Other purposes				-	
Designated by the BOE for subsequent year's expenditures				50,905	
Unassigned Fund Balance				<u>309,798</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				1,449,063	
Last state aid payment not recognized on GAAP basis				(52,306)	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 1,396,757</u>	

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	40,968	40,968	20,516	\$ (20,452)
State sources	-	-	-	-	-
Federal sources	248,777	60,486	309,263	274,698	(34,565)
Total Revenues	<u>248,777</u>	<u>101,454</u>	<u>350,231</u>	<u>295,214</u>	<u>(55,017)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	92,623	(6,938)	85,685	73,917	11,768
Other salaries for instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	8,500	47,760	56,260	36,098	20,162
Tuition	133,039	(29,435)	103,604	103,604	-
Misc. Expenditures	-	-	-	-	-
Total instruction	<u>234,162</u>	<u>11,387</u>	<u>245,549</u>	<u>213,619</u>	<u>31,930</u>
Support services:					
Salaries of program director	-	-	-	-	-
Personal services	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	14,615	59,965	74,580	55,890	18,690
Purchased technical services	-	-	-	-	-
Travel	-	-	-	-	-
Employee Benefits	-	30,102	30,102	25,705	4,397
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	-	-	-	-	-
Total support services	<u>14,615</u>	<u>90,067</u>	<u>104,682</u>	<u>81,595</u>	<u>23,087</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>248,777</u>	<u>101,454</u>	<u>350,231</u>	<u>295,214</u>	<u>55,017</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
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 2020**

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 12,925,403	[C-2]	\$ 295,214
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,004,248)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(52,306)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		48,735		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 11,917,584	[B-2]	\$ 295,214
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 12,908,649	[C-2]	\$ 295,214
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,004,248)		-
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]	\$ 11,904,401	[B-2]	\$ 295,214

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**OCEANPORT SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS
For the Year Ended June 30, 2020**

Last 10 Fiscal Years*

	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>
District's proportion of the net pension liability	100.000%		100.000%		0.0114843954%		0.0126013958%		0.0113745438%		0.0121954172%		0.0106158551%
District's proportionate share of the net pension liability	\$ 2,149,199	\$	2,270,377	\$	2,689,966	\$	3,732,172	\$	2,647,812	\$	2,401,217	\$	1,912,816
District's covered-employee payroll	\$ -	\$	811,178	\$	797,945	\$	771,853	\$	776,861	\$	757,246	\$	728,550
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%		279.89%		337.11%		480.42%		353.40%		317.10%		262.55%
Plan fiduciary net position as a percentage of the total pension liability	40.71%		52.08%		47.93%		40.14%		48.10%		53.60%		56.27%

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 Year Ended June 30, 2020**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contributions	\$ 87,516	\$ 144,209	\$ 96,950	\$ 114,950	\$ 105,776	\$ 121,541	\$ 103,261
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>	<u>121,541</u>	<u>103,533</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (272)</u>
District's covered-employee payroll	\$ 811,178	\$ 797,945	\$ 771,853	\$ 776,861	\$ 749,248	\$ 757,246	\$ 728,550
Contributions as a percentage of covered-employee payroll	0.00%	18.07%	12.56%	14.80%	13.62%	16.05%	14.17%

* 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 the Net Pension Liability-TPAF
For the Year Ended June 30, 2020**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
State's proportion of the net pension liability	0.0000000000%	0.0441200000%	0.0452083709%	0.0433096415%	0.0450482843%	0.0454732493%	0.0445870679%
State's proportionate share of the net pension liability	\$ 22,240,031	\$ 23,742,413	\$ 28,573,621	\$ 34,070,122	\$ 30,373,178	\$ 28,929,104	\$ 27,363,504
District's covered-employee payroll	4,369,752	4,338,875	2,627,817	4,709,818	4,748,105	4,969,819	5,192,710
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	508.95%	547.20%	1087.35%	723.39%	639.69%	582.10%	526.96%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

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 Year Ended June 30, 2020
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>
State's proportion of the OPEB liability associated with the District			
Service cost	\$ 1,178,247	\$ 979,986	\$ 809,064
Interest cost	987,762	1,142,394	1,036,486
Differences between expected and actual experiences	-	-	(5,112,331)
Changes in assumptions	(4,027,803)	(6,401,814)	338,517
Member contributions	26,667	24,313	20,659
Gross benefit payments	<u>(724,211)</u>	<u>(703,479)</u>	<u>(696,942)</u>
Net change in total OPEB liability	(2,559,338)	(4,958,600)	(3,604,547)
Total State's portion of the OPEB liability - beginning	<u>33,826,385</u>	<u>31,267,047</u>	<u>26,308,447</u>
Total State's portion of the OPEB liability - ending	<u>\$ 31,267,047</u>	<u>\$ 26,308,447</u>	<u>\$ 22,703,900</u>
District's covered employee payroll	<u>\$ 6,292,251</u>	<u>\$ 6,715,885</u>	<u>\$ 7,146,080</u>
Total State's OPEB liability as a percentage of covered employee payroll	497%	392%	318%

* 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, 2020

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 4.86% as of June 30 2018, to 5.60% as of June 30, 2019.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 5.66% as of June 30 2018, to 6.28% as of June 30, 2019.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

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 Year Ended June 30, 2020

	IDEA Basic 19-20	IDEA Preschool 19-20	Title I 19-20	Title II 19-20
Revenues:				
Local sources	\$ -	-	-	\$ -
State sources	-	-	-	-
Federal sources	140,151	2,456	99,622	22,500
Total revenues	140,151	2,456	99,622	22,500
Expenditures:				
Instruction:				
Salaries of teachers	-	-	73,917	-
Other salaries/instruction	-	-	-	-
Purchased professional services	-	-	-	-
General supplies	3,157	2,456	-	-
Tuition	103,604	-	-	-
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	106,761	2,456	73,917	-
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	-	-	-
Personal Services	-	-	-	-
Purchased professional services	-	-	-	8,508
Other purchased professional services	33,390	-	-	13,992
Purchased technical services	-	-	-	-
Employee benefits	-	-	25,705	-
Travel	-	-	-	-
General supplies	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total support services	33,390	-	25,705	22,500
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
Total equipment	-	-	-	-
Total expenditures	\$ 140,151	2,456	99,622	\$ 22,500

OCEANPORT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2020

	Title IV 19-20	Other 19-20	Total
Revenues:			
Local sources	\$ -	20,516	\$ 20,516
State sources	-	-	-
Federal sources	9,969	-	274,698
Total revenues	9,969	20,516	295,214
Expenditures:			
Instruction:			
Salaries of teachers	-		73,917
Other salaries/instruction	-		-
Purchased professional services	-		-
General supplies	9,969	20,516	36,098
Tuition	-		103,604
Textbooks	-		-
Miscellaneous expenses	-		-
Total instruction	9,969	20,516	213,619
Support services:			
Other support services - students - special:			
Other professional staff salaries	-		-
Personal Services	-		-
Purchased professional services	-		8,508
Other purchased professional services	-		47,382
Purchased technical services	-		-
Employee benefits	-		25,705
Travel	-		-
General supplies	-		-
Miscellaneous expenses	-		-
Total support services	-	-	81,595
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
Total equipment	-	-	-
Total expenditures	\$ 9,969	20,516	\$ 295,214

F. Capital Projects Fund
Not Applicable

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

H. Fiduciary Funds

OCEANPORT SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Trust</u>		<u>Agency</u>		
	<u>Unemployment</u>	<u>Student</u>	<u>Payroll</u>	<u>FSA</u>	<u>Total</u>
	<u>Compensation Trust</u>	<u>Activity</u>	<u>Agency</u>		
ASSETS					
Cash and cash equivalents	\$ 157,782	\$ 61,306	\$ 3,574	\$ 4,157	\$ 226,819
Due from General Fund			15,980		15,980
Total assets	<u>157,782</u>	<u>61,306</u>	<u>19,554</u>	<u>4,157</u>	<u>242,799</u>
LIABILITIES					
Accounts payable	-	-	-	-	-
Payroll deductions and withholdings	-	-	19,554	4,157	23,711
Due to Student Groups	-	61,306	-	-	61,306
Total liabilities	<u>-</u>	<u>61,306</u>	<u>19,554</u>	<u>4,157</u>	<u>80,860</u>
NET POSITION					
Held in trust for unemployment claims and other purposes	<u>157,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,782</u>
Total liabilities and net position	<u>\$ 157,782</u>	<u>\$ 61,306</u>	<u>\$ 19,554</u>	<u>\$ 4,157</u>	<u>\$ 242,799</u>

OCEANPORT SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Unemployment Compensation Trust
ADDITIONS	
Contributions	\$ 11,799
Interest	1,688
Total additions	13,487
 DEDUCTIONS	
Unemployment claims	5,936
Total deductions	5,936
Change in net position	7,551
Net position—beginning of the year	150,231
Net position—end of the year	\$ 157,782

**OCEANPORT SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2020</u>
Elementary School:				
Maple Place	\$ 35,308	\$ 24,008	\$ (32,058)	\$ 27,258
Maple Place - 8th Grade	14,895	35,759	(27,085)	23,569
Wolf Hill	15,808	7,966	(13,295)	10,479
Total	<u>\$ 66,011</u>	<u>\$ 67,733</u>	<u>\$ (72,438)</u>	<u>\$ 61,306</u>

OCEANPORT SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Assets:				
Cash and Cash Equivalents	\$ 11,435	8,067,767	(8,071,471)	\$ 7,731
Due from General Fund	41,685	-	(25,705)	15,980
Total Assets	<u>53,120</u>	<u>8,067,767</u>	<u>(8,097,176)</u>	<u>23,711</u>
Liabilities:				
Payroll Deductions and Withholdings	53,120	8,067,767	(8,097,176)	23,711
Due to General Fund	-	-	-	-
Total Liabilities	<u>\$ 53,120</u>	<u>\$ 8,067,767</u>	<u>\$ (8,097,176)</u>	<u>\$ 23,711</u>

I. Long-Term Debt

OCEANPORT SCHOOL DISTRICT
 Long-Term Debt
 Statement of Serial Bonds
 June 30, 2020

<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, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
Alterations and Renovations at Maple Place and Wolf Hill Schools	10/5/2016	\$ 1,120,000			3.0-4.0%	\$ 940,000	-	130,000	810,000
			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					
						<u>\$ 940,000</u>	<u>-</u>	<u>130,000</u>	<u>\$ 810,000</u>

**OCEANPORT SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
June 30, 2020**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Principal Balance July 1, 2019</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Principal Balance Outstanding June 30, 2020</u>
Ricoh Americas Corporation		\$ 51,578		\$ 51,578	\$ (780)	\$ 50,798
Ricoh Americas Corporation		87,443	\$ 16,599		(16,599)	-
Monmouth County Improvement Authority	2-5%	100,000	<u>43,000</u>	<u>-</u>	<u>(21,000)</u>	<u>22,000</u>
			<u>\$ 59,599</u>	<u>\$ 51,578</u>	<u>\$ (38,379)</u>	<u>\$ 72,798</u>

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local tax levy	\$ 107,613	\$ -	\$ 107,613	\$ 107,613	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt service aid Type II	55,437	-	55,437	55,437	-
Total - State Sources	55,437	-	55,437	55,437	-
Total Revenues	163,050	-	163,050	163,050	-
EXPENDITURES:					
Regular Debt Service:					
Interest	33,050	-	33,050	33,050	-
Redemption of principal	130,000	-	130,000	130,000	-
Total Regular Debt Service	163,050	-	163,050	163,050	-
Total expenditures	163,050	-	163,050	163,050	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Operating transfers in:					
Transfer from Capital Projects Fund	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	6	-	6	6	-
Fund Balance, June 30	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 6</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**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	105-110
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	111-114
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	115-118
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	119-120
<p>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.</p>	121-125

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 2,985,305	\$ 3,731,111	\$ 3,493,436	\$ 3,701,607	\$ 3,697,236	\$ 3,754,589	\$ 3,445,140	\$ 3,513,665	\$ 3,573,876	\$ 3,720,175
Restricted	383,128	864,255	983,270	1,292,366	1,177,872	1,138,072	1,268,392	1,655,089	1,131,410	1,088,366
Unrestricted	(179,615)	(267,596)	217,955	52,255	(1,988,462)	(2,764,231)	(2,855,064)	(3,290,472)	(2,715,029)	(2,693,094)
Total governmental activities position	\$ 3,188,818	\$ 4,327,770	\$ 4,694,661	\$ 5,046,228	\$ 2,886,646	\$ 2,128,430	\$ 1,858,468	\$ 1,878,282	\$ 1,990,257	\$ 2,115,447
Business-type activities										
Net investment in capital assets	\$ 36,051	\$ 30,579	\$ 25,107	\$ 19,635	\$ 14,163	\$ 8,445	\$ 2,727	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(70,385)	(69,185)	(79,303)	(68,543)	(61,843)	102,348	114,528	75,506	45,440	(18,355)
Total business-type activities position	\$ (34,334)	\$ (38,606)	\$ (54,196)	\$ (48,908)	\$ (47,680)	\$ 110,793	\$ 117,255	\$ 75,506	\$ 45,440	\$ (18,355)
District-wide										
Net investment in capital assets	\$ 3,021,356	\$ 3,761,690	\$ 3,518,543	\$ 3,721,242	\$ 3,711,399	\$ 3,763,034	\$ 3,447,867	\$ 3,513,665	\$ 3,573,876	\$ 3,720,175
Restricted	383,128	864,255	983,270	1,292,366	1,177,872	1,138,072	1,268,392	1,655,089	1,131,410	1,088,366
Unrestricted	(250,000)	(336,781)	138,652	(16,288)	(2,050,305)	(2,661,883)	(2,740,536)	(3,214,966)	(2,669,589)	(2,711,449)
Total district position	\$ 3,154,484	\$ 4,289,164	\$ 4,640,465	\$ 4,997,320	\$ 2,838,966	\$ 2,239,223	\$ 1,975,723	\$ 1,953,788	\$ 2,035,697	\$ 2,097,092

Source: CAFR Schedule A-1 and District records.

GASB No. 54 was implemented in the 2011 fiscal year, which required a change in the presentation of fund balance. This required presentation did not impact any of the balances from prior years.

GASB No. 63 was implemented in the 2013 fiscal year, which required a changed in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular						\$ 3,428,786	\$ 3,485,308	\$ 3,649,558	\$ 3,648,729	\$ 3,630,997
Special education						802,143	1,059,188	1,049,990	1,223,531	1,381,182
Other special education						105,614	188,307	219,538	203,012	139,581
Vocational						-	-	-	-	-
Other instruction						-	-	-	-	-
Nonpublic school programs						-	-	-	-	-
Adult/continuing education programs						-	-	-	-	-
Support Services:										
Instruction						103,972	99,389	138,103	221,724	146,544
Attendance and social work						1,825	-	-	21,193	-
Health services						137,654	150,297	150,311	148,033	158,719
Improvement of instr. services						-	-	-	-	-
Educational media services						132,442	154,961	155,689	155,932	169,287
Instruction staff training						20,853	32,493	18,551	9,008	11,929
School Administrative services						359,397	360,618	376,407	380,218	354,623
General administration						198,406	238,729	304,133	301,641	352,256
Central Services						137,619	138,796	171,244	183,975	204,267
Plant operations and maintenance						976,627	978,271	932,310	1,258,352	858,906
Administrative information technology						37,708	35,849	9,636	4,748	30,148
Pupil transportation						361,602	308,378	280,081	459,728	299,085
Other support services						1,007,922	941,438	859,984	1,101,563	1,309,056
Security						48,622	69,993	77,005	93,329	86,369
Special Schools						-	-	-	-	-
Charter Schools						-	-	-	-	-
Interest on long-term debt						62,762	51,148	50,825	35,319	33,411
Non-budgeted expenditures						-	745,975	980,046	764,572	751,490
Unallocated employee benefits						2,271,557	2,261,366	2,720,467	2,231,462	2,332,808
Total governmental activities expenses	9,720,667	10,218,877	10,530,881	10,779,881	9,640,285	10,195,511	11,300,504	12,143,878	12,446,249	12,250,658
Business-type activities:										
Enterprise fund										
						(134,125)	346,433	318,304	310,771	290,218
Total business-type activities expense	175,266	182,843	178,151	151,700	160,774	(134,125)	346,433	318,304	310,771	290,218
Total district expenses	\$ 9,895,933	\$ 10,401,720	\$ 10,709,032	\$ 10,931,581	\$ 9,801,059	\$ 10,061,386	\$ 11,646,937	\$ 12,462,182	\$ 12,757,020	\$ 12,540,876
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)						\$ -	\$ -	\$ -	\$ (217,899)	\$ (136,246)
Pupil transportation						-	-	-	-	-
Central and other support services						-	-	-	-	-
Operating grants and contributions						-	(745,975)	(980,046)	(764,752)	(751,490)
Capital grants and contributions						-	-	-	-	-
Total governmental activities program revenues	1,169,226	1,331,481	225,768	322,150	85,046	-	(745,975)	(980,046)	(982,651)	(887,736)
Business-type activities:										
Charges for services										
Food service						-	(273,481)	(245,009)	(241,342)	(197,228)
Child care						-	-	-	-	-
Operating grants and contributions						-	(28,046)	(30,169)	(38,119)	(28,535)
Capital grants and contributions						-	-	-	-	-
Total business-type activities program revenues	\$175,229	178,544.00	162,561	137,353	161,963	-	(301,527)	(275,178)	(279,461)	(225,763)
Total district program revenues	1,344,455	1,510,025	388,329	459,503	247,009	-	(1,047,502)	(1,255,224)	(1,262,112)	(1,113,499)
Net (Expense)/Revenue										
Governmental activities	(8,551,441)	(8,887,396)	(10,305,113)	(10,457,731)	(9,555,239)	(10,195,511)	(10,554,529)	(11,163,832)	(11,463,598)	(11,362,922)
Business-type activities	(37)	(4,299)	(15,590)	(14,347)	1,189	134,125	(44,906)	(43,126)	(31,310)	(64,455)
Total district-wide net expense	\$ (8,551,478)	\$ (8,891,695)	\$ (10,320,703)	\$ (10,472,078)	\$ (9,554,050)	\$ (10,061,386)	\$ (10,599,435)	\$ (11,206,958)	\$ (11,494,908)	\$ (11,427,377)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net						\$ 8,946,992	\$ 9,586,658	\$ 9,778,391	\$ 10,056,401	\$ 10,358,093
Taxes levied for debt service						115,686	120,000	115,990	94,349	107,613
Unrestricted grants and contributions						504,855	516,298	571,739	602,645	686,762
State aid - restricted						262,295	219,488	365,245	285,139	274,698
Tuition Received						-	-	-	-	-
Investment earnings						5,221	8,083	28,212	32,815	23,668
Transfer						-	(50,679)	-	-	-
Miscellaneous income						387,729	84,971	324,069	50,726	37,278
Other financing sources / uses						(785,483)	(200,252)	-	453,498	-
Total governmental activities	9,212,396	10,026,349	10,629,209	10,659,732	10,580,668	9,437,295	10,284,567	11,183,646	11,575,573	11,488,112
Business-type activities:										
Investment earnings						33	689	1,377	1,244	660
Transfers						24,315	50,679	-	-	-
Total business-type activities	23	27	-	-	39	24,348	51,368	1,377	1,244	660
Total district-wide	\$ 9,212,419	\$ 10,026,376	\$ 10,629,209	\$ 10,659,732	\$ 10,580,707	\$ 9,437,328	\$ 10,285,256	\$ 11,185,023	\$ 11,576,817	\$ 11,488,772
Change in Net Position										
Governmental activities	660,955	1,138,953	324,096	202,001	1,025,429	(758,216)	(269,962)	19,814	111,975	125,190
Business-type activities	(14)	(4,272)	(15,590)	(14,347)	1,228	158,473	6,462	(41,749)	(30,066)	(63,795)
Total district	\$ 660,941	\$ 1,134,681	\$ 308,506	\$ 187,654	\$ 1,026,657	\$ (599,743)	\$ (263,500)	\$ (21,935)	\$ 81,909	\$ 61,395

Source: CAFR Schedule A-2 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,241,146	\$ 1,504,261	\$ 1,131,404	\$ 1,088,010
Committed	-	-	-	-	-	-	3,410	123,808	-	350
Assigned	-	-	-	-	-	-	7,187	11,182	-	50,905
Unassigned	-	-	-	-	-	-	216,636	264,970	252,170	257,492
Reserved	383,127	864,255	980,045	1,289,734	2,165,902	1,137,261	-	-	-	-
Unreserved	235,342	194,304	217,955	52,255	213,480	213,346	-	-	-	-
Total general fund	<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>	<u>\$ 1,383,574</u>	<u>\$ 1,396,757</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Debt service fund	-	3,225	3,225	2,632	(393)	811	16,649	15,838	6	6
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 6</u>	<u>\$ 6</u>

Source: CAFR Schedule B-1 and District records.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	8,941,589	9,075,881	8,969,686	8,712,664	8,882,686	9,062,678	9,706,658	9,894,381	10,150,750	10,465,706
Tuition charges	-	-	-	-	-	331,893	304,623	295,448	217,899	136,246
Interest earnings	-	-	-	-	-	5,221	8,083	28,212	32,815	23,668
Transportation fees	-	-	-	-	-	-	-	4,918	6,150	600
Rents and royalties	-	-	-	-	-	-	-	18,550	18,550	12,985
Miscellaneous	180,398	286,435	310,116	284,315	232,728	55,836	20,690	5,153	26,026	23,693
State sources	944,857	1,297,034	1,394,827	1,315,325	1,470,436	1,240,016	1,262,273	1,551,785	1,367,397	1,438,252
Federal sources	335,367	211,109	186,158	633,457	473,311	262,295	219,488	365,245	285,139	274,698
Total revenue	10,402,211	10,870,459	10,860,787	10,945,761	11,059,161	10,957,939	11,521,815	12,163,692	12,104,726	12,375,848
Expenditures										
Instruction										
Regular Instruction	2,722,758	2,716,327	2,812,502	3,132,902	2,615,461	3,428,786	3,485,308	3,649,558	3,648,729	3,630,997
Special education instruction	759,389	841,551	1,072,228	1,031,845	800,250	802,143	1,059,188	1,049,990	1,223,531	1,381,182
Other special instruction	33,742	99,225	125,380	85,153	115,785	105,614	188,307	219,538	203,012	139,581
Support Services:	84,991	102,406								
Tuition	12,171	2,438	33,804	122,846	54,571	103,972	99,389	138,103	221,724	146,544
Student & inst. related services	1,169,358	1,317,005	1,364,069	1,387,374	1,189,288	292,774	337,751	324,551	334,166	339,935
General administration	353,290	310,254	629,569	632,275	324,501	198,406	238,729	304,133	301,641	352,256
School administrative services	264,935	348,859	314,478	260,420	305,512	359,397	360,618	376,407	380,218	354,623
Central services	-	-	-	-	-	137,619	138,796	171,244	183,975	204,267
Admin. information technology	-	-	-	-	-	37,708	35,849	9,636	4,748	30,148
Plant operations and maintenance	771,897	721,168	795,448	631,231	697,456	695,588	747,716	753,793	1,023,503	762,097
Security	-	-	-	-	-	48,622	69,993	77,005	93,329	86,369
Pupil transportation	360,927	298,090	394,015	337,422	340,301	361,602	308,378	280,081	459,728	299,085
Other Support Services	-	23,274	-	-	-	1,007,922	941,438	859,984	1,101,563	1,309,056
Employee benefits	2,731,084	2,934,469	2,700,983	2,677,262	2,974,793	2,780,189	2,914,207	3,220,530	3,129,334	3,048,340
On-behalf TPAF pension contributions										
Contributions										
Special Schools	335,367	187,835	186,158	199,304	30,475	-	-	-	-	-
Capital Projects Fund	-	352,675	-	-	-	-	-	-	-	-
Debt service:										
Principal	309,755	302,481	171,356	172,256	172,956	115,000	120,000	130,000	130,000	130,000
Interest and other charges	-	-	-	-	-	58,457	43,239	41,554	36,944	33,050
Capital outlay	131,511	581	115,546	4,147	174,046	223,392	103,368	122,554	165,060	115,135
Total expenditures	10,041,175	10,558,638	10,715,536	10,674,437	9,795,395	10,757,191	11,192,274	11,728,661	12,641,205	12,362,665
Excess (Deficiency) of revenues over (under) expenditures	361,036	311,821	145,251	271,324	1,263,766	200,748	329,541	435,031	(536,479)	13,183

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	-	131,494	-	36,121	-	-	-	-	-	-
Transfers out	-	-	(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	361,036	443,315	139,441	307,445	870,319	(1,027,571)	133,610	435,031	(536,479)	13,183
Debt service as a percentage of noncapital expenditures	3.13%	2.86%	1.62%	1.61%	1.80%	0.031	0.020	0.022	0.023	0.020

Source: CAFR Schedule B-1 and 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	Rentals	Prior Year Refunds	Transportat ion Fees	Miscellaneous	Annual Totals
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
2019	217,899	32,815	18,550	-	6,150	9,132	284,546
2020	136,246	23,668	12,985	-	600	3,177	176,676

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
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	1,296,619,659	1,255,706,578	103.26%
2019	1,332,629,300	1,349,558,785	98.75%
2020	1,374,013,000	1,398,771,251	98.23%

Sea Bright Boro

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	737,640,000	738,116,674	99.94%
2019	777,727,764	777,222,400	99.94%
2020	821,693,910	821,157,600	100.07%

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
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	0.539	0.348	2.045
2015	0.806	0.372	0.549	0.347	2.074
2016	0.852	0.395	0.559	0.337	2.143
2017	0.892	0.344	0.584	0.337	2.157
2018	0.743	0.271	0.487	0.288	1.789
2019	0.740	0.289	0.497	0.275	1.801
2020	0.744	0.298	0.493	0.283	1.818

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
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	0.092	0.477	0.607	0.283	1.459
2018	0.070	0.484	0.593	0.289	1.436
2019	0.077	0.405	0.578	0.297	1.357
2020	0.076	0.336	0.567	0.305	1.284

Source: Abstract of Ratables

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

OCEANPORT BOROUGH

	2020			2011	
	Assessed Valuation	As a percentage of District Net Assessed Valuation		Assessed Valuation	As a percentage of District Net Assessed Valuation
NJ Sports & Exposition Authority	74,308,300	5.73%	NJ Sports & Exposition Authority	54,559,300	5.22%
Residences at Fort Monmouth	15,035,300	1.16%	MPCC II LLC	20,183,800	1.93%
MPCC II LLC	13,526,400	1.04%	NJ Sports & Exposition Authority	15,809,800	1.51%
NJ Sports & Exposition Authority	9,350,000	0.72%	NJ Sports & Exposition Authority	7,311,100	0.70%
Acutecare Management Services	8,151,800	0.63%	NJ Sports & Exposition Authority	6,499,200	0.62%
Oceanport Village Center LLC	6,816,800	0.53%	Individual Taxpayer #1	3,047,800	0.29%
NJ Sports & Exposition Authority	6,010,500	0.46%	Individual Taxpayer #2	2,742,600	0.26%
Individual Taxpayer #1	3,412,100	0.26%	Individual Taxpayer #3	2,437,400	0.23%
Individual Taxpayer #2	3,351,000	0.26%	Individual Taxpayer #4	2,355,300	0.23%
Individual Taxpayer #3	3,074,100	0.24%	NJ Sports & Exposition Authority	2,350,000	0.22%

SEA BRIGHT

	2020			2011	
	Assessed Valuation	As a percentage of District Net Assessed Valuation		Assessed Valuation	As a percentage of District Net Assessed Valuation
Ocean Ave Realty	15,000,000	2.03%	Ocean Ave Realty	-	0.00%
Edgewater Beach Inc	10,730,800	1.45%	Edgewater Beach Inc	-	0.00%
Surfrider Beach Club, LLC	9,303,100	1.26%	Individual Taxpayer #1	-	0.00%
Beach Club Holdings, LLC	9,286,400	1.26%	Individual Taxpayer #2	-	0.00%
Rozinante, Inc	8,408,300	1.14%	Hudson City Savings Bank	-	0.00%
Seabright Beach Club	8,375,100	1.14%	Individual Taxpayer #3	-	0.00%
Navesink Partners LLC	7,164,400	0.97%	Ocean First Bank	-	0.00%
SBBP LLC	6,011,200	0.81%	Individual Taxpayer #4	-	0.00%
Sea Bright Hospitality Group LLC	4,311,700	0.58%	Individual Taxpayer #5	-	0.00%
Individual Taxpayer #1	4,108,200	0.56%	Individual Taxpayer #6	-	0.00%

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
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	23,236,456	22,685,656	97.63%
2019	23,963,331	23,673,465	98.79%
2020	25,084,523	-	0.00%

SEA BRIGHT			
Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percentage of Levy
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	10,670,499	10,494,542	98.35%
2019	10,551,096		
2020	10,554,428		

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
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
2019	940,000	59,599	999,599	0.24%	178.62
2020	810,000	72,798	882,798	0.35%	154.28

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
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	1,296,619,659	1,070,000	0.103%	185.93
2019	5,751	1,333,347,020	940,000	0.720%	163.45
2020	5,722	1,374,727,744	810,000	0.059%	141.56

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, 2020
UNAUDITED

	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVERLAPPING DEBT
OCEANPORT			
Net Direct Debt of the School District as of June 30, 2018	\$ 882,798.00		-
Net Overlapping Debt of School District:			
Oceanport		\$ -	
Regional High School		-	
County of Monmouth		-	
		-	
Subtotal, Overlapping Debt		-	
			882,798
Total Direct and Overlapping Bonded Debt as of June 30, 2019			\$ 882,798
SEA BRIGHT			
Debt repaid with Property Taxes	-		-
Other Debt:			
Two Rivers Sewer Authority	\$ -	\$ -	-
Sub-total of Overlapping Debt	-		-
Regional School District Direct Debt	-	\$ -	-
Local School District Debt	-	-	-
			-
Total Direct and Overlapping Bonded Debt as of June 30, 2020			\$ -

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 Nine Fiscal Years
 UNAUDITED

Year	Equalized Valuation Basis
2020	\$ 1,350,216,505
2019	1,275,042,873
2018	1,246,289,684
[A]	<u>3,871,549,062</u>
[A/3]	\$ 1,290,516,354
[B]	38,715,491
[C]	940,000
[B-C]	<u>\$ 37,775,491</u>

Debt limit (3 % of average equalization value)
 Total Net Debt Applicable to Limit
 Legal debt margin

	Fiscal Year								
	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	\$ 38,715,491	\$ 37,121,690	\$ 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	940,000	940,000	1,070,000	1,200,000	1,360,000	1,480,000	1,585,000	1,695,000	1,795,000
Legal debt margin	<u>\$ 37,775,491</u>	<u>\$ 36,181,690</u>	<u>\$ 35,995,269</u>	<u>\$ 32,487,254</u>	<u>\$ 31,505,575</u>	<u>\$ 31,752,144</u>	<u>\$ 33,308,548</u>	<u>\$ 34,078,064</u>	<u>\$ 35,445,931</u>

Year	Equalized Valuation Basis
2020	\$ 888,252,251
2019	815,541,433
2018	723,531,143
[A]	<u>2,427,324,827</u>
[A/3]	\$ 809,108,276
[B]	24,273,248
[C]	-
[B-C]	<u>\$ 24,273,248</u>

Debt limit (3 % of average equalization value)
 Total Net Debt Applicable to Limit
 Legal debt margin

	2020	2019	2018	2017
Debt limit	\$ -	\$ 13,828,101	\$ 13,828,101	\$ 11,213,346
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ -</u>	<u>\$ 13,828,101</u>	<u>\$ 13,828,101</u>	<u>\$ 11,213,346</u>

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
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
2019	4.20%	433,596,645	75,395	5,751
2020	3.00%	254,955,154	44,557	5,722
Seabright Boro				
2017	4.10%	96,271,670	69,410	1,387
2018	3.70%	98,948,193	71,237	1,389
2019	3.40%	100,383,580	73,595	1,364
2020	6.10%	113,895,834	85,653	1,378

Source: New Jersey Department of Labor and Workforce Development

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

OCEANPORT
 2020

Company	Number of Employees	Percentage of Total Municipal Employment
Monmouth Park Racetrack	0	Unavailable
Wolf Hill Elementary School	0	Unavailable
Maple Place School	0	Unavailable
Borough of Oceanport	0	Unavailable
Oceanport Police	0	Unavailable
Oceanport Lions Swim Club	0	Unavailable
Ben Perkins Jr Racing Stable	0	Unavailable
Todd Pletcher Racing Stable	0	Unavailable
Big A Trucking Co	0	Unavailable

SEA BRIGHT
 2020

Company	Number of Employees	Percentage of Total Municipal Employment
Tommy's Tavern & Tap	0	Unavailable
Edgewater Beach Club	0	Unavailable
Driftwood Beach club	0	Unavailable
Sea Bright Beach Club	0	Unavailable
Ship Ahoy Beach club	0	Unavailable
Surfrider Beach club	0	Unavailable
Woody's	0	Unavailable
Navesink Partners	0	Unavailable
Sands Beach Club	0	Unavailable
Chapel Beach Club	0	Unavailable

Source: Borough of Oceanport

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

<u>Function/Program</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>2019</u>	<u>2020</u>
Instruction										
Regular	46.00	46.00	46.00	47.00	50.00	50.00	44.20	44.60	45.60	47.20
Special education	38.0	38.0	37.00	38.00	34.00	32.00	35.30	41.80	41.80	42.40
Other instruction										
Support Services:										
Student & instruction related services	3.0	3.0	3.00	3.00	4.00	8.20	8.20	7.70	8.70	8.70
General administration	2.0	2.0	0.60	0.60	0.60	0.60	1.30	1.30	1.30	1.30
School administrative services	3.0	3.0	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Other administrative services	-	-	-	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Central services	5.0	5.0	5.00	4.00	4.00	4.00	1.60	1.60	1.60	2.60
Administrative Information Technology	1.0	1.0	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Plant operations and maintenance	5.0	5.0	5.00	5.00	5.00	5.00	8.20	8.20	8.20	6.00
Other support services	2.0	2.0	2.00	1.00	1.00	1.00	2.50	2.50	2.50	2.50
Total	<u>105.00</u>	<u>105.00</u>	<u>102.60</u>	<u>102.85</u>	<u>102.85</u>	<u>105.05</u>	<u>106.55</u>	<u>112.95</u>	<u>114.95</u>	<u>115.95</u>

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
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%
2019	610	12,309,201	20,179	28.08%	75	8.1	603.3	573.5	5.47%	95.06%
2020	606	12,084,480	19,941	26.57%	80	7.6	606.9	585.5	0.60%	96.48%

Source: School Register Summary, District Records

OCEANPORT SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 UNAUDITED

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<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	278	278	355	317	339	338	341	342	356	359
<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	288	288	282	298	275	265	269	238	254	247

Source: District Records

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

Fiscal Year Ended June 30,	Maple Place School	Wolf Hill Elementary	Total
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
2019	294,746	119,441	414,187
2020	56,989	79,368	136,357

Source: District records

**OCEANPORT SCHOOL DISTRICT
Insurance Schedule
June 30, 2020
UNAUDITED**

Insurance Coverage is provided by Boynton & Boynton of NJ
Policy period runs from July 1, 2019 thru July 1, 2020

Commercial Property Coverage	
For Building and Business Personal Property	\$ 17,925,647
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 Petrone	 200,000
 Flood Maple Place	 500,000/500,000
Flood Wolf Hill	500,000/500,000
 Cyber Liability	 1,000,000
 Monmouth Ocean County Shared Services Insurance Fund	
Errors & Omissions Liability Policy	6,000,000
Workmans Comp	2,000,000

Source: District Records

SINGLE AUDIT SECTION

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

Honorable President and
Members of the Board of Education
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, 2020, 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 November 5, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Oceanport School District in the County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

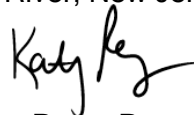
Purpose of this Report

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

Respectfully Submitted,



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



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

Toms River, New Jersey
November 5, 2020

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

Honorable President and
Members of the Board of Education
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, 2020. 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, 2020.

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.

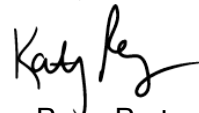
Purpose of this Report

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
November 5, 2020

OCEANPORT SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Program or Award Amount	Balance at June 30, 2019	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			
									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	7/1/18-6/30/19	\$ 26,049	\$ (2,062)	\$ 2,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
National School Lunch Program	10.555	7/1/19-6/30/20	16,631	-	16,631	(16,631)	-	-	-	-	-	
National School PB Lunch Program	10.555	7/1/18-6/30/19	1,531	(124)	124	-	-	-	-	-	-	
National School PB Lunch Program	10.555	7/1/19-6/30/20	1,151	-	1,151	(1,151)	-	-	-	-	-	
Subtotal of Child Nutrition Cluster			45,362	(2,186)	19,968	(17,782)	-	-	-	-	-	
Food Distribution	10.550	7/1/19-6/30/20	9,912	-	9,912	(9,912)	-	-	-	-	-	
Total U.S.Department of Agriculture			<u>55,274</u>	<u>(2,186)</u>	<u>29,880</u>	<u>(27,694)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
U.S. Department of Education												
Passed-through State Department of Education												
Special Revenue Fund:												
Title I	84.010A	7/1/18-6/30/19	113,481	(32,010)	32,010	-	-	-	-	-	-	
Title I	84.010A	7/1/19-6/30/20	112,074	-	68,875	(99,622)	-	-	(30,747)	-	-	
Title II, Part A	84.367A	7/1/18-6/30/19	22,443	(661)	661	-	-	-	-	-	-	
Title II, Part A	84.367A	7/1/19-6/30/20	22,992	-	17,126	(22,500)	-	-	(5,374)	-	-	
Title IV	84.424A	7/1/19-6/30/20	10,000	-	9,477	(9,969)	-	-	(492)	-	-	
Special Education Cluster:												
IDEA Basic	84.027	7/1/19-6/30/20	154,639	-	132,079	(140,151)	-	-	(8,072)	-	-	
IDEA Preschool	84.027	7/1/19-6/30/20	5,845	-	1,706	(2,456)	-	-	(750)	-	-	
Subtotal of Special Education Cluster			-	-	133,785	(142,607)	-	-	(8,822)	-	-	
Total U.S.Department of Education				<u>(32,671)</u>	<u>261,934</u>	<u>(274,698)</u>	<u>-</u>	<u>-</u>	<u>(44,943)</u>	<u>-</u>	<u>-</u>	
Total Special Revenue Fund				<u>\$ (34,857)</u>	<u>\$ 291,814</u>	<u>\$ (302,392)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,943)</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 Year Ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019			Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2020			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	20-495-034-5120-014	92,108	7/1/19	6/30/20	-	92,108	(92,108)	-	-	-	-	-	92,108
Special Education Aid	20-495-034-5120-012	399,674	7/1/19	6/30/20	-	347,368	(399,674)	-	-	-	-	(52,306)	399,674
Extraordinary Aid	20-495-034-5120-044	102,852	7/1/19	6/30/20	-	-	(102,852)	-	(102,852)	-	-	-	102,852
Extraordinary Aid	19-495-034-5120-044	43,208	7/1/18	6/30/19	(43,208)	43,208	-	-	-	-	-	-	-
Security Aid	20-495-034-5120-084	20,253	7/1/19	6/30/20	-	20,253	(20,253)	-	-	-	-	-	20,253
Adjustment Aid	20-495-034-5120-085	19,855	7/1/19	6/30/20	-	19,855	(19,855)	-	-	-	-	-	19,855
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	378,393	7/1/19	6/30/20	-	359,514	(378,393)	-	(18,879)	-	-	-	378,393
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	358,114	7/1/18	6/30/19	(18,126)	18,126	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	20-100-034-5095-002	1,004,248	7/1/19	6/30/20	-	1,004,248	(1,004,248)	-	-	-	-	-	1,004,248
On-Behalf TPAF Post-Retirement Medical	20-100-034-5095-001	372,558	7/1/19	6/30/20	-	372,558	(372,558)	-	-	-	-	-	372,558
On-Behalf TPAF Long-Term Disability Insu	20-100-034-5095-004	539	7/1/19	6/30/20	-	539	(539)	-	-	-	-	-	539
Nonpublic Transportation Aid	20-495-034-5120-014	154	7/1/19	6/30/20	-	-	(154)	-	(154)	-	-	-	154
Nonpublic Transportation Aid	19-495-034-5120-014	7,697	7/1/18	6/30/19	(7,697) #	7,697	-	-	-	-	-	-	-
Total General Fund					<u>(69,031)</u>	<u>2,285,474</u>	<u>(2,390,634)</u>	<u>-</u>	<u>(121,885)</u>	<u>-</u>	<u>-</u>	<u>(52,306)</u>	<u>2,390,634</u>
Debt Service Fund													
Debt service aid Type II	20-495-034-5120-017	55,437	7/1/19	6/30/20	-	55,437	(55,437)	-	-	-	-	-	55,437
Food Service Fund													
State School Lunch Program	19-100-010-3350-023	1,307	7/1/18	6/30/19	(105)	105	-	-	-	-	-	-	-
State School Lunch Program	20-100-010-3350-023	841	7/1/19	6/30/20	-	841	(841)	-	-	-	-	-	841
Total Food Service Fund					<u>(105)</u>	<u>946</u>	<u>(841)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>841</u>
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					<u>(92,024)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,024)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total State Expenditures Subject to Single Audit Determination					<u>(161,160)</u>	<u>2,341,857</u>	<u>(2,446,912)</u>	<u>-</u>	<u>(213,909)</u>	<u>-</u>	<u>-</u>	<u>(52,306)</u>	<u>2,446,912</u>
State Expenditures Not Subject to Major Program Determination													
On-Behalf TPAF Pension Contribution	20-100-034-5095-002	1,004,248	7/1/2019	6/30/2020	-	-	1,004,248	-	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical	20-100-034-5095-001	372,558	7/1/2019	6/30/2020	-	-	372,558	-	-	-	-	-	-
On-Behalf TPAF Long-Term Disability Insu	20-100-034-5095-004	539	7/1/2019	6/30/2020	-	-	539	-	-	-	-	-	-
Total State Expenditures Not Subject to Major Program Determination					<u>-</u>	<u>-</u>	<u>1,377,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures of State Awards Subject to Major Program Determination					<u>\$ (161,160)</u>	<u>\$ 2,341,857</u>	<u>\$ (1,069,567)</u>	<u>\$ -</u>	<u>\$ (213,909)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,306)</u>	<u>\$ 2,446,912</u>

See accompanying notes to schedules of expenditures.

Oceanport School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2020

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 \$(1,007,819) 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, 2020

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,382,815	\$ 1,382,815
Special Revenue Fund	274,698	-	274,698
Debt Service Fund	-	55,437	55,437
Capital Projects Fund	-	-	-
Food Service Fund	<u>27,694</u>	<u>841</u>	<u>28,535</u>
Total awards and financial assistance	<u>\$ 302,392</u>	<u>\$ 1,439,093</u>	<u>\$ 1,741,485</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, 2020.

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, 2020

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, 2020

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
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid

Oceanport School District
Schedule of Findings and Questioned Costs
June 30, 2020

Section II - Financial Statement Findings - N/A

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

Oceanport School District
Summary Schedule of Prior Audit Findings
June 30, 2020

Summary Schedule of Prior Year Audit Findings - N/A