

**Comprehensive Annual
Financial Report**

of the

City of Ocean City School District

Ocean City, New Jersey

For the Year Ended June 30, 2021

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Introductory Section

OCEAN CITY BOARD OF EDUCATION
501 Atlantic Avenue, Suite 1
Ocean City, New Jersey 08226-3891
Phone: (609) 399-4161
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www.oceancityschools.org

February 19, 2022

Honorable President and
Members of the Board of Education
City of Ocean City School District
County of Cape May, New Jersey

Dear Board Members:

The comprehensive annual financial report of the City of Ocean City School District for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the basic financial statements and schedules, as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the 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 OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit Section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The City of Ocean City School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The City of Ocean City Board of Education and all its schools constitute the District's reporting entity.

Ocean City School District – Committed to Excellence

Information on Harassment, Intimidation & Bullying located on our website at www.oceancityschools.org
Equal Opportunity Employer

1. REPORTING ENTITY AND ITS SERVICES (Continued):

The District provides a full range of educational services appropriate to grade levels PreK through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2020-2021 fiscal year with an enrollment of 2,045 students, which is 62 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

Average Daily Enrollment

<u>Year</u>	<u>Enrollment</u>	<u>Change</u>
2020-21	2,045	-2.94%
2019-20	2,107	0.38%
2018-19	2,099	-1.46%
2017-18	2,130	0.05%
2016-17	2,129	-0.70%

2. ECONOMIC CONDITION AND OUTLOOK:

The Ocean City area is experiencing no particular increase or decrease in its economic environment. This is a barrier island, resort community, which relies predominantly on tourism during the summer months for its economy. There is neither light nor heavy industry to contribute to the employment picture. Construction of single family and duplex homes replacing other facilities continues. Ratables have shown an increase this past year.

3. MAJOR INITIATIVES:

The District continues to focus on technology utilization within the educational environment to provide a state-of-the-art educational experience to our students including an ever-increasing digital curriculum. In March 2020, the Ocean City School District, along with all districts in the State of NJ, implemented remote learning for all students as a result of the COVID-19 pandemic. The District quickly transitioned to a virtual learning platform for students utilizing a variety of platforms to continue students' education through the remainder of 2020-21 school year.

The "Raider Ready!" Program was a successful initiative implemented at the Ocean City Primary School to aid in the transition of students as new kindergarteners. The yearlong program, before kindergarten, allowed students and their families to visit the Primary School and acclimate to the school environment, work with teachers and other support staff, learn about our school community, and ensure that the incoming kindergarteners in the fall of 2020 will be "Raider Ready!"

As a result of the success of the Center at Ocean City High School, the District opened a Wellness Center at the Ocean City Intermediate School for the 2019-20 school year. This initiative provides age-appropriate supports to our Intermediate School students and builds on the District's commitment to student wellness. The Ocean City Intermediate School was also awarded a continued bronze-level certification for sustainability efforts through the Sustainable Jersey for Schools Program. Through its sustainability and wellness programs, the Intermediate School has implemented a variety of programs including a student garden and student yoga classes through multiple grants from Sustainable Jersey for Schools and AtlantiCare.

The District also continued its commitment to student wellness by expanding programs at the Student Wellness Center within Ocean City High School during the school year. The Student Wellness Center provides students resources and activities throughout the school year in both structured and unstructured settings. Additionally, the College and Career Center offers students various opportunities and tools as they navigate their individual educational career pathways. The Center offers students resources for students planning to attend colleges and universities throughout the nation, career and technical training, as well as military opportunities.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital 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 canceled or are included as re-appropriations of fund balance in the Subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. DEBT ADMINISTRATION:

At June 30, 2021, the District's outstanding debt consists of \$2,847,000 in general obligation bonds. This balance consists of \$1,895,000 from the refunding bonds issued in March 23, 2016, and \$952,000 from bonds issued on May 15, 2014 for improvements and renovations to the primary school.

8. CASH MANAGEMENT:

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

9. 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.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the City of Ocean City 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 financial and accounting staff.

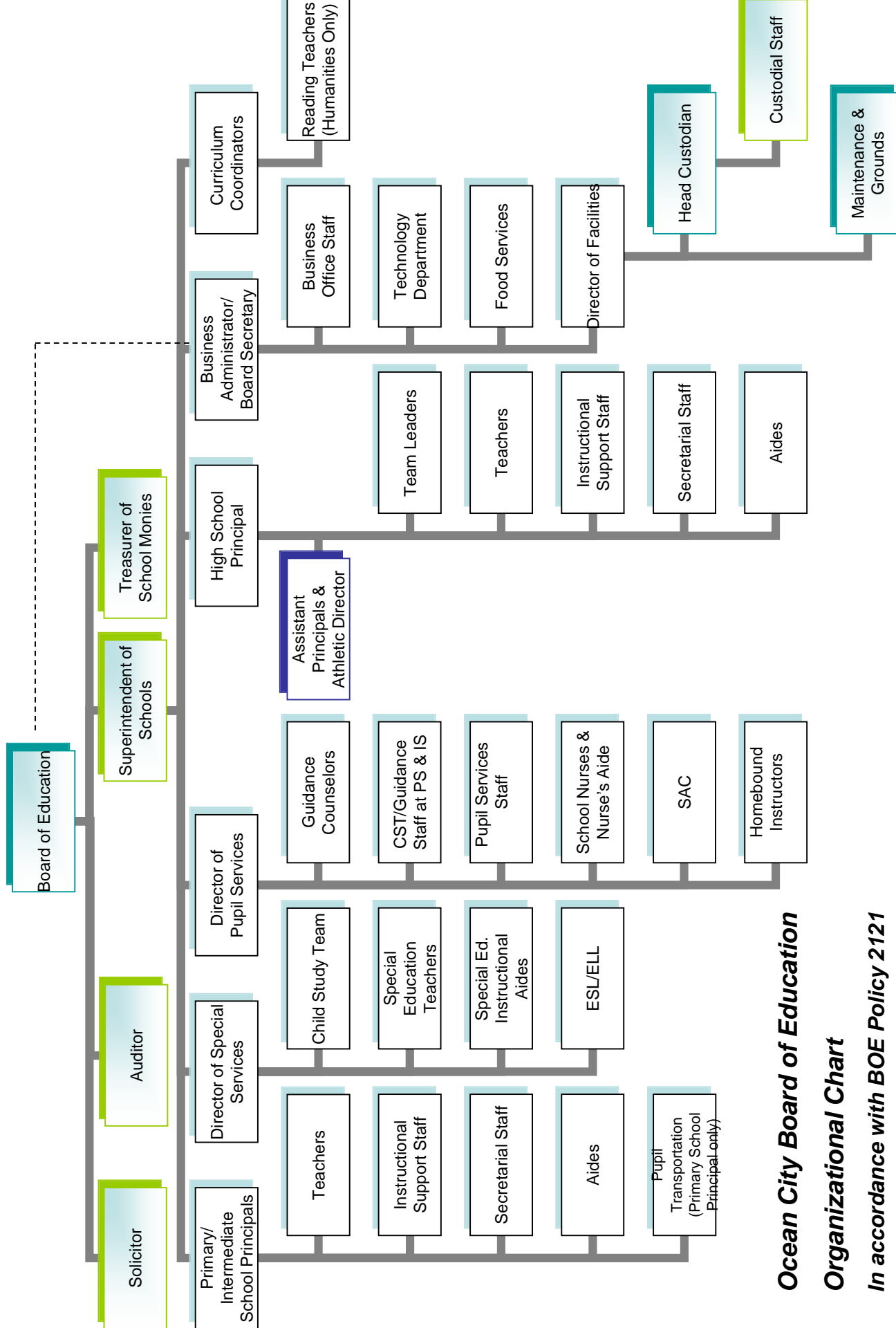
Respectfully submitted,

Thomas Baruffi

Thomas Baruffi, Ed.D.
Interim Superintendent of Schools

Timothy E. Kelley

Timothy E. Kelley
Board Secretary/Business Administrator



Ocean City Board of Education
Organizational Chart
 In accordance with BOE Policy 2121

CITY OF OCEAN CITY BOARD OF EDUCATION
COUNTY OF CAPE MAY, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Patrick Kane, President	2023
Joseph S. Clark, Jr., Vice-President	2024
Cecilia Gallelli-Keyes	2024
Chris Halliday	2025
Michael James	2024
Jacqueline McAlister	2025
Charles Roche	2023
Disston Vanderslice	2025
Gregory Whelan	2023
William Holmes, Upper Township	2022
Frances T. Newman, Upper Township	2022
William Sooy, Upper Township	2022
<u>Other Officials</u>	
Thomas Baruffi, Ed. D., Interim Superintendent of Schools	
Timothy E. Kelley, Business Administrator/Board Secretary	
Michael P. Stanton, Esq., Solicitor	

**CITY OF OCEAN CITY BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

ARCHITECT

Regan Young England Butera PC

AUDIT FIRM

Ford, Scott & Associates, L.L.C.

ATTORNEY

Michael P. Stanton, Esq.

OFFICIAL DEPOSITORIES

Ocean First Bank

Bank of America

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Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable President and
Members of the Board of Education
City of Ocean City School District
County of Cape May
Ocean City, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ocean City School District, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the 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 from 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 entity'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 and opinion on the effectiveness of the entity'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ocean City School District, in the County of Cape May, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information identified 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 City of Ocean City School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by 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 schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of federal awards and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates 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 and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by 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 schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2022 on our consideration of the City of Ocean City School District's 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 Ocean City School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.

Ford, Scott & Associates, LLC.
Certified Public Accountants

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

February 19, 2022

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**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

**CITY OF OCEAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

The discussion and analysis of City of Ocean City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, net position decreased \$2,537,309, which represents a decrease of approximately 7 percent from prior year.
- General revenues accounted for \$38,073,223 in revenue or 65 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$20,414,323 or 35 percent of total revenues of \$58,715,728.
- Total assets of governmental activities decreased \$3,999,311 as cash and cash equivalents increased by \$2,509,112, receivables decreased by \$100,939, and net capital assets decreased by \$6,214,770.
- The School District had \$61,253,037 in expenses; \$20,414,323 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$38,073,223 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$47,122,644 in revenues and \$45,432,564 in expenditures. The General Fund's fund balance increased \$1,368,764 from 2020.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand City of Ocean City 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 whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental 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 district's most significant funds with all other non-major funds presented in total in one column. In the case of City of Ocean City School District, the General Fund is by far the most significant fund.

**CITY OF OCEAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, 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 district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**CITY OF OCEAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)**

Reporting the School District's Most Significant Funds (Continued)

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net Position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

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**CITY OF OCEAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)**

Table 1 provides a summary of the School District's net position for 2021 and 2020.

**Table 1
Net Position**

	<u>2021</u>	<u>2020</u>
Assets		
Current and Other Assets	\$ 15,956,231	13,682,611
Capital Assets	34,306,911	40,536,681
	<u>50,263,142</u>	<u>54,219,292</u>
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	<u>1,103,286</u>	<u>1,626,736</u>
Liabilities		
Long-Term Liabilities	13,605,926	16,472,726
Other Liabilities	630,188	540,407
	<u>14,236,114</u>	<u>17,013,133</u>
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	3,674,792	3,568,076
Gain on Refunding Bonds	<u>30,521</u>	<u>61,445</u>
	<u>3,705,313</u>	<u>3,629,521</u>
Net Position		
Net Investment in Capital Assets	31,037,251	33,186,513
Restricted	13,700,740	12,430,922
Unrestricted	(11,312,990)	(10,414,061)
	<u>\$ 33,425,001</u>	<u>\$ 35,203,374</u>

The overall increase in net position is the result of the operations in the current year. The variance in the restricted and unrestricted net position is primarily due to the classification of committed balances reflected as restricted in the prior year.

**CITY OF OCEAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal year 2021 and 2020

**Table 2
Changes in Net Position**

	2021	2020
Revenues		
Program Revenues:		
Charges for Services	\$ 11,218,697	11,683,600
Operating Grants and Contributions	9,195,626	4,088,299
General Revenues:		
Property Taxes	25,617,333	25,539,322
Grants and Entitlements	12,524,078	11,715,743
Other	159,994	102,279
Total Revenues	58,715,728	53,129,243
Program Expenses		
Instruction	35,611,476	33,211,113
Support Services:		
Tuition	239,258	392,526
Pupils and Instructional Staff	7,811,429	6,551,418
General and School Administration, Business Operations and Maintenance of Facilities	16,264,157	9,991,357
Pupil Transportation	886,400	974,617
Special Schools and Charter Schools	18,584	42,729
Interest on Debt	(235,024)	(114,537)
Food Service	656,757	652,456
Other		
Total Expenses	61,253,037	51,701,679
Increase in Net Position	\$ (2,537,309)	1,427,564

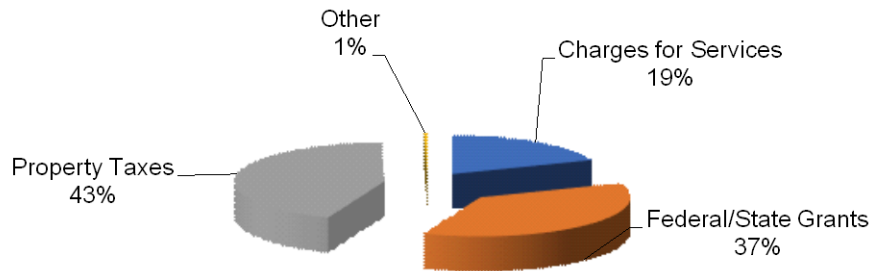
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**CITY OF OCEAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)**

Governmental Activities

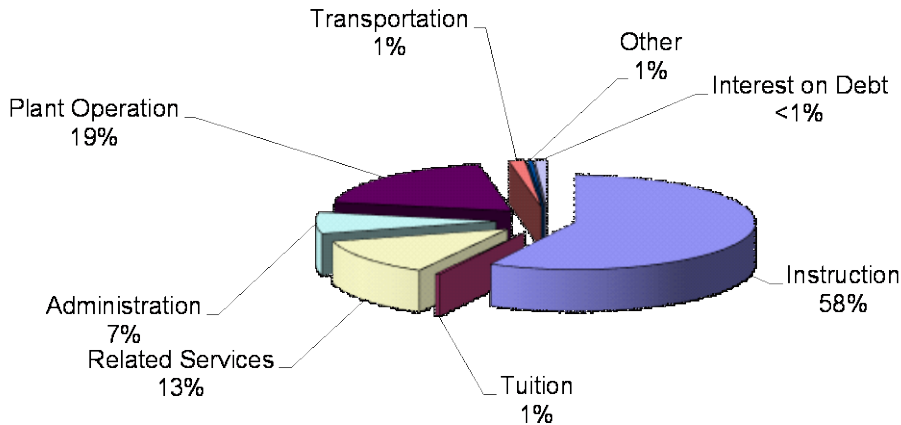
Property taxes made up 43 percent of revenues for governmental activities for the Ocean City School District for fiscal year 2021. The District's total governmental revenues were \$58,715,728 for the year ended June 30, 2021. Charges for services represents 19 percent of revenue and federal, state, and local grants accounted for another 37 percent of revenue.

Sources of Revenue 2021



The total cost of all program and services was \$61,253,037. Instruction comprises 58 percent of District expenses.

Expenses for 2021



**CITY OF OCEAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)**

Business-Type Activities

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

- Food service expenses exceeded revenues by \$511.
- Charges for services represent \$45,729 of revenue. This represents amounts paid by patrons for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$382,335.

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 cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>
Instruction	\$ 35,611,476	17,807,219	33,211,113	17,924,292
Support Services:				
Tuition	239,258	239,258	392,526	392,526
Pupils and Instructional Staff	7,811,429	6,474,474	6,551,418	6,365,134
General Administration and Business Services	2,218,992	2,065,972	1,964,974	1,995,174
School Administration	2,254,335	2,100,257	1,902,113	1,931,347
Operation of Plant	11,790,830	11,252,881	6,124,273	6,215,863
Pupil Transportation	886,400	886,400	974,617	974,617
Interest and Finance Charges	18,584	18,584	42,726	42,726
Other	(235,024)	(235,024)	(114,537)	(114,537)
Total Expenses	<u>\$ 60,596,280</u>	<u>40,610,021</u>	<u>51,049,223</u>	<u>35,727,142</u>
		-		-

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

Tuition is predominately made up of charges for private schools for disabled students.

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 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, as well as to and from school activities, as provided by State law.

**CITY OF OCEAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)**

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools and a loss on the disposal of capital assets.

None of the variances are unusual or unexpected.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$51,483,044 and expenditures were \$49,877,237. The net increase in fund balance of operations for the year was \$1,385,807.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2020	Percent of Increase (Decrease)
Local Sources	\$ 37,370,278	72.6%	(95,805)	-0.2%
State Sources	13,116,422	25.5%	1,589,458	17.5%
Federal Sources	996,344	1.9%	64,545	6.8%
Total	<u>\$ 51,483,044</u>	100.0%	<u>1,558,198</u>	3.2%

The increase in State funding is due to increased on-behalf Contributions. The increase in local sources is mostly due to an increase in tuition revenue.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2021, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2020	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 19,359,945	38.8%	(675,441)	-3.5%
Undistributed expenditures	27,664,962	55.5%	1,609,992	6.6%
Capital Outlay	405,926	0.8%	(83,888)	-8.3%
Special Schools & Charter Schools	18,584	0.0%	(24,142)	-77.8%
Debt Service:				
Principal	2,210,000	4.4%	(274,000)	-12.2%
Interest	217,820	0.4%	(102,685)	-20.6%
Total	<u>\$ 49,877,237</u>	100.0%	<u>449,836</u>	0.9%

Changes in expenditures were the results of varying factors. The significant change in Capital Outlay is partly due to no current construction projects going on within District.

**CITY OF OCEAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights

The School District'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 District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

- On-behalf TPAF Pension contributions appear as both a revenue and an expense in the District's financial statements. The State of New Jersey made on behalf TPAF Pension Contributions of \$5,283,318 for FY 2021 and also made on-behalf TPAF post-retirements contributions for the District in the amount of \$1,655,709 and TPAF long-term disability insurance in the amount of \$2,392.
- The State of New Jersey reimbursed the District for TPAF Social Security contributions made during the school year. The amount of \$1,448,164.
- The District expended \$1,065,360 less than the amount originally budgeted for Health Benefits, \$271,000 of the unexpended balance was transferred to other accounts nearing over-expenditure.

Capital Assets

At the end of the fiscal year 2021, the School District had \$34,306,911 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2021 balances compared to 2020.

**Table 4
Capital Assets (Net of Depreciation) at June 30,**

	2021	2020
Land	\$ 879,750	879,750
Land Improvements	95,622	107,507
Sites, Buildings and Building Improvements	32,134,150	38,692,279
Machinery and Equipment	1,197,389	857,145
Total	\$ 34,306,911	40,536,681

**CITY OF OCEAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED (CONTINUED)**

Debt Administration

At June 30, 2021, the School District had \$5,421,492 of outstanding long term liabilities. Of this amount, \$1,442,271 is for compensated absences, and \$789,451 of serial bonds net of unamortized premiums on bonds issued.

**Table 5
Bonded Outstanding Debt at June 30,**

	2021	2020
2014 General Obligation Bonds	\$ 952,000	1,242,000
2016 Refunding Bonds	1,895,000	3,815,000
Unamortized Bond Premium	392,139	789,451
Compensated Absences	2,182,353	1,442,271
Total	\$ 5,421,492	7,288,722

At June 30, 2021, the School District was within its overall legal debt margin.

For the Future

The City of Ocean City School District is in good financial condition presently.

In conclusion, the City of Ocean City School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue to identify operational efficiencies which will allow it to meet the challenges of declining or stable state aid.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Business Administration/Board Secretary at Ocean City Board of Education, 501 Atlantic Avenue, Suite 1, Ocean City, NJ 08226-3891. Please visit our website at www.oceancityschools.org.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business - type activities of the District.

OCEAN CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 13,969,483	1,141,279	15,110,762
Receivables, Net	737,257	100,502	837,759
Internal Balances	1,197,520	(1,197,520)	-
Inventory		7,710	7,710
Capital Assets			
Land	879,750		879,750
Capital Assets being Depreciated, net	33,420,651	6,510	33,427,161
Total Assets	50,204,661	58,481	50,263,143
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,103,286		1,103,286
LIABILITIES			
Accounts Payable	272,949	37,495	310,444
Payable to State Government	2,368		2,368
Unearned Revenue	272,910	18,002	290,912
Accrued Interest	26,465		26,465
Noncurrent Liabilities			
Due Within One Year	2,195,000		2,195,000
Due Beyond One Year	3,226,492		3,226,492
Net Pension Liability	8,184,434		8,184,434
Total Liabilities	14,180,617	55,497	14,236,114
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	3,674,792		3,674,792
Gain on Refunding Bonds	30,521		30,521
Total Deferred Outflows of Resources	3,705,313	-	3,705,313
NET POSITION			
Net Investment in Capital Assets	31,030,741	6,510	31,037,251
Restricted for:			
Capital Projects	4,225,818		4,225,818
Other Purposes	9,474,922		9,474,922
Unrestricted (Deficit)	(11,309,464)	(3,526)	(11,312,990)
Total Net Position (Deficit)	\$ 33,422,017	2,984	33,425,001

The accompanying Notes to Financial Statements are an integral part of this statement

**OCEAN CITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021**

Function/Programs	Expenses	Indirect Costs Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities:								
Instruction:								
Regular	19,535,632	6,714,312	11,172,968	4,023,164	(11,053,812)	-	(11,053,812)	
Special Education	5,113,129	1,757,358		2,226,338	(4,644,149)		(4,644,149)	
Other Special Instruction	1,853,876	637,169		381,787	(2,109,258)		(2,109,258)	
Support Services:								
Tuition	239,258				(239,258)		(239,258)	
Student & Instruction Related Services	5,569,550	2,241,879		1,336,955	(6,474,474)		(6,474,474)	
General Administration and Business Services	992,555	399,528		95,997	(1,296,086)		(1,296,086)	
School Administrative Services	1,613,081	641,254		154,078	(2,100,257)		(2,100,257)	
Plant Operation and Maintenance	9,740,180	2,050,650		537,949	(11,252,881)		(11,252,881)	
Pupil Transportation	886,400				(886,400)		(886,400)	
Central Services	589,586	237,323		57,023	(769,886)		(769,886)	
Unallocated Benefits	14,679,473	(14,679,473)			-		-	
Charter Schools	18,584				(18,584)		(18,584)	
Interest on Long-Term Debt	(235,024)				235,024		235,024	
Total Governmental Activities	60,596,280	-	11,172,968	8,813,291	(40,610,021)	-	(40,610,021)	
Business-Type Activities:								
Food Service	656,757	-	45,729	382,335	-	(228,693)	(228,693)	
Total Business-Type Activities	656,757	-	45,729	382,335	-	(228,693)	(228,693)	
Total Primary Government	61,253,037	-	11,218,697	9,195,626	(40,610,021)	(228,693)	(40,838,714)	
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purpose:					23,189,513		23,189,513	
Taxes Levied for Debt Service					2,427,820		2,427,820	
Federal and State Aid not Restricted					12,524,078		12,524,078	
Investment Earnings					3,000	8,182	11,182	
Miscellaneous Income					148,812		148,812	
Transfers					(220,000)	220,000	-	
Special Items:								
Contributed Fixed Assets					-		-	
Total General Revenues, Special Items, Extraordinary Items and Transfers					38,073,223	228,182	38,301,405	
Change in Net Position					(2,536,798)	(511)	(2,537,309)	
Net Position (Deficit) - Beginning, As Restated					35,958,815	3,495	35,962,310	
Net Position (Deficit) - Ending					33,422,017	2,984	33,425,001	

The accompanying Notes to Financial Statements are an integral part of this Statement

FUND FINANCIAL STATEMENTS

The individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

**OCEAN CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2021**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 13,552,136	\$ 417,347.00	\$ -	\$ 13,969,483
Due from Other Funds	1,197,520			1,197,520
Receivables from Other Governments	395,958	310,589		706,547
Other Receivables	23,210	7,500		30,710
Total Assets	15,168,824	735,436	-	15,904,260
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	200,021	72,928		272,949
Payable to State Government		2,368		2,368
Unearned Revenue		272,910		272,910
Total Liabilities	200,021	348,206	-	548,227
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year	881,413			881,413
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	975,504			975,504
Capital Reserve	4,225,818			4,225,818
Maintenance Reserve	2,596,684			2,596,684
Tuition Reserve	3,800,000			3,800,000
Emergency Reserve	424,732			424,732
Unemployment Claims	409,359			409,359
Assigned to:				
Other Purposes	304,858			304,858
Unassigned				
General Fund	1,350,435			1,350,435
Special Revenue Fund		387,230		387,230
	14,968,803	387,230	-	15,356,033
Total Liabilities and Fund Balances	\$ 15,168,824	\$ 735,436	\$ -	

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 \$62,735,379 and the accumulated depreciation is \$28,434,978.	34,300,401
Deferred Inflows of Resources - Gain on Refunding Bond Issue is not a resource in the funds and therefore not reported as a debit in the funds.	(30,521)
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(26,464)
Pension Liabilities Net of Deferred Outflows & Inflows	(10,755,940)
Long-term liabilities, including bonds and capital lease payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(5,421,492)
Net Position of governmental activities	33,422,017

The accompanying Notes to Financial Statements are an integral part of this statement

OCEAN CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 23,189,513	-	2,427,820	25,617,333
Tuition Charges	11,172,968			11,172,968
Interest Earned on Investments	3,000			3,000
Miscellaneous	148,812	428,165		576,977
Total Local Sources	34,514,293	428,165	2,427,820	37,370,278
State Sources	12,574,045	542,377		13,116,422
Federal Sources	34,326	962,018		996,344
Total Revenues	47,122,664	1,932,560	2,427,820	51,483,044
EXPENDITURES				
Current:				
Regular Instruction	14,270,607			14,270,607
Special Education Instruction	2,561,755	1,173,343		3,735,098
Other Special Instruction	1,354,240			1,354,240
Support Services:				
Tuition	239,258			239,258
Student & Instruction Related Serv.	3,966,609	798,284		4,764,893
General Administrative Services	849,157			849,157
School Administrative Services	1,382,921			1,382,921
Plant Operation and Maintenance	4,358,453			4,358,453
Pupil Transportation	886,400			886,400
Central Services	504,407			504,407
Unallocated Employee Benefits	14,679,473			14,679,473
Transfer to Charter School	18,584			18,584
Debt Service:				
Principal			2,210,000	2,210,000
Interest and Other Charges			217,820	217,820
Capital Outlay	360,700	45,226		405,926
Total Expenditures	45,432,564	2,016,853	2,427,820	49,877,237
Excess (Deficiency) of Revenues Over Expenditures	1,690,100	(84,293)	-	1,605,807
OTHER FINANCING SOURCES (USES)				
Transfer in	-	101,336	-	101,336
Transfer out	(321,336)			(321,336)
Total Other Financing Sources and Uses	(321,336)	101,336	-	(220,000)
Net Changes in Fund Balance	1,368,764	17,043	-	1,385,807
Fund Balance - July 1, As Restated	13,600,039	370,187	-	13,970,226
Fund Balance - June 30	\$ 14,968,803	387,230	-	15,356,033

The accompanying Notes to Financial Statements are an integral part of this statement

OCEAN CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Total Net Change in Fund Balance - Governmental Funds (from B-2)		1,385,807
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, on 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 current fiscal year.		
Depreciation expense	(1,699,095)	
Capital Outlay	<u>(4,515,676)</u>	(6,214,771)
Repayment of bond principal and capital leases are expenditures 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.		
		2,210,000
Governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.		
Amortization of Bond Premium	397,312	
Amortization of Gain on Refunding Bonds	<u>30,924</u>	428,236
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of of employee contributions is reported as pension expense.		
District pension contributions - PERS	549,037	
Cost of benefits earned net of employee contributions	<u>(179,633)</u>	369,404
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		
		(740,082)
In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.		
		24,607
Change in Net Position of Governmental Activities		<u><u>(2,536,799)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement

OCEAN CITY SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2021

	Business-Type Activities - Enterprise Fund	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents	1,141,279	1,141,279
Other Accounts Receivable	6,779	6,779
Intergovernmental Accounts Receivable	93,723	93,723
Inventories	7,710	7,710
Total Current Assets	1,249,491	1,249,491
Noncurrent Assets:		
Furniture, Machinery & Equipment	234,654	234,654
Less: Accumulated Depreciation	(228,144)	(228,144)
Total Noncurrent Assets	6,510	6,510
Total Assets	1,256,001	1,256,001
LIABILITIES		
Current Liabilities:		
Accounts Payable	37,495	37,495
Interfund Payable	1,197,520	1,197,520
Unearned Revenue	18,002	18,002
Total Current Liabilities	1,253,017	1,253,017
Noncurrent Liabilities:		
None		-
Total Noncurrent Liabilities	-	-
NET POSITION		
Net Investment in Capital Assets		
Related Debt	6,510	6,510
Unrestricted	(3,526)	(3,526)
Total Net Position	2,984	2,984

The accompanying Notes to Financial Statements are an integral part of this statement

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

	Business-Type Activities - Enterprise Fund	
	Food Service	Totals Enterprise
Operating Revenues:		
Charges for Services:		
Other Daily Sales	45,729	45,729
Total Operating Revenue	<u>45,729</u>	<u>45,729</u>
Operating Expenses:		
Cost of Sales-Reimbursable	142,493	142,493
Cost of Sales- Non Reimbursable	24,392	24,392
Salaries and Benefits	429,268	429,268
Direct Costs	34,235	34,235
Administration Fee	8,186	8,186
Management Fee	3,183	3,183
Depreciation	15,000	15,000
Miscellaneous	-	-
Total Operating Expenses	<u>656,757</u>	<u>656,757</u>
Operating (Loss)	(611,028)	(611,028)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	17,477	17,477
Federal Sources:		
National School Lunch Program	291,237	291,237
School Breakfast Program	44,065	44,065
Food Distribution Program	29,556	29,556
Interest and Investment Income	8,182	8,182
Total Nonoperating Revenues (Expenses)	<u>390,517</u>	<u>390,517</u>
Income (Loss) before Contributions & Transfers	(220,511)	(220,511)
Transfers In (Out)	<u>220,000</u>	<u>220,000</u>
Changes in Net Position	(511)	(511)
Total Net Position - Beginning	<u>3,495</u>	<u>3,495</u>
Total Net Deficit - Ending	<u>\$ 2,984</u>	<u>2,984</u>

The accompanying Notes to Financial Statements are an integral part of this statement

OCEAN CITY SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Fund	
	Food Service	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Other Income	\$ 55,039	\$ 55,039
Payments for Food and Supplies	(187,987)	(187,987)
Payments for Employees and Benefits	(429,268)	(429,268)
Net Cash Provided by Operating Activities	<u>(562,216)</u>	<u>(562,216)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	13,927	13,927
Federal Sources	299,449	299,449
Interfunds	27,287	27,287
Net Cash Provided by Noncapital Financing Activities	<u>340,663</u>	<u>340,663</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest and Dividends	8,182	8,182
Net Cash Provided by Investing Activities	<u>8,182</u>	<u>8,182</u>
Net Increase in Cash and Cash Equivalents	(213,371)	(213,371)
Balance - Beginning of Year	1,354,650	1,354,650
Balance - End of Year	<u>\$ 1,141,279</u>	<u>\$ 1,141,279</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income	(611,028)	(611,028)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Net Amortization	15,000	15,000
(Increase) Decrease in Inventories	(3,079)	(3,079)
(Increase) Decrease in Accounts Receivable	(6,779)	(6,779)
Increase (Decrease) in Accounts Payable	27,581	27,581
Increase (Decrease) in Unearned Revenue	16,089	16,089
Total Adjustments	<u>55,591</u>	<u>55,591</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (555,437)</u>	<u>\$ (555,437)</u>

The accompanying Notes to Financial Statements are an integral part of this statement

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ocean City School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Ocean City School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

Pensions: 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 Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. 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.

A. REPORTING ENTITY

The Ocean City School District is a Type II district located in the County of Cape May, 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 members are elected during the general election held in November each year. As a receiving district for high school students from Upper Township and Longport, Upper Township and Longport are provided with Board representation to vote on issues related to Ocean City High School. The purpose of the district is to educate students in grades K-12. The Ocean City School District had an enrollment at June 30, 2021 of 2,045 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general and special revenue activities are classified as governmental activities. The District's food service program is classified as business-type activities.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB standards set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District

- a. **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.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. 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.
- d. **Debt service** funds are 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.

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

**OCEAN CITY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021**

NJSA 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.

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2021, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	7,710
Supplies		0
	\$	<u>7,710</u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2021 is \$0.

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount 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. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. In respect to grant revenues, the provider

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

7. 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 both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

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

8. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Undist. Expend. - Speech, PT, OT & Related Services	
Purchased Professional-Educational Svcs	179,200
Extraordinary Services	
Salaries	(83,200)
Undist. Expend. - Supp. Serv. - General Admin	
Legal Services	81,600
Undist. Expend. - Supp. Serv. - School. Admin	
Salaries of Principals/Asst.	74,975
Unallocated Benefits - Employee Benefits	
Workmens's Compensation	(75,000)
Health Benefits	(271,000)
Other Employee Benefits	146,000
Unused Sick Payment to Terminated/Retired	(155,000)

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 payments 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.

10. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with various Boards of Education with a negotiated amount up to the final cost as determined by State of New Jersey.

11. Tuition Payable:

Tuition charges for the fiscal years 2020/21 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

13. Allocation of Costs:

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 “Leases”. This statement, which is effective for fiscal periods beginning after December 15, 2020, may have an effect on the District’s financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, “Accounting for Interest Cost Incurred Before the End of a Construction Period”. This statement, which is effective for fiscal periods beginning after December 31, 2021, will not have any effect on the District’s financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, “Conduit Debt Obligations”. This statement is effective for fiscal periods beginning after December 31, 2022, will not have any effect on the District’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, “Replacement of Interbank Offered Rates”. This statement, which is effective for fiscal periods beginning after December 31, 2022, and all reporting periods thereafter, will not have any effect on the District’s financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. This statement, which is effective for fiscal years beginning after December 31, 2023, and all reporting periods thereafter, will not have any effect on the District’s financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, “Subscription Based Information Technology Arrangements”. This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District’s financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32”. This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District’s financial reporting.

In October 2021, the Governmental Accounting Standards Board (GASB) issued Statement No. 98, “The Annual Comprehensive Financial Report”. This statement, which is effective for fiscal years ending after December 15, 2021, will have an effect on the District’s financial statements.

NOTE 2 – CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The district’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2021, \$988,773.47 of the District’s bank balance of \$16,165,677.11 was exposed to custodial credit risk.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 3 - INVESTMENTS

As of June 30, 2021, the District had the following investments:

	<u>Maturities</u>	<u>Fair Value</u>
Certificate of Deposit	November 22, 2021	\$ 17,743
Total		<u>\$ 17,743</u>

Interest Rate Risk. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investment to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The district places no limit on the amount the district may invest in any one issuer.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2021, consisted of accounts (extraordinary services), interfund, intergovernmental, and other revenues. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government Wide Financial Statements</u>
State Aid	\$ 706,547	706,547
Due from Other Funds	1,197,520	
Other	30,710	
Gross Receivables	<u>1,934,777</u>	<u>706,547</u>
Less: Allowance for Uncollectibles		
Total Receivables, Net	<u>\$ 1,934,777</u>	<u>706,547</u>

NOTE 5 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; (2) repay expenses paid by another fund; and (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

The following interfund balances remained on the fund financial statements at June 30, 2021:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,197,520	
Food Service Fund		1,197,520
	\$ 1,197,520	1,197,520

The general fund receivable is comprised of 1 interfund. The interfund of \$1,197,520 owed to the General Fund from the Food Service Fund for expenses paid by the general fund on behalf of the food service fund.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 879,750			879,750
Total capital assets not being depreciated	879,750	-	-	879,750
Capital assets being depreciated:				
Land Improvements	555,071	10,400		565,471
Buildings and building improvements	62,903,167		(5,901,807)	57,001,360
Machinery and Equipment	4,193,740	245,653	(150,594)	4,288,799
Total capital assets being depreciated at historical cost	67,651,978	256,053	(6,052,401)	61,855,630
Less accumulated depreciation for:				
Land Improvements	(447,564)	(22,284)		(469,848)
Buildings and improvements	(24,210,887)	(1,388,677)	732,353	(24,867,211)
Equipment	(3,358,105)	(288,136)	548,321	(3,097,920)
Total capital assets being depreciated, net of accumulated depreciation	(28,016,556)	(1,699,097)	1,280,674	(28,434,979)
Governmental activity capital assets, net	40,515,172	(1,443,044)	(4,771,727)	34,300,401
Business-type activities:				
Capital assets being depreciated:				
Equipment	234,654	-	-	234,654
Less accumulated depreciation	(213,145)	(15,000)	1	(228,144)
Enterprise Fund capital assets, net	21,509	(15,000)	1	6,510
Grand Total	\$ 40,536,681	(1,458,044)	(4,771,726)	34,306,911

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Depreciation expense was charged to governmental functions:

Regular Instruction	\$ 903,351
Special Education Instruction	236,437
Other Special Instruction	85,725
Student and Instruction Related Services	301,625
School Administrative Services	53,753
General and Business Administrative Services	86,275
Central Services	31,929
	<u>\$ 1,699,095</u>

No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$217,820, for the entity wide statements this was modified by the change in accrued interest of \$24,607; an amortization of premium on bond sale of (\$397,312); an amortization of gain on refunding \$30,924 and the state charge back to the District for debt service aid of \$150,466 for a total charge of \$235,024.

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2021 are as follows:

	<u>Balance July 1, 2020</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Compensated Absences	\$ 1,442,271	740,082		2,182,353	
Bonds Payable	5,057,000		2,210,000	2,847,000	2,195,000
Net Pension Liability	9,184,003	3,224,260	4,223,829	8,184,434	
Unamortized Costs:					
Bond Premiums	789,451		397,312	392,139	
	<u>\$ 16,472,725</u>	<u>3,964,342</u>	<u>6,831,141</u>	<u>13,605,926</u>	<u>2,195,000</u>

Compensated absences and Net Pension Liability have been liquidated in the General Fund.

Bonds Payable

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

At June 30, 2021 bonds payable consisted of the following issues:

\$2,497,000 School Bonds dated May 15, 2014, due in annual installments through May 15, 2024, bearing interest at rates ranging from 1.00% to 2.25%. The balance remaining as of June 30, 2021 is \$952,000.

\$10,580,000 School Refunding Bonds dated March 23, 2016, due in annual installments through April 1, 2022, bearing interest at rates ranging from 3.00% to 5.00%. The balance remaining as of June 30, 2021 is \$1,895,000.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old bonds of \$196,817. The difference is reported in the entity wide governmental-activities as a deferred outflow of resources and is being charged as an adjustment to interest expense in the

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statement of activities. The amount charged to interest in the year ended June 30, 2021 is \$30,924 and the remaining deferred inflow of resources is \$30,521.

Debt service requirements on serial bonds payable at June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	2,195,000	116,020	2,311,020
2023	315,000	14,670	329,670
2024	337,000	7,583	344,583
	<u>\$ 2,847,000</u>	<u>138,273</u>	<u>2,985,273</u>

NOTE 8 – OPERATING LEASES

The District has commitments to lease certain office equipment under operating leases that expire in fiscal year 2021. Total operating lease payments made during the year ended June 30, 2021 were \$35,373. Future minimum lease payments are as follows:

Year Ending June 30,	Principal
2022	35,373
Total future minimum lease payments	<u>\$ 35,373</u>

NOTE 9 – UNEARNED REVENUE

The District has unearned revenue reflected on the Statement of Net Position in the District-Wide Financial Statements of \$290,912. This consists of unearned revenue of \$272,910 in the special revenue fund which is made up of grant proceeds on hand where the grant period overlaps the district's fiscal year and encumbrances payable at year end and \$18,002 in the food service fund for student meals prepaid.

NOTE 10 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/annrpts/achive.htm>.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified

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members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

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

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has no employees enrolled in the Defined Contribution Retirement Program (DCRP) during the fiscal year ended June 30, 2019.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.5% and the PERS rate is 7.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2021, 2020 and 2019 were \$1,448,164, \$1,416,150 and \$1,400,072 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2021, 2020 and 2019 were \$549,038, \$498,320 and \$489,235 respectively, equal to the required contributions for each year.

The Board's total payroll for the year ended June 30, 2021 was \$23,809,982. The TPAF covered payroll was \$20,185,181 and the PERS covered payroll was \$3,624,801. Information for prior years was not available.

During the fiscal years ended June 30, 2021, 2020 and 2019, the State of New Jersey contributed \$1,655,709, \$1,480,773 and \$1,640,852, respectively, to the TPAF for post-retirement medical benefits

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on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$5,283,318, \$3,991,499, and \$3,617,411, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries along with \$2,392 for long-term disability insurance contribution in 2021. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB standards.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 11 – PUBLIC EMPLOYEES RETIREMENT SYSTEM

At June 30, 2021, the District reported a liability of \$8,184,434, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District's proportion was .05018851130%, which was a decrease of 1.53% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$179,633. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 149,025	28,944
Changes of assumptions	265,512	3,426,900
Net difference between projected and actual earnings on pension plan investments	279,751	-
Changes in proportion and differences between District contributions and proportionate share of contributions	408,998	218,948
District contributions subsequent to the measurement date	549,037	
Total	<u>\$ 1,652,323</u>	<u>\$ 3,674,792</u>

\$549,037 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2021	\$ (944,387.00)
2022	(879,678.00)
2023	(505,217.00)
2024	(202,337.00)
2025	(39,887.00)
Total	<u>\$ (2,571,506.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all period in the measurement:

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%

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%

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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 Disable Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

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Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participated employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 9,747,638	8,184,434	6,859,718

Pension plan fiduciary net position.

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

Additional Information

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 3,933,096,777.00
Deferred inflows of resources	13,351,735,209.00
Net pension liability	38,659,583,951.00

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$1,302,897,532.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years, respectively.

NOTE 12 – TEACHERS PENSION AND ANNUITY FUND (TPAF)

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net position liability associated with the District	<u>117,721,033</u>
Total	<u>\$ 117,721,033</u>

The net pension liability was measured as of June 30, 2020 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State,

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actuarially determined. At June 30, 2020, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$7,320,395 and revenue of \$7,320,395 for support provided by the State.

Actuarial assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all period included 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-Medan Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount rate. The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.40% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.40%) or 1-percentage point higher (6.40%) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

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

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Additional Information

Collective balances of the local group at June 30, 2020 are as follows:

Deferred outflows of resources	\$	9,626,548,228
Deferred inflows of resources		14,591,988,841
Net pension liability		65,993,498,688

Collective pension expense for the plan for the measurement period ended June 30, 2019 is \$4,103,756,770.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 is 7.99, 8.04, 8.29, 8.30, 8.30, 8.30, and 8.5 years, respectively.

NOTE 13 – OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

The State of New Jersey Provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 year of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76 billion liability recorded in Fiscal Year 2019.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

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Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 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/board of trustees. Note that actual numbers will be published in the NJ State CAFR on the Office of Management and Budget webpage: <https://www.nj.gov/treasury/omb/cafr.shtml>.

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate – 2.50%

Salary Increases –

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Through 2026	1.55 - 4.45%	2.00 - 6.00%	3.25 - 15.25%
	based on service years	based on service years	based on service years
Thereafter	1.55 - 4.45%	3.00 - 7.00%	Applied to all
	based on service years	based on service years	future years

Mortality Rates –

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-20.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the period 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.

Health Care Trend Assumptions –

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5%

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate –

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond 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.

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

Balance at 6/30/19	\$ 41,729,081,045.00
Changes for the year:	
Service cost	1,790,973,822.00
Interest	1,503,341,357.00
Differences between Expected & Actual Experiences	11,544,750,637.00
Changes in assumptions or other inputs	12,386,549,981.00
Contributions: Member	35,781,384.00
Benefit payments	<u>(1,180,515,618.00)</u>
Net changes	<u>26,080,881,563.00</u>
Balance at 6/30/20	<u>\$ 67,809,962,608.00</u>

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

The following presents the total OPEB liability as of June 20, 2020, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability (School Retirees)	81,748,410,002.00	67,809,962,608.00	56,911,439,160.00

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability as of June 30, 2020c calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	54,738,488,540.00	67,809,962,608.00	83,375,182,975.00

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$5,182,839 determined by the State as the total OPEB liability for benefits provided through a defined 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 board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,295,318,750.00	(9,170,703,615.00)
Changes of assumptions	11,534,251,250.00	(7,737,500,827.00)
Total	<u>\$ 21,829,570,000.00</u>	<u>\$ (16,908,204,442.00)</u>

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

Year ended June 30,	
2021	\$ 43,440,417.00
2022	43,440,417.00
2023	43,440,417.00
2024	43,440,417.00
2025	43,440,417.00
Thereafter	<u>4,704,163,473.00</u>
Total	<u>\$ 4,921,365,558.00</u>

(Contributions made after June 30, 9are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

NOTE 14 – COMPENSATED ABSENCES

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, no liability existed for compensated absences in the Food Service Enterprise Fund.

NOTE 15 – DEFERRED COMPENSATION

The District offers its employees a deferred compensation plan 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:

Vanguard Fiduciary Trust Co.	The Equitable
Lincoln Life	Retirement Annuity Consultants, Inc.
Lincoln Investment Planning, Inc.	Thomas Seely Agency
Washington National Insurance Co.	Siracusa Benefits Program
Prudential Investments	

NOTE 16 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by City of Ocean City Board of Education by the inclusion of \$1.00 on September 27, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-2.13(g) 7*, 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 account for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020		\$	4,048,818
Deposits			
Interest earned	\$	2,000	
Board Resolution - June		175,000	
			<u>177,000</u>
Withdrawals:			
Withdrawal by Budget			<u> </u>
Ending balance, June 30, 2020		\$	<u>4,225,818</u>

NOTE 17 – MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Ocean City Board of Education for the accumulation of funds for use as required maintenance expenditures 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.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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

Beginning balance, July 1, 2020	\$ 2,595,684
Interest earned	1,000
Excess Surplus Transfer by Board Resolution	400,000
Withdrawal by Budget	<u>(400,000)</u>
Ending balance, June 30, 2021	<u><u>\$2,596,684</u></u>

NOTE 18 – TUITION RESERVE ACCOUNT

A tuition reserve account was established by the Ocean City Board of Education in accordance with N.J.A.C. 6A:23-3.1(f)(8). This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective year. The tuition reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance, July 1, 2019	\$ 3,800,000
Excess Surplus Transfer by Board Resolution	1,900,000
Withdrawal by Budget	<u>(1,900,000)</u>
Ending balance, June 30, 2020	<u><u>\$3,800,000</u></u>

Of the balance of \$3,800,000 in the reserve; \$1,900,000 is appropriated for tuition adjustments in the FY 2022 district budget and \$1,900,000 is available to be appropriated in the FY 2021 budget for tuition adjustments.

NOTE 19 – EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Ocean City Board of Education for the accumulation of funds for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education 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.

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

Beginning balance, July 1, 2019	\$ 423,732
Interest earned	1,000
Excess Surplus Transfer by Board Resolution	
Withdrawal by Budget	
Ending balance, June 30, 2020	<u><u>\$424,732</u></u>

NOTE 20 – COMMITMENTS

The District did not have an encumbrance policy for the fiscal year end to determine significant encumbrances. All encumbrances are classified as either Assigned Fund Balance in the General Fund or Committed Fund Balance in the Capital Projects Fund. Encumbrances in the Special Revenue Fund are reflected as unearned revenue. Encumbrances at June 30th are as follows;

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Fund	Amount
General Fund Encumbered Orders	\$ 304,858

Of the general fund encumbrances, \$0 is for capital outlay.

NOTE 21 – 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 and surety bonds.

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

Fiscal Year	Employee Contributions	Interest on Investments	Amount Reimbursed	Ending Balance
2020-2021	\$ 84,214	\$ 1,614	\$ 65,218	\$ 409,359
2019-2020	75,079	3,201	86,398	388,749
2018-2019	29,295	1,228	8,049	396,867

NOTE 22 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 23 – FUND BALANCE APPROPRIATED

General Fund – Of the \$15,342,649 General Fund fund balance, at June 30, 2021, \$304,858 is reserved for encumbrances; \$975,504 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$881,413 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021), \$4,225,818 has been reserved in the Capital Reserve Account; \$2,596,684 has been reserved in a Maintenance Reserve Account; \$3,800,000 has been reserved in a Tuition Reserve Account; \$424,732 has been reserved in an Emergency Reserve Account; \$409,359 has been reserved in Unemployment Claims; and \$1,724,281 is classified as Unassigned.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 24 – CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$1,856,917, of which \$881,413 has been included in the 2022 fiscal year budget.

NOTE 25 – LITIGATION

As of the date of this report, the Ocean City Board of Education is currently involved in various matters of litigation. In all cases if it is believed that the outcome, or exposure to the Board of Education, from such litigation is either unknown or potential losses, if any would not be material to the financial statements.

NOTE 26 – ECONOMIC DEPENDENCY

The District receives support from the federal and state governments. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

NOTE 27 – RESTATEMENT OF PRIOR YEAR BALANCES

Net position has been restated as required by the implementation of GASB 84.

General Fund

Beginning net position as previously reported at June 30, 2020 \$ 13,211,290

Implementation GASB 84 - Restated of Prior Year Balances Required
Unemployment Reserve \$ 388,749

Total: \$ 388,749

General Fund Net position as restated, July 1, 2020 \$ 13,600,039

Special Revenue

Beginning net position as previously reported at June 30, 2020 \$ -

Implementation GASB 84 - Restated of Prior Year Balances Required
Student Activities \$ 370,187

Total: \$ 370,187

Special Revenue Fund Net position as restated, July 1, 2020 \$ 370,187

NOTE 28 – SUBSEQUENT EVENT

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2021 through February 19, 2022, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

Budgetary Comparison Schedules

OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 23,189,513		\$ 23,189,513	\$ 23,189,513	\$ -
Tuition	11,172,968		11,172,968	11,172,968	-
Interest Earned on Maintenance Reserve	500		500	1,000	500
Interest Earned on Emergency Reserve	100		100	1,000	900
Interest Earned on Capital Reserve	1,000		1,000	1,000	-
Unrestricted Miscellaneous	200,000		200,000	148,812	(51,188)
Total Local Sources	<u>34,564,081</u>	<u>-</u>	<u>34,564,081</u>	<u>34,514,293</u>	<u>(49,788)</u>
State Sources:					
Categorical Special Education Aid	931,136	(85,706)	845,430	845,430	-
School Choice Aid	2,666,918		2,666,918	2,666,918	-
Security Aid	203,070		203,070	203,070	-
Transportation Aid	252,189		252,189	252,189	-
Extraordinary Aid		19,269	19,269	242,407	223,138
Nonpublic Transportation			-	15,370	15,370
TPAF Pension (On-Behalf - Non-Budgeted)			-	5,283,318	5,283,318
TPAF Post-retirement (On-Behalf - Non-Budgeted)			-	1,655,709	1,655,709
TPAF Long Term Disability Insurance			-	2,392	2,392
TPAF Social Security (Reimbursed- Non-Budgeted)			-	1,448,164	1,448,164
Total State Sources	<u>4,053,313</u>	<u>(66,437)</u>	<u>3,986,876</u>	<u>12,614,967</u>	<u>8,628,091</u>
Federal Sources:					
Medicaid Reimbursement	25,498		25,498	34,326	8,828
Total Federal Sources	<u>25,498</u>	<u>-</u>	<u>25,498</u>	<u>34,326</u>	<u>8,828</u>
Total Revenues	<u>38,642,892</u>	<u>(66,437)</u>	<u>38,576,455</u>	<u>47,163,586</u>	<u>8,587,131</u>

**OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten - Salaries of Teachers	312,575		312,575	294,986	17,589
Grades 1 - 5 Salaries of Teachers	2,815,817		2,815,817	2,731,822	83,995
Grades 6 - 8 Salaries of Teachers	2,408,373		2,408,373	2,345,340	63,033
Grades 9 - 12 Salaries of Teachers	8,286,315		8,286,315	8,176,369	109,946
Regular Programs - Home Instruction					
Salaries of Teachers	70,000		70,000	176	69,824
Purchased Professional - Educational Services	150,000		150,000	119,446	30,554
Other Purchased Services (400-500 series)	5,000		5,000		5,000
Regular Programs - Undistributed Instruction					
Purchased Professional - Educational Services	3,500	2,710	6,210	2,710	3,500
Purchased Technical Services	36,696	61,900	98,596	97,857	739
Other Purchased Services (400-500 series)	133,803	1,395	135,198	54,736	80,462
General Supplies	768,337	(56,769)	711,568	363,286	348,282
Textbooks	131,196	7,383	138,579	83,359	55,220
Other Objects	10,516		10,516	520	9,996
TOTAL REGULAR PROGRAMS - INSTRUCTION	15,132,128	16,619	15,148,747	14,270,607	878,140
SPECIAL EDUCATION - INSTRUCTION					
Learning and or Language Disabilities					
Salaries of Teachers	276,139	14,900	291,039	290,899	140
Other Salaries for Instruction	63,550	(14,900)	48,650	2,400	46,250
General Supplies	8,200		8,200	4,858	3,342
Total Learning and or Language Disabilities	347,889	-	347,889	298,157	49,732

**OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Multiple Disabilities					
Salaries of Teachers	324,044		324,044	316,163	7,881
Other Salaries for Instruction	83,726		83,726	81,482	2,244
General Supplies	5,110		5,110	3,921	1,189
Total Multiple Disabilities	412,880	-	412,880	401,566	11,314
Resource Room/Resource Center					
Salaries of Teachers	1,800,994		1,800,994	1,796,289	4,705
General Supplies	6,040		6,040	3,733	2,307
Total Resource Room/Resource Center	1,807,034	-	1,807,034	1,800,022	7,012
Preschool Disabilities - Full-Time					
Salaries of Teachers	73,049		73,049	62,010	11,039
Total Preschool Disabilities - Part-Time	73,049	-	73,049	62,010	11,039
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,640,852	-	2,640,852	2,561,755	79,097
Basic Skills/Remedial - Instruction					
Salaries of Teachers	229,984		229,984	152,007	77,977
Total Basic Skills/Remedial - Instruction	229,984	-	229,984	152,007	77,977
Bilingual Education - Instruction					
Salaries of Teachers	172,434		172,434	172,364	70
General Supplies	3,072		3,072	256	2,816
Total Bilingual Education - Instruction	175,506	-	175,506	172,620	2,886

**OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
School-Spon. Cocurricular Activities - Instruction					
Salaries	216,200	-	216,200	171,460	44,740
Supplies & Materials	2,304		2,304		2,304
Transfers to Cover Deficit (Agency Funds)	51,840		51,840	15,088	36,752
Total School-Spon. Cocurricular Activities - Inst.	270,344	-	270,344	186,548	83,796
School-Spon. Cocurricular Athletics - Instruction					
Salaries	483,779		483,779	477,347	6,432
Other Purchased Services (400-500 series)	153,096		153,096	119,334	33,762
Supplies & Materials	88,904		88,904	57,041	31,863
Other Objects	8,160		8,160	5,725	2,435
Transfers to Cover Deficit (Agency Funds)	73,450		73,450	47,210	26,240
Total School-Spon. Cocurricular Athletics - Inst.	807,389	-	807,389	706,657	100,732
Other Instructional Programs - Instruction					
Other Purchased Services (300-500 series)	1,368		1,368		1,368
Supplies & Materials	1,440		1,440		1,440
Other Objects	421		421		421
Total Other Instructional Programs - Instruction	3,229	-	3,229	-	3,229
Alternative Education Program- Instruction					
Salaries of Teacher	272,267		272,267	136,408	135,859
Total Alternative Education Program-Instructional	272,267	-	272,267	136,408	135,859
TOTAL INSTRUCTION	19,531,699	16,619	19,548,318	18,186,602	1,361,716

**OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	40,000	2,000	42,000	41,897	103
Tuition to Other LEAs Within the State-Special	35,000	(2,000)	33,000		33,000
Tuition to County Voc. School Dist. - Regular	57,453		57,453	57,453	-
Tuition to County Voc. School Dist. - Special	18,950		18,950	18,950	-
Tuition to CSSD & Regional Day Schools	283,503		283,503	69,478	214,025
Tuition to Private Schools for the Disabled - Within State	64,686		64,686	8,711	55,975
Tuition Other	70,700		70,700	42,769	27,931
Total Undistributed Expenditures - Instruction	570,292	-	570,292	239,258	331,034
Undistributed Expend. - Attend. & Social Worker Salaries	81,073	1,245	82,318	82,308	10
Purchased Professional and Technical Services	57,000	200	57,200	57,156	44
Total Undist. Expend. - Attend. & Social Worker	138,073	1,445	139,518	139,464	54
Undistributed Expend. - Health Services					
Salaries	299,307	(1,245)	298,062	276,486	21,576
Purchased Professional and Technical Services	14,400		14,400	14,400	-
Other Purchased Services (400-500 series)	1,177		1,177	227	950
Supplies & Materials	10,007		10,007	6,652	3,355
Other Objects	960		960	175	785
Total Undistributed Expend. - Health Services	325,851	(1,245)	324,606	297,940	26,666

**OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Speech, PT, OT & Related Services					
Salaries	201,114	1,400	202,514	201,640	874
Purchased Professionals - Educational Services	166,000	179,200	345,200	345,174	26
Supplies & Materials	4,529		4,529	1,377	3,152
Total Undist. Expend.-Speech, PT, OT & Rel. Svces	371,643	180,600	552,243	548,191	4,052
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	207,509	(83,200)	124,309	92,263	32,046
Purchased Professional-Educational Services	24,000	(14,400)	9,600	9,563	37
Supplies & Materials	3,000		3,000		3,000
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	234,509	(97,600)	136,909	101,826	35,083
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	834,047		834,047	830,011	4,036
Salaries of Secretarial and Clerical Assistants	110,738		110,738	78,414	32,324
Other Purchased Services (400-500 series)	40,032	(200)	39,832	26,936	12,896
Supplies & Materials	9,312		9,312	5,035	4,277
Other Objects	1,200		1,200	444	756
Total Undistributed Expend. - Guidance	995,329	(200)	995,129	940,840	54,289
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	752,468	6,500	758,968	756,067	2,901
Salaries of Secretarial and Clerical Assistants	147,988	(6,500)	141,488	126,429	15,059
Purchased Professional - Education Services	92,300		92,300	54,419	37,881
Other Purchased Prof. And Tech. Services	17,760		17,760	10,259	7,501
Other Purchased Services (400-500 series)	14,400		14,400	1,838	12,562
Supplies & Materials	16,776		16,776	15,931	845
Other Objects	960		960	845	115
Total Undist. Expend. - Child Study Teams	1,042,652	-	1,042,652	965,788	76,864
Undist. Expend. - Improvement of Inst. Services					

**OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Salaries of Supervisor of Instruction	131,450		131,450	105,884	25,566
Salaries of Secr and Clerical Assist.	22,748		22,748	22,748	-
Other Salaries	28,000		28,000	20,556	7,444
Other Purch Prof. and Tech. Services	29,861		29,861	11,138	18,723
Other Purchased Services (400-500 series)	480		480	480	0
Supplies & Materials	2,880		2,880	497	2,383
Other Objects	2,400		2,400	2,030	370
Total Undist. Expend. - Improvement of Inst. Serv.	217,819	-	217,819	162,853	54,966
Undist. Expend. - Edu. Media Serv./Sch. Library	654,249		654,249	567,454	86,795
Salaries	73,632		73,632	67,196	6,436
Purchased Professional and Technical Services	384		384	384	-
Other Purchased Services (400-500 series)	42,115		42,115	41,483	632
Supplies & Materials	2,400		2,400	2,400	0
Other Objects					
Total Undistributed Expenditures - Educational Media Services - School Library	772,780	-	772,780	676,517	96,263
Undist. Expend. - Instructional Staff Training Serv.	131,450		131,450	103,084	28,366
Salaries of Supervisors Inst.	59,468	769	60,237	23,676	36,561
Purchased Professional - Educational Services	17,952	240	18,192	6,000	12,192
Other Purchased Services (400-500 series)	960		960	430	530
Supplies and Materials					
Total Undistributed Expenditures - Instructional Staff Training Services	209,830	1,009	210,839	133,190	77,649

**OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	271,862		271,862	266,454	5,408
Legal Services	144,000	81,600	225,600	224,941	659
Audit Fees	28,800	(3,000)	25,800	25,000	800
Architectural/Engineering Services	32,640	(27,450)	5,190	5,125	65
Other Purchased Professional Services	23,040	11,000	34,040	33,744	296
Purchased Technical Services	23,232	8,950	32,182	31,633	549
Communications/Telephone	147,840	(38,400)	109,440	108,203	1,237
BOE Other Purchased Services	6,864	(500)	6,364	4,630	1,734
Misc. Purch Serv (400-500) [Other than 530 & 585]	117,600	29,400	147,000	120,864	26,136
General Supplies	8,160	5,910	14,070	5,091	8,979
BOE In-house Train/Meeting Supplies	480		480		480
Judgments Against the School	4,800	(210)	4,590		4,590
Miscellaneous Expenditures	4,800	80	4,880	4,622	258
BOE Membership Dues/Fees	18,720	130	18,850	18,850	-
Total Undistr. Expend. - Support Svs - Gen.Admin.	832,838	67,510	900,348	849,157	51,191
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Asst.	944,161	74,975	1,019,136	996,483	22,653
Salaries of Secretarial Asst.	307,988	25	308,013	308,000	13
Purchased Professional and Technical Services	960		960		960
Other Purchased Services (400-500 series)	36,144	940	37,084	26,598	10,486
Supplies and Materials	55,444	26,762	82,206	47,797	34,409
Other Objects	5,568		5,568	4,043	1,525
Total Undistributed Expenditures - Support Services - School Administration	1,350,265	102,702	1,452,967	1,382,921	70,046

OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Central Services					
Salaries	497,289	10,000	507,289	415,670	91,619
Purchased Professional Services	20,222		20,222	6,813	13,409
Purchased Technical Services	21,600		21,600	17,183	4,417
Miscellaneous Purchased Services	17,664	25,070	42,734	6,694	36,040
Supplies and Materials	9,600		9,600		9,600
Miscellaneous Expenditures	4,032		4,032	2,999	1,033
Total Undistributed Expenditures - Central Services	<u>570,407</u>	<u>35,070</u>	<u>605,477</u>	<u>449,359</u>	<u>156,118</u>
Undist. Expend. - Admin Info Tech.					
Salaries	95,000	30,000	30,000		30,000
Purchased Technical Services	384	11,975	106,975	47,320	59,655
Other Purchased Services (400-500 series)			384		384
Supplies and Materials	14,400	1,189	15,589	7,728	7,861
Total Undistributed Expenditures - Admin Info. Tech.	<u>109,784</u>	<u>43,164</u>	<u>152,948</u>	<u>55,048</u>	<u>97,900</u>
Undist. Expend. - Required Maint. School Fac.					
Salaries	315,679		315,679	302,649	13,030
Cleaning, Repair and Maintenance Services	570,749	(43,500)	527,249	271,455	255,794
General Supplies	261,250	7,011	268,261	242,777	25,484
Other Objects	2,880		2,880	2,874	6
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>1,150,558</u>	<u>(36,489)</u>	<u>1,114,069</u>	<u>819,755</u>	<u>294,314</u>

**OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Custodial Services	1,310,409		1,310,409	1,221,343	89,066
Salaries	110,521		110,521	109,616	905
Salaries - Non- Instructional Aides	47,232	2,100	49,332	48,952	380
Purchased Professional and Technical Services	58,272	8,000	66,272	45,756	20,516
Cleaning, Repair and Maintenance Services	1,440	5,370	6,810	6,522	288
Rental of Land and Buildings	108,916	(5,370)	103,546	82,245	21,301
Other Purchased Property Services	244,580	45,000	289,580	285,531	4,049
Insurance	7,847		7,847	3,284	4,563
Miscellaneous Purchased Services	149,808	13,029	162,837	147,816	15,021
General Supplies	956,009	(60,200)	895,809	885,211	10,598
Energy (Electricity)	5,986		5,986	3,567	2,419
Other Objects	249,102	58,700	307,802	307,731	71
Energy (Natural Gas)					
Total Undistributed Expenditures - Custodial Services	3,250,122	66,629	3,316,751	3,147,574	169,177
Undist. Expend- Care & Upkeep of Grounds	115,728		115,728	108,866	6,862
Salaries	35,537	175	35,712	28,666	7,046
Cleaning, Repair, and Maintenance Services	40,000		40,000	29,693	10,307
General Supplies	191,265	175	191,440	167,225	24,215
Total Care and Upkeep of Grounds					
Undist. Expend. - Security	202,792		202,792	177,884	24,908
Salaries	125,000		125,000	45,215	79,785
Purchased Professional and Technical Services	25,000		25,000	800	24,200
General Supplies	352,792	-	352,792	223,899	128,893
Total Security					
Total Undistributed Expenditures Operations and Maintenance of Plant	4,944,737	30,315	4,975,052	4,358,453	616,599

OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Student Transportation Serv.					
Salaries - (Other than Home & Sch)	42,521		42,521	11,506	31,015
Contracted Services (Bet. Home & School)- Vendors	662,133	(1,100)	661,033	608,733	52,300
Contracted Services - (Other than Home & Sch)-Ven.	227,910	(3,150)	224,760	98,848	125,912
Contr. Serv. - (Spc Ed. Students) - Vendors	259,640		259,640	139,562	120,078
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	24,000		24,000		24,000
Contr. Serv. - Aid in Lieu Payments - NonPub Sch	12,000	4,250	16,250	15,687	563
Transportation Supplies	12,704		12,704	12,064	640
Total Undistributed Expenditures - Student Transportation Services	1,240,908	-	1,240,908	886,400	354,508
Unallocated Benefits - Employee Benefits					
Social Security Contribution	490,000		490,000	382,122	107,878
Other Retirement Contributions - PERS	513,500	42,000	555,500	554,359	1,141
Workmen's Compensation	350,000	(75,000)	275,000	261,109	13,891
Health Benefits	5,828,274	(271,000)	5,557,274	4,762,914	794,360
Tuition Reimbursement	70,000	961	70,961	29,465	41,496
Other Employee Benefits	175,000	146,000	321,000	299,921	21,079
Unused Sick Payment to Terminated/Retired	155,000	(155,000)	-		
Total Unallocated Benefits	7,581,774	(312,039)	7,269,735	6,289,890	979,845
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)			-	5,283,318	(5,283,318)
On-Behalf TPAF Post-retir. Contribution (non-bud)	-		-	1,655,709	(1,655,709)
On-Behalf TPAF Long Term Disability Insurance			-	2,392	(2,392)
Reimbursed TPAF Social Security Cont.(non-bud)			-	1,448,164	(1,448,164)
Total On-Behalf Contributions	-	-	-	8,389,583	(8,389,583)
Total Personal Services - Employee Benefits	7,581,774	(312,039)	7,269,735	14,679,473	(7,409,738)
TOTAL UNDISTRIBUTED EXPENDITURES	21,509,491	50,731	21,560,222	26,866,678	(5,306,456)
TOTAL GENERAL CURRENT EXPENSE	41,041,190	67,350	41,108,540	45,053,280	(3,944,740)

OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
CAPITAL OUTLAY					
Equipment					
Undistributed Exp. - Instruction	89,856	(75,000)	14,856	14,578	278
Undistributed Exp. - Custodial	11,500		11,500	8,245	3,255
Undistributed Exp. - Admin. Info. Tech.	115,000	90,000	205,000	187,411	17,589
Total Equipment	216,356	15,000	231,356	210,234	21,122
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	150,466		150,466	150,466	-
Total Facilities Acquisition and Construction Services	150,466	-	150,466	150,466	-
TOTAL CAPITAL OUTLAY	366,822	15,000	381,822	360,700	21,122
Transfer of Funds to Charter Schools	44,199		44,199	18,584	25,615
TOTAL EXPENDITURES	41,452,211	82,350	41,534,561	45,432,564	(3,898,003)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,809,319)	(148,787)	(2,958,106)	1,731,022	4,689,128
Other Financing Sources/(Uses):					
Operating Transfers:					
Transfer to Special Revenue Fund	(101,336)		(101,336)	(101,336)	-
Transfer to Cover Deficit - Food Service Fund			-	(220,000)	(220,000)
Total Other Financing Sources/(Uses):	(101,336)	-	(101,336)	(321,336)	(220,000)

**OCEAN CITY SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(2,910,655)	(148,787)	(3,059,442)	1,409,686	4,469,128
Fund Balance July 1, As Restated	13,932,963		13,932,963	13,932,963	-
Fund Balance June 30	<u>\$ 11,022,308</u>	<u>\$ (148,787)</u>	<u>\$ 10,873,521</u>	<u>\$ 15,342,649</u>	<u>\$ 4,469,128</u>
Recapitulation:					
Restricted Fund Balance:				\$ 975,504	
Excess Surplus - Designated for Subsequent Year's Expenditures				881,413	
Excess Surplus - Current Year				4,225,818	
Capital Reserve				2,596,684	
Maintenance Reserve				1,900,000	
Tuition Reserve Year 2				1,900,000	
Tuition Reserve Year 1				424,732	
Emergency Reserve				409,359	
Unemployment Claims				304,858	
Assigned Fund Balance:					
Year-End Encumbrances				1,724,281	
Unassigned Fund Balance				<u>15,342,649</u>	
General Fund					
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP Basis				(373,846)	
				<u>\$ 14,968,803</u>	

OCEAN CITY SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources	\$ 101,336	\$ 440,912	\$ 542,248	\$ 541,387	\$ (861)
State Sources	714,599	45,418	760,017	573,645	(186,372)
Federal Sources	708,891	470,996	1,179,887	968,661	(211,226)
Total Revenues	1,524,826	957,326	2,482,152	2,083,693	(398,459)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	980,524	(463,418)	517,106	478,359	38,747
Other Salaries for Instruction	90,282	365,488	455,770	451,969	3,801
Purchased Technical Services	10,844	995	11,839	11,839	-
Other Purchased Services (400-500 series)	5,000	170,719	175,719	159,590	16,129
General Supplies	49,309	274,930	324,239	104,048	220,191
Textbooks		5,926	5,926	5,449	477
Other Objects	6,696	1,800	8,496	-	8,496
Total Instruction	1,142,655	356,440	1,499,095	1,211,254	287,841
Support Services:					
Salaries of Other Professional Staff	1,705	3,836	5,541	3,164	2,377
Personal Services - Employee Benefits	203,614	104,483	308,097	290,185	17,912
Maintenance and Facilities	25,915		25,915	25,915	-
Transportation Costs	69,800	64	69,864	33,630	36,234
Travel	2,000		2,000	-	2,000
Other Purchased Services (400-500 series)	29,513	(13,233)	16,280	14,280	2,000
General Supplies	16,709	103,156	119,865	80,289	39,576
Other Objects		380,622	380,622	380,622	-
Total Support Services	349,256	578,928	928,184	802,170	126,014
Facilities Acquisition & Construction Services:					
Other Equipment	32,915	6,079	38,994	37,347	1,647
Instructional Equipment		15,879	15,879	15,879	-
	32,915	21,958	54,873	53,226	1,647
Total Expenditures	1,524,826	957,326	2,482,152	2,066,650	415,502
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 17,043	\$ 17,043

**NOTES TO THE
REQUIRED SUPPLEMENTARY INFORMATION**

**OCEAN CITY SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2021**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

	General Fund	Special Revenue Fund
Sources / inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 47,163,586	2,083,693
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		39
Current Year		(49,836)
Unexpended Preschool Education Aid		12,241
The Final State Aid payment for the Year Ended June 30, 2020 that was delayed until July 2020 was recorded as budgetary revenue for the Year Ended June 30, 2020 but is not recognized under GAAP until the Year Ended June 30, 2021.	332,924	49,820
The Final State Aid payment for the Year Ended June 30, 2021 that was delayed until July 2021 was recorded as budgetary revenue for the Year Ended June 30, 2021 but is not recognized under GAAP until the Year Ended June 30, 2022.	(373,846)	(62,061)
	47,122,664	2,033,896
Uses / outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	45,432,564	2,066,650
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.		
Prior Year		39
Current Year		(49,836)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	\$ 45,432,564	2,016,853

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**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

OCEAN CITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Five Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0501885113%	0.0509699012%	0.0489180950%	0.0477540206%	0.0486599449%	0.0498289421%	0.0500779018%	0.0526741551%
District's proportionate of the net pension liability (asset)	\$ 8,184,434	\$ 9,184,003	\$ 9,631,729	\$ 11,116,373	14,411,680	11,185,801	9,375,953	10,067,078
District's covered payroll	\$ 3,723,615	\$ 3,556,841	\$ 3,565,996	\$ 3,358,182	3,163,872	3,359,550	3,285,998	3,412,544
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	219.80%	258.21%	270.10%	331.02%	455.51%	332.96%	285.33%	295.00%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.
However, information is only currently available for five years.
Additional years will be presented as they become available.

OCEAN CITY SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Five Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	549,037	495,787	486,577	449,645	434,893	428,403	396,889	402,251
Contributions in relation to the contractually required contribution	549,037	495,787	486,577	449,645	434,893	428,403	396,889	402,251
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	3,723,615	3,556,841	3,556,841	3,358,182	3,163,872	3,359,550	3,285,998	3,412,544
Contributions as a percentage of covered-employee payroll	13.38%	13.94%	13.68%	13.39%	13.75%	12.75%	12.08%	11.79%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.
However, information is only currently available for five years.
Additional years will be presented as they become available.

OCEAN CITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Five Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	117,721,033	110,563,731	116,958,003	124,283,696	147,023,848	118,869,177	101,449,991	101,028,085
Total	\$ 117,721,033	\$ 110,563,731	\$ 116,958,003	\$ 124,283,696	147,023,848	118,869,177	101,449,991	101,028,085
District's covered payroll	19,686,835	19,507,858	19,405,802	19,041,624	18,908,829	18,854,793	18,744,812	18,534,219
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.
However, information is only currently available for five years.
Additional years will be presented as they become available.

OCEAN CITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Two Fiscal Years

	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -	-
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 131,488,081	\$ 81,462,941	\$ 93,601,253	\$ 106,770,830	\$ 116,122,206
Total	\$ 131,488,081	\$ 81,462,941	\$ 93,601,253	\$ 106,770,830	\$ 116,122,206
District's covered payroll	\$ 23,410,450	\$ 23,064,699	\$ 22,962,643	\$ 22,399,806	\$ 22,072,701
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:					
Service Cost	2,623,652	2,517,060	2,840,142	3,427,171	
Interest Cost	2,904,520	3,673,271	3,881,200	3,373,453	
Differences between Expected & Actual	22,698,330	(17,116,720)	(6,733,346)		
Changes in Assumptopns	24,018,354	1,214,619	(10,741,212)	(13,770,025)	
Member Contributions	69,383	74,127	86,503	91,064	
Benefit Payments	(2,289,099)	(2,500,669)	(2,502,864)	(2,473,039)	
Change in Total Opeb Liability	50,025,140	(12,138,312)	(13,169,577)	(9,351,376)	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	81,462,941	93,601,253	106,770,830	116,122,206	
Ending Balance	131,488,081	81,462,941	93,601,253	\$ 106,770,830	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	561.66%	353.19%	407.62%	476.66%	

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.

However, information is only currently available for two years.

Additional years will be presented as they become available.

Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for a specific purpose.

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

	Ocean City Education Foundation	Ocean City PTA	Atlanticare Grant	AXALTA All Pro	MAC Grant	NJSIG Safety
REVENUES:						
Local Sources	\$ 376	\$ 1,215	\$ 2,766	\$ 2,000	\$ 1,297	\$ 18,775
State Sources						
Federal Sources						
Total Revenues	<u>376</u>	<u>1,215</u>	<u>2,766</u>	<u>2,000</u>	<u>1,297</u>	<u>18,775</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers			1,000			
Other Salaries for Instruction						
Purchased Technical Services		300			290	
Other Purchased Services (400-500 series)		915	1,766	2,000	1,007	
General Supplies	376					
Textbooks						
Total Instruction	<u>376</u>	<u>1,215</u>	<u>2,766</u>	<u>2,000</u>	<u>1,297</u>	<u>-</u>
Support Services:						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits						
Other Purchased Services (400-500 series)						
Transportation Costs						
General Supplies						11,696
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,696</u>
Capital Outlay:						
Instructional Equipment						
Non-Instructional Equipment						7,079
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,079</u>
Total Expenditures	<u>376</u>	<u>1,215</u>	<u>2,766</u>	<u>2,000</u>	<u>1,297</u>	<u>18,775</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	AAD Shade Structure	We Rock Music Grant	OC Gardens Civic Assoc.	BASF Science	WSSC Health	OCNJ Care
REVENUES:						
Local Sources	\$ 8,000	\$ 490	\$ 4,351	\$ 163	\$ 2,449	\$ 504
State Sources						
Federal Sources						
Total Revenues	<u>8,000</u>	<u>490</u>	<u>4,351</u>	<u>163</u>	<u>2,449</u>	<u>504</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction						
Purchased Technical Services						
Other Purchased Services (400-500 series)			3,551	163	949	
General Supplies						
Textbooks						
Total Instruction	<u>-</u>	<u>-</u>	<u>3,551</u>	<u>163</u>	<u>949</u>	<u>-</u>
Support Services:						
Salaries of Other Professional Staff					1,500	
Personal Services - Employee Benefits						
Other Purchased Services (400-500 series)						
Transportation Costs						
General Supplies		490				504
Total Support Services	<u>-</u>	<u>490</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>504</u>
Capital Outlay:						
Instructional Equipment	8,000		800			
Non-Instructional Equipment	8,000		800			
Total Capital Outlay	<u>8,000</u>	<u>490</u>	<u>4,351</u>	<u>163</u>	<u>2,449</u>	<u>504</u>
Total Expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Non Public Textbook Aid	Non Public Technology Aid	NonPublic Security and Maint. Aid	Title I Part A	I.D.E.A. Part B	I.D.E.A. Preschool
REVENUES:						
Local Sources	\$ 5,449	\$ 3,718	\$ 15,086	247,241	548,645	15,288
State Sources						
Federal Sources						
Total Revenues	5,449	3,718	15,086	247,241	548,645	15,288
EXPENDITURES:						
Instruction:						
Salaries of Teachers				165,215	361,686	10,699
Other Salaries for Instruction						
Purchased Technical Services					159,000	
Other Purchased Services (400-500 series)		3,718		10,529		
General Supplies	5,449					
Textbooks						
Total Instruction	5,449	3,718	-	175,744	520,686	10,699
Support Services:						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits				71,497	27,959	4,589
Other Purchased Services (400-500 series)						
Transportation Costs			15,086			
General Supplies						
Total Support Services	-	-	15,086	71,497	27,959	4,589
Capital Outlay:						
Instructional Equipment						
Non-Instructional Equipment						
Total Capital Outlay	-	-	-	-	-	-
Total Expenditures	5,449	3,718	15,086	247,241	548,645	15,288
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Title III Immigrant	Title II	Title IV	CARES Act	Corona Virus Relief Fund	Preschool Education
REVENUES:						
Local Sources	\$	\$	\$	\$	\$	\$
State Sources						101,336
Federal Sources	1,251	12,445	18,569	52,397	72,825	549,392
Total Revenues	<u>1,251</u>	<u>12,445</u>	<u>18,569</u>	<u>52,397</u>	<u>72,825</u>	<u>650,728</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	832			3,136		297,477
Other Salaries for Instruction			11,839			90,283
Purchased Technical Services						
Other Purchased Services (400-500 series)			5,440	28,505	33,199	11,930
General Supplies						
Textbooks						
Total Instruction	<u>832</u>	<u>-</u>	<u>17,279</u>	<u>31,641</u>	<u>33,199</u>	<u>399,690</u>
Support Services:						
Salaries of Other Professional Staff	320			1,344		
Personal Services - Employee Benefits	88			343		185,709
Other Purchased Services (400-500 series)		12,445	1,290	545		
Transportation Costs						
General Supplies	11			18,524	33,547	33,630
Other Objects						431
Total Support Services	<u>419</u>	<u>12,445</u>	<u>1,290</u>	<u>20,756</u>	<u>33,547</u>	<u>219,770</u>
Capital Outlay:						
Instructional Equipment					6,079	31,268
Non-Instructional Equipment						
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,079</u>	<u>31,268</u>
Total Expenditures	<u>1,251</u>	<u>12,445</u>	<u>18,569</u>	<u>52,397</u>	<u>72,825</u>	<u>650,728</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Primary School Activities	Intermediate School Activities	High School School Activities	High School Red & White Account	Scholarship Funds	Totals 2021
REVENUES:						
Local Sources	\$ 614	\$ 3,782	\$ 230,893	\$ 44,676	\$ 117,700	\$ 541,387
State Sources						573,645
Federal Sources						968,661
Total Revenues	<u>614</u>	<u>3,782</u>	<u>230,893</u>	<u>44,676</u>	<u>117,700</u>	<u>2,083,693</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						478,359
Other Salaries for Instruction						451,969
Purchased Technical Services						11,839
Other Purchased Services (400-500 series)						159,590
General Supplies						104,048
Textbooks						5,449
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,211,254</u>
Support Services:						
Salaries of Other Professional Staff						3,164
Personal Services - Employee Benefits						290,185
Other Purchased Services (400-500 series)						14,280
Transportation Costs						33,630
General Supplies	704	7,580	218,726	48,401	105,211	80,289
Other Objects						380,622
Total Support Services	<u>704</u>	<u>7,580</u>	<u>218,726</u>	<u>48,401</u>	<u>105,211</u>	<u>802,170</u>
Capital Outlay:						
Instructional Equipment						37,347
Non-Instructional Equipment						15,879
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,226</u>
Total Expenditures	<u>704</u>	<u>7,580</u>	<u>218,726</u>	<u>48,401</u>	<u>105,211</u>	<u>2,066,650</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ (90)</u>	<u>\$ (3,798)</u>	<u>\$ 12,167</u>	<u>\$ (3,725)</u>	<u>\$ 12,489</u>	<u>\$ 17,043</u>

**OCEAN CITY SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2021**

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 309,980	\$ 297,477	\$ 12,503
Other Salaries for Instruction	90,292	90,283	9
General Supplies	54,309	11,930	42,379
Other Objects	6,696		6,696
Total Instruction	461,277	399,690	61,587
Support Services:			
Salaries of Other Professional Staff	1,705		1,705
Maintenance and Facilities	25,915		25,915
Transportation Costs	69,800	33,630	36,170
Travel	2,000		2,000
Personal Services - Employee Benefits	203,614	185,709	17,905
Miscellaneous Purchased Services	2,000		2,000
Supplies	16,709	431	16,278
Total Support Services	321,743	219,770	101,973
Facilities Acquisition and Construction Services			
Instructional Equipment	32,915	31,268	1,647
Total Facilities Acquisition and Construction Ser.	32,915	31,268	1,647
Total Expenditures	\$ 815,935	\$ 650,728	\$ 165,207

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2020-21 Preschool Aid Allocation	\$ 658,684
Adjustments	
Add: Actual ECPA Carryover June 30, 2020	77,080
Add: Budgeted Transfer from the General Fund	101,336
Total Preschool Education Aid Funds Available for 2020-21 Budget	837,100
Less: 2020-21 Budgeted Preschool Education Aid	(815,935)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	21,165
Add: June 30, 2021 Unexpended Preschool Education Aid	165,207
2020-21 Actual Carryover - Preschool Education Aid	\$ 186,372
2020-21 Preschool Education Aid Carryover Budgeted for 2021-22	\$ 22,165

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.

OCEAN CITY SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2021

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance June 30, 2020	Decreased	Balance June 30, 2021
			Date	Amount	June 30, 2021				
Various Improvement and Renovations to Primary School	5/15/2014	2,497,000	5/15/2022	300,000	2.200%	\$ 1,242,000	\$ 290,000	\$ 952,000	
			5/15/2023	315,000	2.250%				
			5/15/2024	337,000	2.250%				
Refunding Bonds, Series 2016	3/23/2016	10,580,000	4/1/2022	1,895,000	5.000%	3,815,000	1,920,000	1,895,000	
						<u>\$ 5,057,000</u>	<u>\$ 2,210,000</u>	<u>\$ 2,847,000</u>	

OCEAN CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,427,820		\$ 2,427,820	\$ 2,427,820	\$ -
Total - Local Sources	2,427,820	-	2,427,820	2,427,820	-
Total Revenues	2,427,820	-	2,427,820	2,427,820	-
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal	2,210,000		2,210,000	2,210,000	-
Interest on Bonds	217,820		217,820	217,820	-
Total Regular Debt Service	2,427,820	-	2,427,820	2,427,820	-
Total Expenditures	2,427,820	-	2,427,820	2,427,820	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

Statistical Section

Ocean City School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	25,982,531	24,960,564	25,325,131	30,286,131	29,965,203	29,508,699	30,527,203	32,011,980	33,165,003	31,030,741
Restricted	9,333,567	10,372,280	9,962,939	11,511,538	10,749,296	13,676,641	13,638,351	12,180,126	12,430,922	13,700,740
Unrestricted	(2,109,267)	(503,206)	1,707,816	(10,731,619)	(10,961,009)	(10,244,404)	(10,008,030)	(10,418,148)	(10,396,046)	(11,309,464)
Total governmental activities net position	33,206,831	34,829,638	36,995,886	31,066,050	29,753,490	32,940,936	34,157,624	33,773,958	35,199,679	33,422,017
Business-type activities										
Net investment in capital assets	94,197	81,337	75,268	76,004	73,471	66,247	51,335	36,424	21,510	6,510
Restricted	29,461	(72,991)	(90,990)	24,756	24,651	40,214	(44,848)	(34,571)	(18,015)	(3,526)
Unrestricted	123,658	8,346	(15,722)	100,760	98,122	106,461	6,487	1,853	3,495	2,984
Total business-type activities net position	123,658	8,346	(15,722)	100,760	98,122	106,461	6,487	1,853	3,495	2,984
District-wide										
Net investment in capital assets	26,076,728	25,041,901	25,400,399	30,362,135	30,038,674	29,574,946	30,578,538	32,048,404	33,186,513	31,037,251
Restricted	9,333,567	10,372,280	9,962,939	11,511,538	10,749,296	13,676,641	13,638,351	12,180,126	12,430,922	13,700,740
Unrestricted	(2,079,806)	(576,197)	1,616,826	(10,708,663)	(10,936,359)	(10,204,130)	(10,032,816)	(10,432,719)	(10,414,061)	(11,312,980)
Total district net position	33,330,488	34,837,984	36,980,164	31,166,810	29,651,612	33,047,339	34,164,011	33,775,811	35,203,374	33,422,017

Source: CAFR Schedule A-1

**Ocean City School District
Changes in Net Position,
Last Ten Fiscal Years**
(accrual basis of accounting)

Exhibit J-2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
Instruction:										
Regular	18,690,896	20,028,740	18,890,343	22,589,476	24,471,530	27,896,281	27,854,480	24,766,065	24,287,368	26,249,944
Special education	4,654,783	4,750,874	4,699,907	5,696,127	5,630,676	5,679,421	6,367,863	6,180,546	6,348,878	6,870,487
Other special education	1,991,674	1,982,505	1,926,487	2,448,933	2,688,661	3,186,396	3,164,497	2,785,276	2,574,867	2,491,045
Support Services:										
Tuition	386,510	304,527	329,485	275,748	329,177	391,950	246,014	393,866	392,526	239,258
Student & instruction related services	4,747,828	4,997,511	4,726,324	5,159,198	5,674,487	6,039,999	6,801,685	6,212,947	6,551,418	7,811,429
School administrative services	1,806,159	1,921,997	1,782,691	1,879,058	1,770,714	1,894,831	2,015,126	1,917,279	1,902,113	2,254,335
General Administration and Business Services	1,573,079	1,664,901	1,914,406	1,805,596	1,917,200	1,868,475	1,915,194	2,106,104	1,964,974	2,218,992
Plant operations and maintenance	4,252,785	4,917,742	5,049,216	4,838,006	10,305,036	6,484,717	6,994,299	7,767,795	6,124,273	11,790,830
Pupil transportation	867,421	944,321	1,209,151	896,924	904,599	994,939	1,278,994	1,080,053	974,617	886,400
Special schools	13,506	-	-	9,904	-	18,909	-	30,300	42,726	-
Charter Schools	62,899	42,374	3,716	9,904	29,937	18,909	31,025	30,300	42,726	18,584
Interest on long-term debt	964,837	998,171	971,712	772,318	1,863,992	230,574	115,067	11,712	(114,537)	(235,024)
Unallocated depreciation	20,151	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	40,002,527	42,553,663	41,503,438	46,371,288	55,786,009	54,686,492	56,784,244	53,251,643	51,049,223	60,596,280
Business-type activities:										
Food service	698,153	697,500	618,209	642,339	668,641	684,952	715,381	709,751	652,456	656,757
Total business-type activities expenses	698,153	697,500	618,209	642,339	668,641	684,952	715,381	709,751	652,456	656,757
Total district expenses	40,700,680	43,251,163	42,121,647	47,013,627	56,454,650	55,351,444	57,499,625	53,961,394	51,701,679	61,253,037
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	13,602,146	12,922,719	10,959,443	10,458,451	12,844,272	13,142,586	11,698,989	11,286,716	11,443,060	11,172,968
Operating grants and contributions	5,042,105	5,974,914	4,388,293	5,571,884	7,242,136	10,574,091	10,892,792	6,770,739	3,879,021	8,813,291
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	18,644,251	18,897,633	15,347,736	16,030,335	20,086,408	23,716,677	22,591,781	18,057,455	15,322,081	19,986,259
Business-type activities:										
Charges for services:										
Food service	410,868	330,862	365,440	375,574	333,789	348,753	344,878	362,142	240,540	45,729
Operating grants and contributions	244,308	201,130	228,236	243,342	244,501	235,699	218,497	215,701	209,278	362,335
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenue	655,175	531,993	593,676	618,916	578,290	584,452	563,375	577,843	449,818	428,064
Total district program revenue	19,299,426	19,429,626	15,941,412	16,649,251	20,664,698	24,301,129	23,155,156	18,635,298	15,771,899	20,414,323
Net (Expense)/Revenue										
Governmental activities	(21,358,276)	(23,656,030)	(26,155,702)	(30,340,953)	(35,699,601)	(30,949,815)	(34,192,463)	(35,194,188)	(35,727,142)	(40,610,021)
Business-type activities	(42,978)	(165,507)	(24,533)	(23,423)	(90,351)	(100,500)	(152,006)	(131,908)	(202,638)	(228,693)
Total district-wide net expense	(21,401,254)	(23,821,537)	(26,180,235)	(30,364,376)	(35,789,952)	(31,050,315)	(34,344,469)	(35,326,096)	(35,929,780)	(40,838,714)

**Ocean City School District
Changes in Net Position,
Last Ten Fiscal Years**
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	21,640,721	21,640,721	21,640,721	21,965,332	21,965,332	22,080,211	22,382,710	22,612,380	22,734,817	23,189,513
Taxes levied for debt service	2,613,155	2,631,863	2,640,851	2,716,545	2,591,509	2,708,516	2,752,945	2,641,073	2,804,505	2,427,820
Unrestricted grants and contributions	372,949	941,644	3,312,246	9,129,118	9,536,554	9,101,521	9,949,955	9,392,318	11,715,743	12,524,078
Investment earnings	22,449	11,979	12,895	8,489	9,807	3,003	3,000	3,000	3,000	3,000
Miscellaneous income	111,907	104,917	718,090	386,821	364,639	344,010	370,442	281,850	243,742	146,812
Special item - Loss on Disposal of Capital Assets										
Extraordinary item - Loss of Sale of Securities		(2,287)	(3,275)	(125,000)	(75,000)	(100,000)	(50,000)	(120,000)	(348,743)	(220,000)
Extraordinary item - Loss on Refunding Bonds		(50,000)								
Transfers	(50,000)	25,278,837	28,321,528	34,081,305	34,387,041	34,137,261	35,409,052	34,810,621	37,153,064	38,073,223
Total governmental activities	24,711,181	25,278,837	28,321,528	34,081,305	34,387,041	34,137,261	35,409,052	34,810,621	37,153,064	38,073,223
Business-type activities:										
Investment earnings	266	195	465	522	804	1,151	2,032	7,273	19,280	8,182
Transfers	50,000	50,000	-	125,000	75,000	100,000	50,000	120,000	185,000	220,000
Loss on Disposal of Capital Assets										
Total business-type activities	50,266	50,195	465	125,522	87,713	108,639	52,032	127,273	204,280	228,182
Total district-wide	24,761,447	25,329,032	28,321,993	34,206,827	34,474,754	34,246,100	35,461,084	34,937,894	37,357,344	38,301,405
Changes in Net Position	3,352,905	1,622,807	2,165,826	3,740,352	(1,312,560)	3,187,446	1,216,589	(363,567)	1,425,922	(2,536,798)
Governmental activities	7,288	(115,312)	(24,068)	102,099	(2,638)	8,339	(89,974)	(4,634)	1,642	(511)
Business-type activities	3,360,193	1,507,495	2,141,758	3,842,451	(1,315,198)	3,195,785	1,116,615	(388,201)	1,427,564	(2,537,309)
Total district										

Source: CAFR Schedule A-2

Ocean City School District
 Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2011	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	2,767,494	3,004,924	2,668,937	2,879,983	3,651,712	4,095,915	2,872,685	1,791,842	1,837,759	1,856,917
Committed	3,222,684	6,695,262	4,492,672	4,980,502	6,633,502	9,571,502	10,738,234	10,466,234	10,644,234	11,456,593
Assigned	142,896	324,779	2,103,548	95,002	203,125	346,587	703,768	95,501	82,350	304,858
Unassigned	689,972	572,865	458,858	477,009	476,685	504,573	580,027	658,336	646,947	1,737,665
Reserved										
Unreserved										
Total general fund	6,823,046	10,597,830	9,724,015	8,432,496	10,965,024	14,518,577	14,894,714	13,011,913	13,211,290	15,356,033
All Other Governmental Funds										
Restricted:										
Reported in Capital Projects Fund	359,217	347,022	3,480,161	(659,792)	541,895	-	-	-	-	-
Reported in Debt Service Fund	8	293	333,680	29,835	31,095	131,642	-	-	-	-
Committed:										
Reported in Capital Projects Fund	20,000	-	-	-	-	-	-	-	-	-
Assigned										
Unassigned										
Reserved										
Unreserved, reported in:										
Special revenue fund										
Capital projects fund										
Debt service fund										
Total all other governmental funds	379,225	347,315	3,813,841	(629,957)	572,990	131,642	-	-	-	-

Source: CAFR Schedule B-1

Exhibit J-4

Ocean City School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	23,862,118	24,272,584	24,281,572	24,681,877	24,556,841	24,788,727	25,135,655	25,253,453	25,539,322	25,617,333
Tuition charges	13,959,021	12,922,719	10,959,443	10,458,451	12,642,622	13,344,236	11,698,989	11,286,716	11,443,060	11,172,968
Interest earnings	65,887	11,979	12,895	8,489	3,807	3,003	3,000	3,000	3,000	3,000
Miscellaneous	294,365	185,611	773,196	456,380	397,395	423,151	427,788	419,536	480,701	576,977
State sources	3,349,730	6,027,668	6,794,166	9,103,271	9,527,934	9,103,175	9,932,520	11,041,953	11,526,964	13,116,422
Federal sources	1,054,462	808,195	851,267	1,085,993	970,913	946,449	865,983	944,267	931,799	996,344
Total revenue	42,585,583	44,228,757	43,672,539	45,794,461	48,099,512	48,608,741	48,063,935	48,948,925	49,924,846	51,483,044
Expenditures										
Instruction:										
Regular instruction	13,811,632	14,179,593	14,084,865	14,033,484	14,073,893	14,025,129	14,423,227	14,568,061	14,651,927	14,270,607
Special education instruction	3,561,120	3,495,186	3,521,092	3,538,661	3,353,297	3,297,041	3,300,708	3,635,562	3,830,110	3,735,098
Other special education instruction	1,600,474	1,441,084	1,443,292	1,521,375	1,546,283	1,591,937	1,638,687	1,638,373	1,553,349	1,354,240
Support Services:										
Tuition	135,328	304,527	254,820	275,748	329,177	391,950	246,014	393,566	392,526	239,258
Student & instruction related services	3,763,095	3,611,511	3,540,884	3,753,069	3,859,313	3,970,868	4,221,073	4,168,414	4,355,393	4,764,893
General administrative services	641,089	730,877	816,184	721,212	713,854	689,299	781,971	805,128	709,429	849,157
School administrative services	1,325,203	1,356,087	1,335,563	1,366,924	1,204,293	1,231,716	1,250,737	1,286,348	1,264,528	1,382,921
Business administrative/central services	533,812	577,858	571,873	582,272	590,067	525,285	544,842	605,182	596,889	504,407
Plant operations and maintenance	3,393,675	3,760,381	3,718,281	3,694,793	4,039,104	3,968,071	4,051,877	4,707,207	4,236,018	4,388,453
Pupil transportation	876,972	931,832	905,876	896,924	904,599	994,939	1,056,835	1,084,115	974,617	886,400
Unallocated employee benefits	8,383,266	9,645,095	8,846,788	9,407,182	10,109,116	11,089,634	12,323,420	13,559,855	13,525,570	14,679,473
Special schools	11,745	-	-	9,904	29,937	18,909	31,025	30,300	42,726	18,584
Charter schools	52,159	42,374	3,716	9,904	29,937	18,909	31,025	30,300	42,726	18,584
Capital outlay	7,018,218	524,570	1,892,953	4,443,842	5,068,559	851,891	1,014,437	1,537,867	489,814	405,926
Debt service:										
Principal	1,555,000	1,720,000	1,805,000	1,895,000	2,210,000	2,170,000	2,255,000	2,350,000	2,484,000	2,210,000
Interest and other charges	1,053,793	911,863	836,063	797,280	714,655	568,351	499,205	421,455	320,505	217,820
Total Expenditures	47,716,581	43,232,839	43,577,250	46,947,670	48,746,147	45,385,020	47,639,058	50,791,433	49,427,401	49,877,237
Excess (Deficiency) of revenues over (under) expenditures	(5,130,998)	995,918	95,289	(1,153,209)	(646,635)	3,223,721	424,877	(1,842,508)	497,445	1,605,807
Other Financing Sources (Uses)										
Transfer in	36,578	81	1,435,096	661,081	400,807	530,382	-	-	-	101,336
Transfer out	(36,578)	(50,081)	(1,435,096)	(786,081)	(475,807)	(630,382)	(50,000)	(120,000)	(348,743)	(321,336)
Bond Proceeds	-	-	2,497,422	-	-	-	-	-	-	-
Grant Revenue	-	-	-	-	-	-	-	-	-	-
Cancelled Prior Year Payable	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(50,000)	2,497,422	(125,000)	(75,000)	(100,000)	(50,000)	(120,000)	(348,743)	(220,000)
Extraordinary Item										
Loss on Sale of Securities	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	(5,130,998)	945,918	2,592,711	(1,278,209)	(721,635)	3,123,721	374,877	(1,962,508)	148,702	1,385,807
Debt service as a percentage of noncapital expenditures	6.41%	6.16%	6.34%	6.33%	6.70%	6.15%	5.91%	5.63%	5.73%	4.91%

Source: CAFR Schedule B-2

Ocean City School District
 General Fund Other Local Revenue by Source,
 Last Ten Fiscal Years
 (Unaudited)

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Adjustments	Refunds/ Rebates	ERATE	Miscellaneous	Totals
2012	\$ 22,238	\$ -	\$ 50,555	\$ -	\$ 61,352	\$ 134,145
2013	11,898		74,014		30,903	116,815
2014	12,429				718,090	730,519
2015	3,000				386,821	389,821
2016	3,000				364,839	367,839
2017	3,000				355,526	358,526
2018	3,000				370,442	373,442
2019	78,443				206,407	284,850
2020	3,000				243,742	246,742
2021	83,844	36,247	21,456	8,359	1,906	151,812

Source: District Records

Ocean City School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	County Equalized Value
2012	157,997,800	11,417,205,300	541,596,800	733,300	49,640,800	12,167,174,000	-	4,615,847	12,171,789,847	0.200	11,618,651,176
2013	134,356,700	10,627,028,800	504,758,500	733,300	45,772,100	11,312,649,400	-	3,792,665	11,316,442,065	0.215	10,846,162,015
2014	181,287,700	10,453,740,400	498,012,200	733,300	44,750,900	11,178,524,500	-	2,984,429	11,181,508,929	0.221	11,313,881,341
2015	186,321,900	10,563,070,500	499,505,300	733,300	43,872,100	11,293,503,100	-	3,010,198	11,296,513,298	0.218	11,430,247,190
2016	160,014,800	10,734,629,900	495,865,000	733,300	43,206,000	11,434,449,000	-	2,873,724	11,437,322,724	0.217	11,572,723,590
2017	162,585,800	10,848,470,000	499,578,900	733,300	42,637,800	11,554,005,800	-	2,812,574	11,556,818,374	0.218	11,693,633,891
2018	148,185,400	10,992,102,900	507,123,200	733,300	41,457,500	11,689,602,300	-	2,842,086	11,692,444,386	0.237	11,830,865,512
2019	137,565,900	11,134,348,800	512,008,800	733,300	41,110,000	11,825,766,800	-	-	11,825,766,800	0.216	11,965,766,265
2020	171,193,900	11,216,491,300	503,633,900	733,300	41,110,000	11,933,162,400	-	-	11,933,162,400	0.215	12,074,433,269
2021	N/A	N/A	N/A	N/A	N/A	12,122,593,100	-	-	12,122,593,100	0.215	13,800,766,280

Source: County Abstract of Ratables & Municipal Tax Assessor

Ocean City School District
 Direct and Overlapping Property Tax Rates,
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Ocean City School District			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	Municipal Library	Municipal Local Purpose	
2012	\$ 0.194	\$ 0.021	\$ 0.215	\$ 0.196	\$ 0.010	\$ 0.035	\$ 0.386	\$ 0.842
2013	0.192	0.023	0.215	0.196	0.010	0.035	0.386	0.842
2014	0.197	0.024	0.221	0.214	0.011	0.035	0.401	0.882
2015	0.195	0.023	0.218	0.222	0.011	0.034	0.410	0.895
2016	0.194	0.023	0.217	0.225	0.011	0.034	0.420	0.907
2017	0.195	0.023	0.218	0.230	0.011	0.035	0.449	0.943
2018	0.213	0.024	0.237	0.237	0.011	0.035	0.459	0.979
2019	0.194	0.022	0.216	0.244	0.011	0.036	0.460	0.967
2020	0.191	0.024	0.215	0.253	0.012	0.037	0.461	0.978
2021	0.195	0.020	0.215	0.268	0.012	0.038	0.472	1.005

Source: District Records and Municipal Tax Collector

Exhibit J-8

Ocean City School District
Principal Property Tax Payers,
Current Year and Nine Years Ago

Taxpayer	2021				2012			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		
Gilamco, Inc.	\$ 12,712,800	1	0.11%	\$ 15,766,600	2	0.13%		
Berman H & 1200 Boardwalk Shop	11,806,100	2	0.10%	11,806,100	4	0.10%		
Port-O-Call Associates	10,457,700	3	0.09%	11,800,000	5	0.10%		
Magton, Inc.	9,856,900	4	0.08%	18,033,900	1	0.15%		
OC Bwalk Holdings, LLC	8,933,700	5	0.07%					
JMCK Properties, LLC	7,452,100	6	0.06%					
Raab Family, LLC	7,300,000	7	0.06%	15,759,500	3	0.13%		
YFP Ocean City LLC	6,800,000	8	0.06%					
Individual Taxpayer #1	6,368,000	9	0.05%					
OC 34 Associates, LLC.	6,249,000	10	0.05%					
Berman Properties, LLC.				10,345,200	6	0.08%		
Individual Taxpayer #2				9,794,700	7	0.08%		
Gillian Brothers, Inc.				9,634,100	8	0.08%		
Holloway, et. al.				9,567,200	9	0.08%		
Sports Development, Inc.				8,691,800	10	0.07%		
Totals	\$ 87,936,300		0.74%	\$ 121,199,100		1.00%		
			District Assessed Value				\$ 12,171,789,847	

Source: District CAFR & Municipal Tax Assessor

**Ocean City School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	24,253,876	24,253,876	100%	-
2013	24,272,584	21,403,654	88%	2,850,222.00
2014	24,281,572	24,281,572	100%	-
2015	24,681,877	24,681,877	100%	-
2016	24,556,841	24,556,841	100%	-
2017	24,788,727	24,788,727	100%	-
2018	25,135,655	25,135,655	100%	-
2019	25,253,453	25,253,453	100%	-
2020	25,539,322	25,539,322	100%	-
2021	25,617,333	25,617,333	100%	-

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

**Ocean City School District
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	* Debt Per Capita
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
2012	\$ 20,614,000			\$ 20,614,000	3.97%	1,776
2013	18,894,000			18,894,000	3.48%	1,635
2014	19,586,000			19,586,000	3.52%	1,715
2015	17,691,000			17,691,000	3.15%	1,561
2016	14,316,000			14,316,000	2.46%	1,268
2017	12,146,000			12,146,000	2.00%	1,080
2018	9,891,000			9,891,000	1.58%	886
2019	7,541,000			7,541,000	1.18%	684
2020	5,057,000			5,057,000	0.76%	461
2021	2,847,000			2,847,000	0.42%	261

Source: District CAFR Schedules I-1, I-2

* = Per Capital Income data presented is for the entire County of Cape May, not only the City of Ocean City.

**Ocean City School District
 Ratios of Net General Bonded Debt Outstanding,
 Last Ten Fiscal Years**

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	* Per Capita Personal Income
	General Obligation Bonds	Deductions			
2012	23,700,000	-	23,700,000	0.19%	44,690
2013	18,894,000	-	18,894,000	0.17%	46,934
2014	19,586,000	-	19,586,000	0.18%	48,772
2015	17,691,000	-	17,691,000	0.16%	49,561
2016	14,316,000	-	14,316,000	0.13%	51,478
2017	12,146,000	-	12,146,000	0.11%	54,054
2018	9,891,000	-	9,891,000	0.08%	56,059
2019	7,541,000	-	7,541,000	0.06%	58,019
2020	5,057,000	-	5,057,000	0.04%	60,264
2021	2,847,000	-	2,847,000	0.02%	62,734

Source: School District records; New Jersey Department of Labor and Workforce Development.

* = Per Capital Income data presented is for the entire County of Cape May, not only the City of Ocean City.

**Ocean City School District
 Direct and Overlapping Governmental Activities Bonded Debt,
 As of December 31, 2020 for overlapping debt**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
City of Ocean City	\$ 169,194,316	100.00%	\$ 169,194,316
Other Debt			
County of Cape May	310,626,093	24.08%	74,790,296
Subtotal, Overlapping Debt			243,984,612
City of Ocean City School District Direct Debt			5,057,000
Total Direct and Overlapping Debt			\$ 249,041,612

Sources: City of Ocean City, County of Cape May.

Ocean City School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Exhibit J-13

Equalized valuation basis	
2020	\$ 13,585,112,022
2019	13,064,258,506
2018	12,496,902,181
	<u>\$ 39,146,272,709</u>

Average equalized valuation of taxable property \$ 13,048,757,570

Debt limit (4% of average)	521,950,303
Net bonded school debt	2,847,000
Legal debt margin	<u>\$ 519,103,303</u>

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 507,250,828	\$ 488,327,706	\$ 481,306,487	\$ 461,272,824	\$ 461,213,038	\$ 468,116,385	\$ 477,103,736	\$ 488,603,888	\$ 503,267,665	\$ 521,950,303
Total net debt applicable to limit	20,614,000	18,894,000	19,586,000	17,691,000	14,316,000	12,146,000	9,891,000	7,541,000	5,057,000	2,847,000
Legal debt margin	\$ 486,636,828	\$ 469,433,706	\$ 461,720,487	\$ 443,581,824	\$ 446,897,038	\$ 455,972,385	\$ 467,212,736	\$ 481,062,888	\$ 498,210,665	\$ 519,103,303

Total net debt applicable to the limit
 as a percentage of debt limit

	4.06%	3.87%	4.07%	3.84%	3.10%	2.59%	2.07%	1.54%	1.00%	0.55%
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Source: Abstract of Ratables and District Records CAFR Schedule J-7

**Ocean City School District
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Exhibit J-14

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2012	11,607	518,716,830	44,690	9.8%
2013	11,555	542,322,370	46,934	9.8%
2014	11,421	557,025,012	48,772	11.1%
2015	11,334	561,724,374	49,561	11.1%
2016	11,286	580,980,708	51,478	7.1%
2017	11,251	608,161,554	54,054	6.6%
2018	11,158	625,506,322	56,059	5.6%
2019	11,029	639,891,551	58,019	4.7%
2020	10,981	661,758,984	60,264	4.2%
2021	10,902	683,926,068	62,734	10.5%

Source: New Jersey Department of Labor and Workforce Development.
Income is for Cape May County

Exhibit J-15

Ocean City School District
Principal Employers,
Current Year and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ocean City Board of Education				370	1	35.92%
City of Ocean City				284	2	27.57%
Methodist Homes for the Aged				100	3	9.71%
Super Fresh Market				86	4	8.35%
Port-O-Call Hotel				45	5	4.37%
Perry-Egan Chevrolet				39	6	3.79%
Acme Markets				36	7	3.50%
Ford Scott & Associates				35	8	3.40%
McDonald's Restaurant				35	9	3.40%
Totals	-		0.00%	1,030		100.00%

Information not available

Source: District Records (2021) and City of Ocean City (2021)

**Ocean City School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit J-16

<u>Function/Program</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction:	145.0	138.0	138.0	138.0	153.0	152.4	151.4	151.0	141.0	144.0
Regular instruction	49.0	45.3	45.3	45.3	45.3	45.7	43.6	46.0	44.0	44.0
Other instruction	60.0	49.4	49.4	49.4	34.4	36.0	42.6	42.6	55.0	53.0
Support Services:	3.0	3.0	3.0	3.0	3.0	5.0	5.0	5.0	5.0	6.0
Student & instruction related services	16.0	17.0	17.0	17.0	16.0	14.0	14.0	14.0	14.0	12.0
General administrative services	6.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0	6.0	6.0
School administrative services	41.0	35.0	35.0	35.0	35.0	35.0	35.0	37.0	37.0	37.0
Business administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance										
Pupil transportation										
Food Service										
Total	321.0	295.7	295.7	295.7	294.7	296.1	299.6	302.6	303.0	303.0

Source: District Personnel Records

Ocean City School District
Operating Statistics,
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2012	2,034.0	37,696,873	18,533	-0.30%	190.0	9.6:1	9.6:1	11.6:1	1,967	0.63%	95.25%	
2013	2,089.0	39,039,518	18,688	0.84%	193.0	10.1:1	9.7:1	11.0:1	1,977	0.00%	95.74%	
2014	2,095.0	39,043,234	18,636	-0.28%	183.0	10.9:1	10.8:1	11.8:1	1,979	1.31%	94.60%	
2015	2,151.0	39,811,546	18,508	-0.69%	183.0	10.9:1	10.9:1	11.6:1	2,025	2.53%	94.41%	
2016	2,144.0	40,752,933	19,008	2.70%	183.0	10.9:1	10.9:1	11.6:1	1,977	-0.93%	93.04%	
2017	2,129.0	41,794,778	19,631	3.28%	183.0	10.9:1	10.9:1	11.6:1	2,030	0.14%	95.39%	
2018	2,130.0	47,317,461	22,215	13.16%	182.0	10.9:1	10.9:1	12.7:1	2,008	-0.09%	94.45%	
2019	2,099.0	46,090,356	21,958	-1.15%	180.0	10.9:1	10.9:1	12.7:1	2,059	1.74%	95.19%	
2020	2,107.0	46,133,082	21,895	-0.29%	181.0	11.0:1	11.0:1	12.0:1	2,039	-2.40%	96.59%	
2021	2,045.0	47,043,491	23,004	5.07%	182.0	10.0:1	11.0:1	12.0:1	1,978	-3.13%	0.9%	

Source: District records, ASSA and Schedules J-12, J-14

Ocean City School District
 School Building Information,
 Last Ten Fiscal Years

Exhibit J-18

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Buildings</u>										
<u>Elementary</u>										
Ocean City Primary School	60,031	60,031	60,031	60,031	60,031	60,031	60,031	60,031	60,031	60,031
Square Feet	461	461	461	461	461	461	461	461	461	461
Capacity (students)	344	394	394	394	441	361	347	321	321	307
Enrollment										
<u>Middle School</u>										
Ocean City Intermediate School	102,448	102,448	102,448	102,448	102,448	102,448	102,448	102,448	102,448	102,448
Square Feet	707	707	707	707	707	707	707	707	707	707
Capacity (students)	465	477	485	485	451	533	529	537	537	470
Enrollment										
<u>High School</u>										
Ocean City High School	232,770	232,770	232,770	232,770	232,770	232,770	232,770	232,770	232,770	232,770
Square Feet	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338	1,338
Capacity (students)	1,255	1,228	1,216	1,216	1,252	1,235	1,254	1,241	1,241	1,268
Enrollment										

Number of Schools at June 30, 2021
 Elementary - 1
 Middle - 1
 High School - 1

Source: District Records, ASSA

Ocean City School District
 General Fund
 Schedule of Required Maintenance for School Facilities,
 Last Ten Fiscal Years
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Ocean City Primary School	N/A	70,889	36,205	83,779	54,439	84,915	75,163	107,239	324,566	126,439	78,854
Ocean City Intermediate School	N/A	130,825	175,978	247,406	226,432	211,416	193,022	242,359	303,474	312,343	222,639
Ocean City High School	N/A	335,213	706,247	381,647	466,045	416,587	320,135	388,325	511,208	482,361	351,229
Total School Facilities		536,927	918,429	712,832	746,916	712,918	588,320	737,923	1,139,248	921,143	652,722
Other Facilities		116,341									167,033
Grand Total		653,268	918,429	712,832	746,916	712,918	588,320	737,923	1,139,248	921,143	819,755

Source: District Records

**Ocean City School District
Insurance Schedule
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
New Jersey School Board Association Insurance Group	School Package Policy:		
	Property - Blanket Buildings & Contents	\$ -	\$ 5,000.00
	Blanket Extra Expense	50,000,000.00	5,000.00
	Blanket Valuable Papers and Records	-	5,000.00
	Flood	Various sub limits	500,000.00
	Terrorism	1,000,000.00	
	Electronic Data Processing Equipment:		
	Blanket Hardware/Software and Extra Expense	696,609.00	1,000.00
	Equipment Breakdown	100,000,000.00	5,000.00
	Crime Coverage:		
	Public Employee Dishonesty	25,000.00	500.00
	Money & Securities	25,000.00	500.00
	Money Orders/Counterfeit Currency	25,000.00	500.00
	Depositor's Forgery	25,000.00	500.00
	Comprehensive General Liability:		
	Bodily Injury & Property Damage	6,000,000.00	
	Bodily Injury from Products & Completed Operations	6,000,000.00	
	Sexual Abuse	6,000,000.00	
	Personal Injury & Advertising Injury	6,000,000.00	
	Employee Benefit Liability	6,000,000.00	1,000.00
	Premises Medical Payments	5,000.00	-
	Terrorism	1,000,000.00	
	Automobile:		
Bodily Injury & Property Damage	6,000,000.00		
Uninsured/Underinsured Motorists	1,000,000.00		
Personal Injury Protection	250,000.00		
Medical Payments	10,000.00		
Western Surety Company	Individual Bonds: Timothy Kelley - School Business Admin	300,000.00	

Source: District Records

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Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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K-1 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
City of Ocean City School District
County of Cape May
State of New Jersey

We have audited the basic financial statements of the Board of Education of the City of Ocean City School District, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated February 19, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements presented by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Ocean City School District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of City of Ocean City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 entity'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 City of Ocean City School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements prescribed by the Division of Finance, Department of Education, and 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.

Ford, Scott & Associates, LLC.
Certified Public Accountants

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

February 19, 2022



FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-2 Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance required by *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08

Honorable President and
Members of the Board of Education
City of Ocean City School District
County of Cape May, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the City of Ocean City School District in the County of Cape May, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the City of Ocean City School District's major federal and state programs for the year ended June 30, 2021. The City of Ocean City 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 the City of Ocean City 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 OMB Uniform Guidance and New Jersey OMB 15-08. Those standards, OMB Uniform Guidance and NJ OMB 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 or state program occurred. An audit includes examining, on a test basis, evidence about the City of Ocean City 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 the City of Ocean City School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City of Ocean City 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, 2021.

Report on Internal Control Over Compliance

Management of the City of Ocean City 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 the City of Ocean City 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 program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance and 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 the City of Ocean City 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 or 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 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 or 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.

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 NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
Ford, Scott & Associates, LLC.
Certified Public Accountants

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

February 19, 2022

CITY OF OCEAN CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Financial Assistance
for the Fiscal Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Budgetary Expenditures		Balance at June 30, 2021	
						Accounts Receivable	Unearned Revenue	Cash Received	Source Pass Through	Total	(Accounts Receivable)
U. S. Department of Agriculture											
Enterprise Fund:											
Food Distribution Program	10.555	2021NJ304N1099	N/A	7/1/19 - 6/30/20	\$ 29,556	\$ -	\$ 29,556	\$ (29,556)	\$ -	\$ -	\$ -
School Breakfast Program	10.553	2020NJ304N1099	N/A	7/1/19 - 6/30/20	37,988	(9,500)	9,500	-	-	-	-
National School Lunch Program	10.553	2021NJ304N1099	N/A	7/1/18 - 6/30/19	44,065	(15,026)	40,594	(44,065)	(44,065)	(3,471)	(3,471)
National School Lunch Program	10.555	2020NJ304N1099	N/A	7/1/19 - 6/30/20	138,664	-	15,026	-	-	-	-
National School Lunch Program	10.555	2021NJ304N1099	N/A	7/1/18 - 6/30/19	291,237	(24,526)	204,772	(291,237)	(291,237)	(86,465)	(86,465)
Total Enterprise Fund					299,448	-	299,448	(364,858)	(364,858)	(89,936)	-
U.S. Department of Health and Human Services											
Passed-through State Department of Health and Human Services											
Medical Assistance	93.778	2005NJ5MAP	N/A	7/1/20 - 6/30/21	34,326	-	34,326	(34,326)	(34,326)	-	-
Total General Fund					34,326	-	34,326	(34,326)	(34,326)	-	-
U.S. Department of Education											
Passed-through State Department of Education:											
Special Revenue Fund:											
Title I, Part A	84.010A	S010A210030	NCLB	7/1/20 - 6/30/21	273,228	(123,455)	138,192	(247,241)	(247,241)	(109,049)	(109,049)
Title I, Part A	84.010A	S010A200030	NCLB	7/1/19 - 6/30/20	269,803	-	123,455	-	-	-	-
Title II	84.367A	S367A200029	NCLB	7/1/20 - 6/30/21	12,445	-	12,445	(12,445)	(12,445)	-	-
Title III	84.365	S365A200030	NCLB	7/1/20 - 6/30/21	1,254	-	572	(1,251)	(1,251)	(679)	(679)
Title IV	84.424A	S424A200031	NCLB	7/1/20 - 6/30/21	18,569	-	18,569	(18,569)	(18,569)	-	-
I.D.E.A. Part B - Basic	84.027	H027A210100	FT	7/1/20 - 6/30/21	559,080	-	416,687	(548,645)	(548,645)	(128,331)	(128,331)
I.D.E.A. Part B - Basic	84.027	H027A200100	FT	7/1/19 - 6/30/20	586,585	(199,608)	199,608	-	-	-	-
I.D.E.A. Part B - Preschool	84.173	H193A210114	FT	7/1/20 - 6/30/21	15,288	(7,258)	8,870	(15,288)	(15,288)	(6,110)	(6,110)
I.D.E.A. Part B - Preschool	84.173	H193A200114	FT	7/1/19 - 6/30/20	15,075	-	7,258	-	-	-	-
CARES - ESSER II	84.425	S425D200027	N/A	7/1/20 - 6/30/21	222,799	-	48,039	(52,397)	(52,397)	(4,358)	(4,358)
Coronavirus Relief Fund	21.019	S425D200027	N/A	7/1/20 - 6/30/21	72,825	-	72,825	(72,825)	(72,825)	-	-
Total Special Revenue Fund					1,046,520	(330,321)	1,046,520	(968,661)	(968,661)	(248,527)	(248,527)
Total Federal Financial Assistance					1,380,294	(354,847)	1,380,294	(1,367,845)	(1,367,845)	(338,463)	(338,463)

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

CITY OF OCEAN CITY SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments / Repayment of Prior Years' Balances		Balance at June 30, 2021			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	(Accounts Receivable)				Deferred Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures			
State Department of Education																	
General Fund:																	
State Aid Public Cluster:																	
Special Education Aid	21-495-034-5121-089	845,430	7/1/2020	6/30/2021	\$	\$	\$	\$	\$	\$				\$	\$	(84,543)	845,430
School Choice Aid	21-495-034-5121-088	2,666,918	7/1/2020	6/30/2021			2,423,141	2,423,141	(2,666,918)							(243,777)	2,666,918
School Security Aid	21-495-034-5121-084	203,070	7/1/2020	6/30/2021			182,763	182,763	(203,070)							(20,307)	203,070
Total State Aid Public Cluster																	
Transportation Aid	21-495-034-5121-015	252,189	7/1/2020	6/30/2021			226,970	226,970	(252,189)							(25,219)	252,189
Non-public Transportation Aid	20-495-034-5120-014	4,350	7/1/2019	6/30/2020	(4,350)		4,350	4,350									4,350
Non-public Transportation Aid	21-495-034-5120-014	15,370	7/1/2020	6/30/2021	(21,631)		211,631	211,631	(15,370)							(15,370)	15,370
Extraordinary Aid	20-100-034-5120-473	242,407	7/1/2018	6/30/2019	(142,777.00)		6,941,419	6,941,419	(242,407)							(242,407)	242,407
On-Behalf TPAF Contributions	21-495-034-5095-003	1,400,072	7/1/2019	6/30/2020			1,310,038	1,310,038	(138,126)							(138,126)	1,400,072
Reimbursed TPAF Social Security	20-495-034-5095-003	1,448,164	7/1/2020	6/30/2021	(358,759)		12,203,976	12,203,976	(395,903)							(769,749)	1,448,164
Reimbursed TPAF Social Security	21-495-034-5095-003	1,448,164	7/1/2020	6/30/2021													1,448,164
Total General Fund																	
Special Revenue Fund:																	
Preschool Education Aid	21-495-034-5121-086	658,684	7/1/2018	6/30/2019	77,080		77,080	77,080								(62,061)	549,391
Preschool Education Aid	20-495-034-5120-086	498,200	7/1/2019	6/30/2020				596,623	(549,391)					186,373			498,200
Advanced Computer Science																	
	19E00131	55,518	1/15/2019	6/30/2020	(2,975)			2,975									55,518
NJ Nonpublic Aid:																	
Textbook Aid	20-100-034-5120-064	4,586	7/1/2019	6/30/2020													4,586
Textbook Aid	21-100-034-5120-064	5,926	7/1/2020	6/30/2021	1,189			5,926	(5,449)								3,397
Technology Aid	20-100-034-5120-373	2,664	7/1/2020	6/30/2021				3,718	(3,718)								5,449
Technology Aid	21-100-034-5120-373	3,132	7/1/2020	6/30/2021	254												2,878
Security Aid	20-100-034-5120-509	16,975	7/1/2020	6/30/2021				16,975	(15,086)								15,086
Security Aid	21-100-034-5120-509	13,050	7/1/2019	6/30/2020			2,899	2,899									10,151
Total Special Revenue Fund																	
					74,105			626,217	(573,644)					186,373			1,140,070
State Department of Agriculture:																	
Enterprise Fund:																	
National School Lunch Program (State Share)	21-100-010-3360-067	17,477	7/1/2020	6/30/2021	(237)			13,690	(17,477)								17,477
National School Lunch Program (State Share)	20-100-010-3360-067	3,384	7/1/2019	6/30/2020				237									3,384
Total Enterprise Fund																	
					(237)			13,927	(17,477)								20,861
Total State Financial Assistance																	
					\$		\$	12,844,120	(13,206,088)					186,373			15,391,951
Less: Total On-Behalf Contributor (6,941,419)																	
Total State Financial Assistance (6,264,669)																	

The accompanying Notes to Schedules of Expenditures of Awards of Financial Assistance are an integral part of this schedule.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2021**

Note 1: General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, City of Ocean City School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the schedule of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance 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. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

Note 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 (RSI) 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 revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments 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 special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(40,922) for the general fund and \$(49,797) for the special revenue fund. See the Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	Federal	State	On-Behalf Contributions	Total
General Fund	\$ 34,326	12,614,967	(6,941,419)	5,707,874
Special Revenue Fund	962,018	573,645		1,535,663
Food Service Fund	364,858	13,927		378,785
Total Financial Assistance	\$ 1,361,202	13,202,539	(6,941,419)	7,622,322

The On-Behalf Pension Contributions made for the District by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

**OCEAN CITY SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2021
(CONTINUED)**

Note 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.

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

**OCEAN CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2021**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	An Unmodified Opinion was issued on the Basic Financial Statements, dated February 19, 2022
Internal control over financial reporting:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Noncompliance material to basic financial statements noted?	No

Federal Awards

Internal control over major programs:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Type of auditor’s report issued on compliance for major programs:	An Unmodified Opinion was issued on compliance for major programs, dated February 19, 2022
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Uniform Guidance?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Food Distribution Program

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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**OCEAN CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2021
(CONTINUED)**

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

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs:	An Unmodified Opinion was issued on compliance for major programs, dated February 19, 2022
Internal Control over major programs:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089	<u>State Aid Public Cluster</u>
495-034-5120-068	Special Education Aid
495-034-5120-084	School Choice Aid
495-034-5120-085	Security Aid
495-034-5120-097	Additional Adjustment Aid
495-034-5120-098	PARCC Aid
495-034-5120-098	Per Pupil Growth Aid
495-034-5120-101	Professional Learning Community Aid

Section II - Financial Statement Findings

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

**OCEAN CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2021
(CONTINUED)**

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

FEDERAL AWARDS

Our audit disclosed no matters to be reported.

STATE AWARDS

Our audit disclosed no matters to be reported.

STATUS OF PRIOR YEAR FINDINGS

Federal:

No matters were reported.

State:

No matters were reports.