

SCHOOL DISTRICT

Oceanport School District
Of Monmouth County

Oceanport, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2021

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Oceanport Board of Education
of Monmouth County

Oceanport, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Oceanport Board of Education
Finance Department

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INTRODUCTORY SECTION



Oceanport School District

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

Edmund Zalewski
SCHOOL BUSINESS ADMINISTRATOR

TEL: 732-542-0683
EXT. 4444

January 5, 2022

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

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

The Comprehensive Annual Financial Report is presented in four sections as follows:

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

REPORTING ENTITY AND ITS SERVICES:

The Oceanport School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds

and account groups of the district are included in this report. The Oceanport Board of Education and its schools constitute the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels Pre-School through Eighth Grade. These services include regular as well as special education programs. The district completed the 2020-2021 fiscal year with an enrollment of 545 students.

ECONOMIC CONDITION AND OUTLOOK:

As a result of the district's efforts over the past several years, the financial status of the Oceanport School District remains stable and several accomplishments have occurred as a result.

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

MAJOR INITIATIVES:

Throughout the 2021-2022 school year, the district continued to refine, expand and re-evaluate programs to provide opportunities for both students and staff. We are pleased that several initiatives were supported through local funding and others were funded through the multiple federal grants in response to COVID-19.

The district administered i-Ready benchmark assessments and examined data related to progress. The Intervention & Referral Services committees in both buildings created spreadsheets to identify students in need of further intervention opportunities. Spreadsheets incorporate multiple criteria, including teacher input, to further identify student need which were also utilized to support a data-driven Tiered System of Support. This data is utilized to determine program efficacy and maintain fiscal responsibility.

In conjunction with the purchase of instructional materials and resources, curricula writing was completed in multiple areas to align to the content standards and additional New Jersey Department of Education requirements.

Special Services: Department members attended several professional development sessions related to special education. A large district initiative was the continuation of a partnership for professional development which includes teacher coaching to better support the co-teaching model in our classrooms and student achievement. The district also partnered with Effective School Solutions to provide professional development to teachers, students, and families for social and emotional support and growth. This is a two-year partnership.

Wolf Hill School: With an in-person return to full days of school, the staff created an atmosphere for students to thrive while also simultaneously prepared to pivot to virtual learning as needed for individual students, classes, or in the event of a full school virtual event. We have continued to outfit every student with a technological device when needed during COVID-19 closures. In support of our learners' social and emotional growth, we have fully implemented the MindUp curriculum led by our school counselor. To meet the requirements of a safe environment, new picnic tables were purchased to provide an outdoor eating area and used weather permitting.

Maple Place School: With an in-person return to full days of school, the staff created an atmosphere for middle school students to thrive while also simultaneously prepared to pivot to virtual learning as needed for individual students, classes, or in the event of a full school virtual event. Middle schoolers were again

utilizing lockers and while cohorted, they were changing classes again. A focus on benchmark data was emphasized and this aligned well with our continued implementation and development of our New Jersey Tiered System of Support. Two interventionists were hired in response to a data analysis conducted during the summer of 2021 to provide small group instruction in a push-in environment to remediate learning gaps. We have continued to implement Suite 360, with a focus on proactive growth and restorative justice practices where applicable. Learners are engaged in high value activities that allow them to consider their role in the world through a wide array of extracurricular clubs and activities.

Facility Improvements:

Wolf Hill School: Upgrades through referendum projects included a secure vestibule, new windows and doors, new front office, new unit ventilators in every room for heating and AC, and new fire alarm and suppression system. An upgraded phone system was also added. Also, site work was done increasing the parking lots on both ends of the school and adding a preK bus loop. Outside lighting was added and a digital school sign. The Wolf Hill Addition Project continued to progress; it is slated to be completed in June 2022, providing a much larger cafeteria space as well as a state-of-the-art media center and playgrounds.

Maple Place School: Upgrades through referendum projects included a secure vestibule, new front office, new doors, new windows, and new phones throughout the building. The front of the building was upgraded with new walkways as well as a new awning. A mechanical area was covered and doored creating more storage space. Lastly, site work was completed which included a larger parking area, new curbing, and a revamped parking area in the rear of the school that includes new basketball hoops and recess area.

INTERNAL CONTROLS

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

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

As part of the district's Single Audit, described earlier, tests are made to determine adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws, regulations, contracts and grants.

BUDGETARY CONTROLS

In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30,2021

ACCOUNTING SYSTEM AND REPORTS

The district's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is an encumbrance accounting system that is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance at fiscal year end. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

Cash Management

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

RISK MANAGEMENT:

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

INDEPENDENT AUDIT

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

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

ACKNOWLEDGMENTS

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

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

Respectfully submitted,

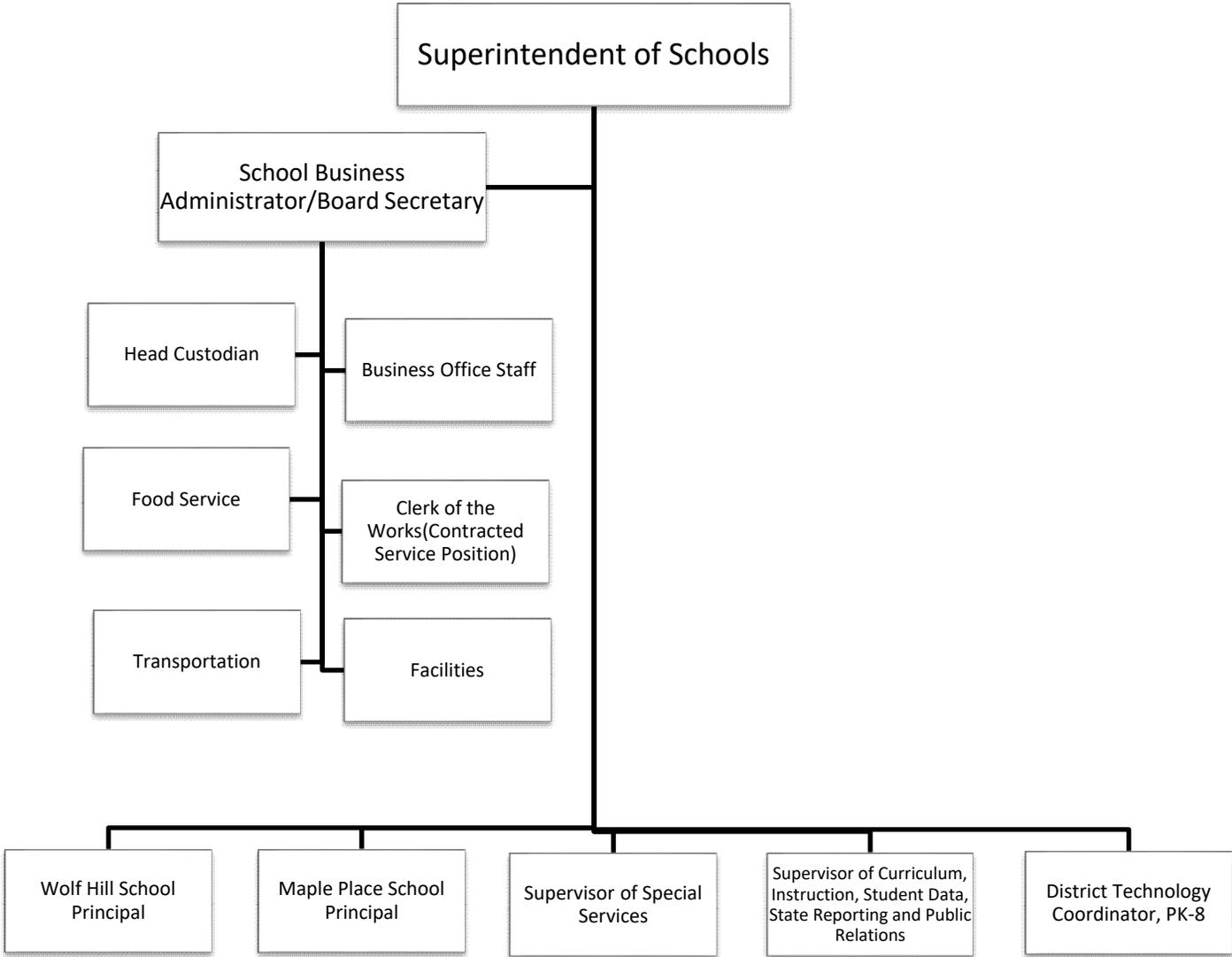


Dr. Laura Godlesky
Superintendent of Schools



Edmund Zalewski
School Business Administrator/
Board Secretary

OCEANPORT PUBLIC SCHOOL DISTRICT – 2021 ORGANIZATION CHART



Oceanport Board of Education
Oceanport, New Jersey

Roster of Officials
June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mark Patterson, President	2022
Richard McKenna, Vice President	2021
Deidre Bova	2023
John Fleming	2021
Jamie Gough	2023
Patricia Kelly	2023
Patrick McSorley	2021
Daniel Peltz	2021
Marion Wilhalme	2022

Other Officials

Dr. Laura Godlesky, Superintendent of Schools May 1 - June 30, 2021

Anne Facendoi, Superintendent of Schools July 1, 2020 - April 30, 2021

Valery Petrone, Interim Business Administrator/Board Secretary

Oceanport School District
Consultants and Advisors

Audit Firm

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

Attorney

Machado Law Group
1 Cleveland Place
Springfield NJ, 07081

Official Depositories

Investors Savings Bank
169 Broadway
Long Branch, New Jersey 07740

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oceanport School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Oceanport School District in the County of Monmouth, State of New Jersey as of June 30, 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 management's discussion and analysis and budgetary comparison information, and the schedules related to accounting and reporting for pensions and post-retirement benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Information (Cont'd)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2022 on our consideration of the Oceanport School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oceanport School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,

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



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

Toms River, New Jersey
January 5, 2022

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Oceanport School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

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

Financial Highlights

Key financial highlights for June 30, 2021 are as follows:

Net position totaled \$2,011,682, which represents a (4.07) percent decrease from June 30, 2020.

General revenues accounted for \$11,778,598 in revenue or 88.68 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,503,051 or 11.32 percent of total revenues of \$13,281,649.

Total assets increased by \$33,880,517 as current assets increased by \$29,158,444 and capital assets, net increased by \$4,722,073.

The School Board had \$13,586,147 in expenses; only \$1,503,051 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,778,598 were adequate to provide for these programs.

Among major funds, the General Fund had \$12,511,405 in revenues and \$12,055,372 in expenditures and transfers. The General Fund's balance increased \$456,033 over June 30, 2020. The General Fund's balance is \$2,010,572.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statement

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

Governmental Funds

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

Enterprise Fund

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

The School Board as a Whole

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

Table 1 provides a summary comparison of the School Board's net position for June 30, 2021 and 2020.

Table 1

Net Position as of June 30, 2021 and June 30, 2020

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 30,549,040	\$ 9,425	\$ 30,558,465	\$ 1,412,743	\$ (12,722)	\$ 1,400,021
Capital assets, net	9,315,325	9,721	9,325,046	4,602,973	-	4,602,973
Total assets	39,864,365	19,146	39,883,511	6,015,716	(12,722)	6,002,994
Deferred outflow of resources	356,289	-	356,289	518,794	-	518,794
Liabilities:						
Current liabilities	1,055,702	5,387	1,061,089	28,897	5,633	34,530
Long-term liabilities outstanding	36,071,097	-	36,071,097	3,268,340	-	3,268,340
Total liabilities	37,126,799	5,387	37,132,186	3,297,237	5,633	3,302,870
Deferred inflow of resources	1,095,932	-	1,095,932	1,121,826	-	1,121,826
Net position:						
Net investment in capital assets	8,594,095	-	8,594,095	3,720,175	-	3,720,175
Restricted	29,595,926	-	29,595,926	1,088,366	-	1,088,366
Unrestricted	(36,192,098)	13,759	(36,178,339)	(2,693,094)	(18,355)	(2,711,449)
Total Net Position	\$ 1,997,923	\$ 13,759	\$ 2,011,682	\$ 2,115,447	\$ (18,355)	\$ 2,097,092

The unrestricted net position is a negative balance is mostly due debt for capital projects. In addition to the capital project debt, unfunded liabilities for compensated absences and PERS pension contribute to the negative net position balance. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$2,011,682 on June 30, 2021. This is a change of (4.07)% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2021 and 2020.

Table 2

Changes in Net Position

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 74,338	\$ 27,561	\$ 101,899	\$ 136,246	\$ 197,228	\$ 333,474
Operating and capital grants and contributions	1,208,221	192,931	1,401,152	751,490	28,535	780,025
General revenues:						
Property taxes	10,845,713	-	10,845,713	10,465,706	-	10,465,706
Federal and state aid	755,937	-	755,937	961,460	-	961,460
Investment earnings	96,242	21	96,263	23,668	660	24,328
Miscellaneous	80,685	-	80,685	37,278	-	37,278
Total revenues	13,061,136	220,513	13,281,649	12,375,848	226,423	12,602,271
Expenses						
Instructional services	5,408,485	-	5,408,485	5,151,760	-	5,151,760
Support services	7,158,218	188,399	7,346,617	7,065,487	290,218	7,355,705
Interest on long-term liabilities	831,045	-	831,045	33,411	-	33,411
Total expenses	13,397,748	188,399	13,586,147	12,250,658	290,218	12,540,876
Change in net position	(336,612)	32,114	(304,498)	125,190	(63,795)	61,395
Transfers	-	-	-	-	-	-
Net position - beginning	2,115,447	(18,355)	2,097,092	1,990,257	45,440	2,035,697
Prior period adjustment	219,088	-	219,088	-	-	-
Net position - beginning, restated	2,334,535	(18,355)	2,316,180	1,990,257	45,440	2,035,697
Net position (deficit) - ending	\$ 1,997,923	\$ 13,759	\$ 2,011,682	\$ 2,115,447	\$ (18,355)	\$ 2,097,092

The tax levy increase was due in general to cover increased costs in salaries and benefits, utilities and the debt service. The Federal and State aid-restricted increased due to the increase in grants available due due additional funding for through the CARES Act as well as an increase in grants received for food service.

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

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

Expenses for Fiscal Year June 30, 2021

Business-Type Activities

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

Total Enterprise Fund revenues exceeded expenses by \$32,114.

Charges for services represent \$27,561 of revenue. This represents the amount paid by patrons for daily food service and catering and child care.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$192,931.

Governmental Activities

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

Table 3

	Governmental Activities			
	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 5,408,485	\$ 5,015,126	\$ 5,151,760	\$ 5,015,514
Support Services:				
Pupils and Instructional Staff	2,653,575	1,764,375	2,547,025	1,795,535
General Administration, School Administration, Business Operation and Maintenance of Facilities	4,199,572	4,199,572	4,219,377	4,219,377
Pupil Transportation	305,071	305,071	299,085	299,085
Interest and Fiscal Charges	831,045	831,045	33,411	33,411
Total Expenses	\$ 13,397,748	\$ 12,115,189	\$ 12,250,658	\$ 11,362,922

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

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

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

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

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

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

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

The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Oceanport, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2021, it reported a combined fund balance of \$30,308,150, which is an increase of \$28,911,387. The Statement of Revenues Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2021.

<u>Revenue</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 11,121,453	85.15 %	\$ 458,555	4.30 %
State Sources	1,587,919	12.16	149,667	10.41
Federal Sources	<u>351,764</u>	<u>2.69</u>	<u>77,066</u>	<u>28.05</u>
Total	<u>\$ 13,061,136</u>	<u>100.00 %</u>	<u>\$ 685,288</u>	<u>5.54 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2021.

<u>Expenditures</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 5,408,485	30.86 %	\$ 256,725	4.98 %
Undistributed				
Expenditures	7,007,276	39.99	74,556	1.08
Capital Outlay	4,947,926	28.24	4,832,791	4,197.50
Debt Service:				
Principal	130,000	0.74	-	-
Interest	<u>29,150</u>	<u>0.17</u>	<u>(3,900)</u>	<u>(11.80)</u>
Total	<u>\$ 17,522,837</u>	<u>100.00 %</u>	<u>\$ 5,160,172</u>	<u>41.74 %</u>

General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$841,182 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$57,053 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 248,677
Capital Reserve	351,196
Maintenance Reserve	399,621
Emergency Reserve	2,352
Unemployment Claims	159,946
Excess Surplus - Current Year	219,016

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

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

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

The excesses will be carried forward into the beginning fund balance from the 2020-2021 fiscal year and will be used to reduce the local tax levy for the 2022-2023 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2021, the School Board had \$9,325,046 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2021 and June 30, 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,315,100	\$ 1,315,100	\$ -	\$ -	\$ 1,315,100	\$ 1,315,100
Construction in Progress	4,908,066	-	-	-	4,908,066	-
Building and Improvements	2,667,889	2,811,887	-	-	2,667,889	2,811,887
Machinery and Equipment	424,270	475,986	9,721	-	433,991	475,986
Total	\$ 9,315,325	\$ 4,602,973	\$ 9,721	\$ -	\$ 9,325,046	\$ 4,602,973

During the current fiscal year, \$43,427 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Bonds Payable (net)	\$ 33,834,000	\$ 810,000
Capital Leases payable	41,230	72,798
Pension Liability-PERS	1,626,550	1,912,816
Compensated Absences payable	<u>569,317</u>	<u>472,726</u>
Total long-term liabilities	\$ <u>36,071,097</u>	\$ <u>3,268,340</u>

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

Economic Factors and Next Year's Budget

For the 2020-2021 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 14.85% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 85.15% of total revenue is from local sources.

The \$36,192,098 in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2020-2021 budget was adopted in March 2020 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Oceanport for increased aid.

The School Board anticipates a slight decrease in enrollment for the 2021-2022 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

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

BASIC FINANCIAL STATEMENTS

OCEANPORT SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 30,282,834	\$ (6,189)	\$ 30,276,645
Capital reserve cash	41	-	41
Interfund receivable	-	-	-
Receivables - state	177,490	1,014	178,504
Receivables - federal	79,212	14,234	93,446
Receivables- other	9,463	-	9,463
Inventory	-	366	366
Capital assets, non-depreciable	1,315,100	-	1,315,100
Capital assets, depreciable, net	8,000,225	9,721	8,009,946
Total assets	<u>39,864,365</u>	<u>19,146</u>	<u>39,883,511</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	356,289	-	356,289
	<u>356,289</u>	<u>-</u>	<u>356,289</u>
LIABILITIES			
Accounts payable	-	-	-
Interfund payable	-	-	-
Other liabilities	1,055,702	-	1,055,702
Unearned revenue	-	5,387	5,387
Noncurrent liabilities:			
Due within one year	144,953	-	144,953
Due beyond one year	35,926,144	-	35,926,144
Total liabilities	<u>37,126,799</u>	<u>5,387</u>	<u>37,132,186</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	1,095,932	-	1,095,932
	<u>1,095,932</u>	<u>-</u>	<u>1,095,932</u>
NET POSITION			
Net investment in capital assets	8,594,095	-	8,594,095
Restricted for:			
Capital projects	28,597,130	-	28,597,130
Debt service	-	-	-
Other purposes	998,796	-	998,796
Unrestricted	(36,192,098)	13,759	(36,178,339)
Total net position	<u>\$ 1,997,923</u>	<u>\$ 13,759</u>	<u>\$ 2,011,682</u>

OCEANPORT SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 3,923,681	\$ 59,990	\$ 333,369	\$ -	\$ (3,530,322)	\$ -	\$ (3,530,322)
Special education instruction	1,359,410	-	-	-	(1,359,410)	-	(1,359,410)
Other special instruction	125,394	-	-	-	(125,394)	-	(125,394)
Support services and undistributed costs:							
Instruction	198,496	-	-	-	(198,496)	-	(198,496)
Attendance and social work	-	-	-	-	-	-	-
Health services	158,693	-	-	-	(158,693)	-	(158,693)
Other support services	1,289,385	14,348	42,870	-	(1,232,167)	-	(1,232,167)
Educational media services	165,608	-	-	-	(165,608)	-	(165,608)
Instruction staff training	9,411	-	-	-	(9,411)	-	(9,411)
General administrative services	351,567	-	-	-	(351,567)	-	(351,567)
School administrative services	376,100	-	-	-	(376,100)	-	(376,100)
Central services	247,336	-	-	-	(247,336)	-	(247,336)
Admin. information technology	29,749	-	-	-	(29,749)	-	(29,749)
Allowed maintenance for school facilities	183,871	-	-	-	(183,871)	-	(183,871)
Other operation & maintenance of plant	789,984	-	-	-	(789,984)	-	(789,984)
Security	77,573	-	-	-	(77,573)	-	(77,573)
Student transportation services	305,071	-	-	-	(305,071)	-	(305,071)
Other support services	-	-	-	-	-	-	-
Unallocated employee benefits	2,143,392	-	-	-	(2,143,392)	-	(2,143,392)
Non-budgeted expenses	831,982	-	831,982	-	-	-	-
Interest expense	831,045	-	-	-	(831,045)	-	(831,045)
Total governmental activities	13,397,748	74,338	1,208,221	-	(12,115,189)	-	(12,115,189)
Business-type activities:							
Enterprise fund	188,399	27,561	192,931	-	-	32,093	32,093
Total business-type activities	188,399	27,561	192,931	-	-	32,093	32,093
Total primary government	\$ 13,586,147	\$ 101,899	\$ 1,401,152	\$ -	\$ (12,115,189)	\$ 32,093	\$ (12,083,096)
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 10,740,680	\$ -	\$ 10,740,680
Taxes levied for debt service					105,033	-	105,033
Federal and state aid not restricted					755,937	-	755,937
Federal aid restricted					-	-	0
Miscellaneous income					78,521	-	78,521
Investment earnings					96,242	21	96,263
Miscellaneous income restricted					2,164	-	2,164
Transfer					-	-	-
Other Financing Sources/(Uses)					-	-	-
Total general revenues					11,778,577	21	11,778,598
Change in net positions					(336,612)	32,114	(304,498)
Net position—July 1					2,115,447	(18,355)	2,097,092
Prior Period Adjustments					219,088	-	219,088
Net position—July 1 restated					2,334,535	(18,355)	2,316,180
Net position—ending					\$ 1,997,923	\$ 13,759	\$ 2,011,682

OCEANPORT SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,073,931	\$ (37,031)	\$ 28,245,934	\$ -	\$ 30,282,834
Capital reserve	41	-	-	-	41
Interfund receivables	-	-	-	-	-
Receivables from federal	-	79,212	-	-	79,212
Receivables from state	177,490	-	-	-	177,490
Other receivables	-	9,463	-	-	9,463
Total assets	<u>2,251,462</u>	<u>51,644</u>	<u>28,245,934</u>	<u>-</u>	<u>30,549,040</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Interfund payable	-	-	-	-	-
Payroll deductions and withholdings payable	240,890	-	-	-	240,890
Payable to federal government	-	-	-	-	-
Payable to state government	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>240,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,890</u>
Fund Balances:					
Restricted for:					
Legally restricted - designated for subsequent year's expenditures	-	-	-	-	-
Excess surplus - current year	219,016	-	-	-	219,016
Excess surplus - prior year- designated for Subsequent year's expenditures	248,677	-	-	-	248,677
Capital reserve account	351,196	-	-	-	351,196
Maintenance reserve account	399,621	-	-	-	399,621
Emergency reserve account	2,352	-	-	-	2,352
Unemployment compensation	159,946	-	-	-	159,946
Student Activities	-	51,644	-	-	51,644
Debt services	-	-	-	-	-
Committed to:					
Debt Service Fund	-	-	-	-	-
Other purposes	129,130	-	-	-	129,130
Assigned to:					
Other purposes	-	-	-	-	-
Designated by the BOE for subsequent year's expenditures	59,798	-	-	-	59,798
Unassigned:					
General fund	440,836	-	-	-	440,836
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	28,245,934	-	28,245,934
Total fund balances	<u>2,010,572</u>	<u>51,644</u>	<u>28,245,934</u>	<u>-</u>	<u>30,308,150</u>
Total liabilities and fund balances	<u>\$ 2,251,462</u>	<u>\$ 51,644</u>	<u>\$ 28,245,934</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$13,968,517 and the accumulated depreciation is \$4,653,192.	9,315,325
Deferred outflows related to the PERS pension plan	356,289
Deferred inflows related to the PERS pension plan	(1,095,932)
Accrued interest	(814,812)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(36,071,097)</u>
Net position of governmental activities	<u>\$ 1,997,923</u>

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 10,740,680	\$ -	\$ -	\$ 105,033	\$ 10,845,713
Tuition charges	59,990	-	-	-	59,990
Interest on investments	94,445	-	-	-	94,445
Restricted Interest	225 *	-	-	-	225
Interest earned on reserve funds	1,797	-	-	-	1,797
Transportation fees	-	-	-	-	-
Rents and royalties	-	-	-	-	-
Other restricted miscellaneous revenues	1,939 *****	-	-	-	1,939
Miscellaneous	78,521	38,823 **	-	-	117,344
Total - local sources	10,977,597	38,823	-	105,033	11,121,453
State sources	1,533,808	-	-	54,111	1,587,919
Federal sources	-	351,764	-	-	351,764
Total revenues	12,511,405	390,587	-	159,144	13,061,136
EXPENDITURES					
Current:					
Regular instruction	\$ 3,590,312	\$ 333,369	\$ -	\$ -	\$ 3,923,681
Special education instruction	1,359,410	-	-	-	1,359,410
Other special instruction	65,967	-	-	-	65,967
School sponsored/other instructional	59,427	-	-	-	59,427
Undistributed - current:					
Instruction	198,496	-	-	-	198,496
Bilingual education	-	-	-	-	-
Health services	158,693	-	-	-	158,693
Student and instruction related services	1,222,505	66,880 ***	-	-	1,289,385
Educational media services	165,608	-	-	-	165,608
Instruction staff training	9,411	-	-	-	9,411
General administrative services	351,567	-	-	-	351,567
School administrative services	376,100	-	-	-	376,100
Central services	247,336	-	-	-	247,336
Admin. info. technology	29,749	-	-	-	29,749
Allowed maintenance for school facilities	219,006	-	-	-	219,006
Other operation & maintenance of plant	550,843	-	-	-	550,843
Security	77,573	-	-	-	77,573
Student transportation services	305,071	-	-	-	305,071
Unallocated employee benefits	2,196,456	-	-	-	2,196,456
Non-budgeted expenditures	831,982	-	-	-	831,982
Debt service:					
Principal	-	-	-	130,000	130,000
Interest and other charges	-	-	-	29,150	29,150
Capital outlay	39,860	-	4,908,066	-	4,947,926
Total expenditures	12,055,372	400,249	4,908,066	159,150	17,522,837
Excess (deficiency) of revenues over expenditures					
	456,033	(9,662)	(4,908,066)	(6)	(4,461,701)
OTHER FINANCING SOURCES (USES)					
Capital leases-non budgeted	-	-	-	-	-
Bond Proceeds	-	-	33,154,000	-	33,154,000
Total other financing sources and uses	-	-	33,154,000	-	33,154,000
Net change in fund balances					
	456,033	(9,662)	28,245,934	(6)	28,692,299
Fund balance—July 1	-	-	-	-	-
Prior period adjustments	1,396,757	-	-	6	1,396,763
	157,782 ****	61,306 *****	-	-	219,088
Fund balance—July 1, restated	1,554,539	61,306	-	6	1,615,851
Fund balance—June 30	\$ 2,010,572	\$ 51,644	\$ 28,245,934	\$ -	\$ 30,308,150

* Includes interest earnings on the unemployment compensation bank account.
 ** Special revenue fund now includes revenues from student activities.
 *** Special Revenue fund now includes expenditures from student activities.
 **** Unemployment Fund Net Position as of June 30, 2020.
 ***** Student Activity Fund Net Position as of June 30, 2020.
 ***** Contributions to Unemployment Fund Net

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

Total net change in fund balances - governmental funds (from B-2)		\$ 28,692,299						
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>								
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>								
	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Depreciation expense</td> <td style="text-align: right;">(239,141)</td> <td></td> </tr> <tr> <td>Capital outlays</td> <td style="text-align: right;"><u>4,951,493</u></td> <td style="text-align: right;">4,712,352</td> </tr> </table>	Depreciation expense	(239,141)		Capital outlays	<u>4,951,493</u>	4,712,352	
Depreciation expense	(239,141)							
Capital outlays	<u>4,951,493</u>	4,712,352						
In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey		149,655						
In the statement of activities, interest expense is recorded when paid.								
In the governmental funds, the interest is expensed when due and shown as payable at year end.		(801,895)						
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		130,000						
In the Statement of Activities, the new capital leases are recorded as a increase in the long-term liability.								
In the governmental funds, the capital lease is included in other financing sources.		-						
In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability.								
In the governmental funds, the payments are an expenditure. (Amount is net of payments included in capital outlay)		31,568						
The issuance of bonds creates other financing sources revenue in the governmental funds, the proceeds are shown as an increase to bonds payable.		(33,154,000)						
In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured earned during the year. In the governmental funds, however, expenditures for these items are reported by the amounts of financial resources used, essentially, the amounts actually paid. This year, sick leave was decreased.		<u>(96,591)</u>						
Change in net position of governmental activities		<u><u>\$ (336,612)</u></u>						

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

	<u>Childcare</u>	<u>Food Service</u>	<u>Total Enterprise Fund</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ (10,539)	\$ 4,350	\$ (6,189)
Interfund receivable	-	-	-
Receivable from state	-	1,014	1,014
Receivable from Federal	-	14,234	14,234
Other receivables	-	-	-
Inventory	-	366	366
Total current assets	<u>(10,539)</u>	<u>19,964</u>	<u>9,425</u>
Noncurrent assets:			
Furniture, machinery and equipment	-	238,763	238,763
Less accumulated depreciation	-	(229,042)	(229,042)
Total noncurrent assets	<u>-</u>	<u>9,721</u>	<u>9,721</u>
Total assets	<u>(10,539)</u>	<u>29,685</u>	<u>19,146</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	-	-
Unearned revenue	-	5,387	5,387
Interfund payable	-	-	-
Total current liabilities	<u>-</u>	<u>5,387</u>	<u>5,387</u>
NET POSITION			
Investment in capital assets	-		
Unrestricted	<u>(10,539)</u>	<u>24,298</u>	<u>13,759</u>
Total net position	<u>(10,539)</u>	<u>24,298</u>	<u>13,759</u>
Total liabilities and net position	<u>\$ (10,539)</u>	<u>\$ 29,685</u>	<u>\$ 19,146</u>

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

	Childcare	Food Service	Totals Enterprise Fund
Operating revenues:			
Daily Sales Reimbursable Programs	\$ -	-	\$ -
Tuition	-	-	-
School Lunch	-	812	812
Miscellaneous	-	26,749	26,749
Total operating revenues	<u>-</u>	<u>27,561</u>	<u>27,561</u>
Operating expenses:			
Salaries	-	83,460	83,460
Employee Benefits	-	11,719	11,719
Other purchased services	723	24,361	25,084
Supplies and materials	-	9,596	9,596
Depreciation	-	319	319
Cost of sales - reimbursable programs	-	58,221	58,221
Cost of sales - non-reimbursable programs	-	-	-
Total operating expenses	<u>723</u>	<u>187,676</u>	<u>188,399</u>
Operating income (loss)	<u>(723)</u>	<u>(160,115)</u>	<u>(160,838)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	-	7,421	7,421
Federal sources:			
National school lunch program	-	159,747	159,747
National school lunch program-PB	-	3,186	3,186
Food distribution program	-	22,577	22,577
Interest and investment revenue	3	18	21
Total non-operating revenues (expenses)	<u>3</u>	<u>192,949</u>	<u>192,952</u>
Change in net position	<u>(720)</u>	<u>32,834</u>	<u>32,114</u>
Transfer	-	-	-
Total net position—beginning	(9,819)	(8,536)	(18,355)
Total net position—ending	<u>\$ (10,539)</u>	<u>\$ 24,298</u>	<u>13,759</u>

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

	Childcare	Food Service	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ -	\$ 32,948	\$ 32,948
Payments to employees	-	(83,460)	(83,460)
Payments for employee benefits	-	(11,719)	(11,719)
Payments to suppliers	(723)	(74,222)	(74,945)
Net cash provided by (used in) operating activities	<u>(723)</u>	<u>(136,453)</u>	<u>(137,176)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources		6,407	6,407
Federal sources		148,699	148,699
Transfers	-	-	-
Interest income	3	18	21
Net cash provided by (used in) non-capital financing activities	<u>3</u>	<u>155,124</u>	<u>155,127</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from revenue anticipation loan			
Payments of revenue anticipation loan		-	
Purchases of capital assets		(10,040)	
Net cash provided by (used for) capital and related financing activities		<u>(10,040)</u>	
Net increase (decrease) in cash and cash equivalents	(720)	8,631	7,911
Balances—beginning of year	(9,819)	(4,281)	(14,100)
Balances—end of year	<u>\$ (10,539)</u>	<u>\$ 4,350</u>	<u>\$ (6,189)</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (723)	\$ (160,115)	\$ (160,838)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	319	319
Federal commodities	-	22,577	22,577
Increase (decrease) in accounts receivable, net	-	-	-
Increase (decrease) in inventories	-	1,012	1,012
Increase (decrease) in accounts payable	-	(5,633)	(5,633)
Increase (decrease) in interfund payable	-	-	-
(Increase) decrease in unearned revenue	-	5,387	5,387
Total adjustments	<u>-</u>	<u>23,662</u>	<u>23,662</u>
Net cash provided by (used in) operating activities	<u>\$ (723)</u>	<u>\$ (136,453)</u>	<u>\$ (137,176)</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

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

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

B. Basis of Presentation, Basis of Accounting

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

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

Basis of Presentation (Cont'd):

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

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

The District reports the following governmental funds:

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

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

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

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2021

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

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

Basis of Presentation (Cont'd):

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from state and federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes. The implementation of GASB 84 moved the Student Activities Fund and Scholarship Fund to the Special Revenue Fund. The Student Activities Fund and Scholarship Fund have been previously included in the Agency Fund.

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

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

The District reports the following proprietary fund:

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

The District's Enterprise Fund is comprised of the Food Service Fund and School Age Childcare.

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

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

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others. The district has reports no fiduciary funds at June 30, 2021

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

Basis of Accounting:

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

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

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

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

C. Property Taxes

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23:23-16.2(f).

All budget amendments/transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2021 were insignificant.

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances

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

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

F. Cash, Cash Equivalents and Investments

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

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

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

G. Tuition Receivable

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

H. Tuition Payable

Tuition charges for the fiscal year 2020-2021 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

I. Inventories and Prepaid Expenses

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

J. Short-Term Interfund Receivables/Payables

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

K. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

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

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

L. Compensated Absences

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

L. Compensated Absences (Cont'd)

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

M. Unearned Revenue

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

N. Accrued Liabilities and Long-Term Obligations

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

O. Deferred Outflows/Inflows of Resources

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

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

P. Net Position

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

Q. Fund Balance Reserves

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

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

R. Revenues - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service and childcare. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

T. Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

U. GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

U. GASB Pronouncements (Cont'd)

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

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

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

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

U. GASB Pronouncements (Cont'd)

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*, The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Objectives 1 and 2 above are effective immediately. Objective 3 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

2. Cash and Cash Equivalents

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-414 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the ACT, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA., However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District's bank balance of \$30,778,873 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 30,342,373
Uninsured and Uncollateralized	<u>436,500</u>
	<u>\$ 30,778,873</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

3. Investments

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

Credit Risk: Government Accounting Standards, require that disclosure be made as to the credit rating of all debt security investments except for obligations of U.S. government or investments guaranteed by the U.S. government. The District has no uninsured deposits.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year. The District has no deposits invested.

4. Capital Reserve Account

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

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

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

Balance, July 1, 2020	\$	150,042
Interest Earned		1,154
Increase per resolution		200,000
Withdrawals/use in budget		<u>-</u>
Balance, at June 30, 2021	\$	<u><u>351,196</u></u>

There were no withdrawals from the capital reserve for DOE approved facilities projects in 2021.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

5. Maintenance Reserve Account

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

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

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2021.

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

Balance, July 1, 2020	\$	448,978
Interest earned		643
Increase per resolution		200,000
Withdrawals/use in budget		<u>(250,000)</u>
Balance, at June 30, 2021	\$	<u><u>399,621</u></u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

6. Emergency Reserve Account

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

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

Balance, July 1, 2020	\$ 20,237
Increase per resolution	-
Interest	-
Withdrawals/use in budget	<u>(17,885)</u>
Balance, at June 30, 2021	<u><u>\$ 2,352</u></u>

7. Receivables

Receivables at June 30, 2021, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows below.

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	\$ 177,490	\$ 178,504
Federal Aid	79,212	93,446
Other	<u>9,463</u>	<u>9,463</u>
Gross Receivables	266,165	281,413
Allowance for Uncollectible	-	-
Total Receivables, Net	<u><u>\$ 266,165</u></u>	<u><u>\$ 281,413</u></u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

8. Capital Assets

Capital Assets consisted of the following at June 30, 2021.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 1,315,100	-	-	\$ 1,315,100
Construction in Progress	<u>-</u>	<u>4,908,066</u>	<u>-</u>	<u>4,908,066</u>
Total Capital Assets Not Being Depreciated	<u>1,315,100</u>	<u>4,908,066</u>	<u>-</u>	<u>6,223,166</u>
Capital Assets Being Depreciated				
Building and Building Improvements	6,494,732	-	-	6,494,732
Machinery and Equipment	<u>1,207,192</u>	<u>43,427</u>	<u>-</u>	<u>1,250,619</u>
Totals at Historical Cost	<u>7,701,924</u>	<u>43,427</u>	<u>-</u>	<u>7,745,351</u>
Less Accumulated Depreciation for:				
Site Improvements	-	-	-	-
Building and Building Improvements	(3,682,845)	(143,998)	-	(3,826,843)
Machinery and Equipment	<u>(731,206)</u>	<u>(95,143)</u>	<u>-</u>	<u>(826,349)</u>
Total Accumulated Depreciation	<u>(4,414,051)</u>	<u>(239,141)</u>	<u>-</u>	<u>(4,653,192)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>3,287,873</u>	<u>(195,714)</u>	<u>-</u>	<u>3,092,159</u>
Government Activity Capital Assets, Net	<u>\$ 4,602,973</u>	<u>4,712,352</u>	<u>-</u>	<u>\$ 9,315,325</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	228,723	10,040	-	238,763
Less: Accumulated Depreciation	<u>(228,723)</u>	<u>(319)</u>	<u>-</u>	<u>(229,042)</u>
Enterprise Fund Capital Assets, Net	<u>\$ -</u>	<u>\$ 9,721</u>	<u>-</u>	<u>\$ 9,721</u>

Depreciation expense was charged to governmental functions as follows:

Business services	\$ 319
Operations and maintenance	<u>239,141</u>
Total depreciation expense	<u>\$ 239,460</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

9. Non-current Liabilities

During the fiscal year ended June 30, 2021 the following changes occurred in the non-current liabilities:

	Balance <u>June 30, 2020</u>	Increase/ <u>(Decrease)</u>	Balance <u>June 30, 2021</u>	Due within <u>one year</u>
Bonds payable	\$ 810,000	33,024,000	33,834,000	\$ 135,000
Capital leases	72,798	(31,568)	41,230	9,953
Compensated absences payable	472,726	96,591	569,317	-
Pension liability - PERS	1,912,816	(286,266)	1,626,550	-
	<u>\$ 3,268,340</u>	<u>32,802,757</u>	<u>36,071,097</u>	<u>\$ 144,953</u>

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

a. Bonds Payable

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

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

Year ended June 30	Principal	Interest	Total
2022	\$ 135,000	\$ 1,281,369	\$ 1,416,369
2023	884,000	847,650	1,731,650
2024	910,000	823,200	1,733,200
2025	930,000	798,175	1,728,175
2026	960,000	772,488	1,732,488
2027-2031	4,495,000	3,523,125	8,018,125
2032-2036	5,215,000	2,917,250	8,132,250
2037-2041	6,060,000	2,213,813	8,273,813
2042-2046	6,995,000	1,397,125	8,392,125
2047-2051	7,250,000	475,780	7,725,780
	<u>\$ 33,834,000</u>	<u>\$ 15,049,975</u>	<u>\$ 48,883,975</u>

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

The bonds, issued in July 2020 for \$33,154,000, will be used for the alterations and renovations of the Maple Place and Wolf Hill schools.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

9. Non-current Liabilities (Cont'd)

b. Bonds Authorized But Not Issued

As of June 30, 2021 there are no bonds that are authorized but not issued

c. Capital Leases:

The District is leasing equipment under various capital leases. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2021:

Year ended June 30,	
2022	\$ 11,760
2023	12,129
2024	12,514
2025	<u>11,865</u>
Total minimum lease payments	48,268
Less: amounts representing interest	<u>(7,038)</u>
Present value of lease payments	<u>\$ 41,230</u>

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

10. Pension Plans

A. Public Employees' Retirement System (PERS)

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

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

Plan Description (Cont'd) - The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

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

At June 30, 2021, the School District reported a liability of \$1,626,550 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was .0099743173%, which was an decrease of .00064% from its proportion measured as of June 30, 2019.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

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

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$74,154 in the government-wide financial statements consisting of employer contributions of \$109,114 and non-employer contributions of \$(34,960). This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 29,617	\$ 5,752
Changes of assumptions	52,767	681,052
Net difference between projected and actual earnings on pension plan investments	55,597	-
Changes in proportion and differences between District contributions and proportionate share of contributions	109,194	409,128
District contributions subsequent to the measurement date	<u>109,114</u>	<u>-</u>
Total	<u>\$ 356,289</u>	<u>\$ 1,095,932</u>

\$109,114 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2020-2021 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ (315,645)
2022	(287,772)
2023	(164,455)
2024	(66,503)
2025	(14,382)
Thereafter	-
Total	<u>\$ (848,757)</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	5.00	5.00

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for the 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2020 measurement date 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:

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:

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

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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 Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table.

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	3.40 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Investment Grade Credit	8.00 %	2.67 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
U.S. 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 %

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 and the nonemployer contributing entity will be 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 all projected benefit payments to determine the total pension liability.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 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	2,063,656	1,626,550	1,279,297

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

	<u>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	2,347,583,337	3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
School District's Portion	.0099743173%	.0106158551%

B. Teachers' Pension and Annuity (TPAF)

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

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

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$29,618,204. The School District's proportionate share was \$0.

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 July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was .0449791115%, which was an decrease of .00044533240821% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized a pension expense in the amount of \$1,375,233 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2020 measurement date.

Actuarial Assumptions - The collective total pension liability for the June 30, 2020 measurement date 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 periods in the measurement:

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

The actuarial assumptions used in the July 1, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	3.40 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Investment Grade Credit	8.00 %	2.67 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
U.S. 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 %

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

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

Discount Rate - The discount rate used to measure the total pension liability was 5.40% 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 Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 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 (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's proportionate share of the net pension liability	34,866,500	29,618,204	25,379,503

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

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	9,626,548,228	10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
School District's Portion	.0449791115%	.0445870679%

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Pension Plans (Cont'd)

C. Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential not later than the fifth business day after the date on which the employee is paid for that pay period.

The District's contributions to the DCRP for June 30, 2021 were \$13,708. There was no liability for unpaid contributions at June 30, 2021.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

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

Basis of Presentation

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

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2021

11. Post-Retirement Benefits (Cont'd)

Employees covered by benefit terms

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	149,304
Active plan members	<u>216,804</u>
Total	<u><u>366,108</u></u>

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other imputes

The total OPEB liability in the June 30, 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 through 2026		PERS 2.00%-6.00%
		PFRS 3.25%-15.25%
		TPAF 1.55%-3.05%
Thereafter		PERS 3.00%-7.00%
		PFRS 3.25%-15.25%
		TPAF 1.55%-3.05%
Discount Rate		2.21%
Healthcare Cost Trend Rates		4.5%-5.6%
Retirees' Share of Benefit Related Costs		1.5% of projected health insurance premiums for retirees

y.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Post-Retirement Benefits (Cont'd)

Actuarial assumptions and other imputes (Cont'd)

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively

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

Balance at June 30, 2019	\$ 41,729,081,045
Changes for the year:	
Service cost	1,790,973,822
Interest on the total OPEB liability	1,503,341,357
Differences between expected and actual experiences	11,544,750,637
Changes in assumptions	12,386,549,981
Gross benefit payments by the state	(1,180,515,618)
Contributions from members	<u>35,781,384</u>
Net changes	<u>26,080,881,563</u>
Balance at June 30, 2020	\$ <u>67,809,962,608</u>

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.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Post-Retirement Benefits (Cont'd)

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

The following presents the June 30, 2020 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability of the State for School Retirees	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160
Total OPEB Liability of the State Associated with the School District for School Retirees	\$44,911,665	\$37,254,038	\$31,266,509

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 through 2022 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% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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

The following presents the June 30, 2020 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$54,738,488,540	\$67,809,962,608	\$83,575,182,975
Total OPEB Liability of the State Associated with the School District for School Retirees	\$30,072,715	\$37,254,038	\$45,805,397

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Post-Retirement Benefits (Cont'd)

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$430,976 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Oceanport School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,295,318,750	\$ (9,170,703,615)
Changes of assumptions	\$ 11,534,251,250	\$ (7,737,500,827)
Contributions made in fiscal year ending 2020 after June 30, 2019 measurement date	-	-
Total	<u>\$ 21,829,570,000</u>	<u>\$ (16,908,204,442)</u>

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

Year ended June 30:	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	<u>4,704,163,473</u>
Total	<u>\$ 4,921,365,558</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Compensated Absences

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

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

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

13. Deferred Compensation

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

Prudential

14. Risk Management

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

14. Risk Management (cont'd)

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

District Financial Year	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2020-2021	\$ 12,203	\$ 225	\$ (10,264)	\$ 159,946
2019-2020	11,799	1,687	(5,935)	157,782
2018-2019	27,459	2,126	(13,087)	150,231

15. Inventory

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food	\$ 168
Supplies	<u>198</u>
	<u>\$ 366</u>

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

16. Contingent Liabilities

Grant Programs

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

16. Contingent Liabilities (Cont'd)

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

Construction Commitments

The district has entered into construction projects as of June 30, 2021. The projects began in July 2020 for various improvement at both the Maple Place and Wolf Hill Schools.

Project	Spent to Date	Remaining Commitment
State Project # 3830-050-19-1000	\$ 1,323,443	\$ 12,728,372
State Project # 3830-050-19-2000	857,654	8,150,134
State Project # 3830-030-19-1000	995,387	6,269,140
State Project # 3830-030-19-2000	1,713,582	1,116,288

17. Fund Balances

General Fund - Of the \$2,010,572 General Fund balance at June 30, 2021, \$129,130 of encumbrances is assigned to other purposes, \$351,196 is restricted for capital reserve, \$399,621 is restricted for maintenance reserve, \$2,352 is restricted for the emergency reserve, \$159,946 is restricted for unemployment claims. \$248,677 is restricted for excess surplus for subsequent year expenditures, \$59,798 has been classified as assigned fund balance designated for subsequent year expenditures, \$219,016 is restricted for excess surplus and \$440,836 is unassigned.

Special Revenue Fund - of the \$51,644 Special Revenue Fund balance at June 30, 2021, \$51,644 is restricted for the use of student activities purposes.

18. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$219,016. The excess fund balance at June 30, 2020 was \$248,677.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

19. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2021. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2018.

20. Subsequent Events

Management has evaluated subsequent events through January 5, 2022, the date the financial statements were available to be issued.

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

21. Tax Abatement

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

22. Economic Dependency

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2021

23. Prior Period Adjustment

GASB Statement No. 84 established criteria for identifying funds to be included as Fiduciary Funds. The implementation of GASB 84 created new accounting and reporting requirements for funds previously included in Fiduciary Funds as follows:

- Unemployment Compensation Fund is included in the General Fund
- Student Activity Funds are included in the Special Revenue Fund
- Payroll Agency and Flexible Spending Accounts are included in the General Fund

The Unemployment Compensation Fund had a fund balance of \$157,782 at June 30, 2020. This balance is shown as a prior period adjustment to the General Fund's beginning fund balance. The restated beginning fund balance is \$1,554,539.

The Student Activity Fund had a fund balance of \$61,306 at June 30, 2020. The balance of \$61,306 is shown as a prior period adjustment to the Special Revenue Fund's beginning fund balance. The restated beginning fund balance is \$61,306.

The adoption of GASB 84 and the inclusion of the activity of the above referenced funds in the General Fund and Special Revenue Fund that were previously included in the Fiduciary Funds also created non-comparability in the MD&A and has been acknowledged and allowed by the GASB.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 10,740,680	\$ -	\$ 10,740,680	\$ 10,740,680	\$ -
Tuition - non-residents	100,200	-	100,200	16,925	(83,275)
Tuition - LEAS	51,151	-	51,151	43,065	(8,086)
Interest	-	-	-	94,445	94,445
Other Restricted Interest	-	-	-	225 *	225
Interest earned on maintenance reserve	5	(5)	-	643	643
Interest earned on capital reserve funds	1	(1)	-	1,154	1,154
Rents and royalties	16,000	-	16,000	-	(16,000)
Other restricted miscellaneous revenues	-	-	-	1,939 **	1,939
Miscellaneous	10,750	-	10,750	78,521	67,771
Total - local sources	10,918,787	(6)	10,918,781	10,977,597	58,816
State sources:					
Transportation aid	92,108	-	92,108	92,108	-
Special education aid	466,934	-	466,934	421,048	(45,886)
Extraordinary aid	-	113,155	113,155	144,798	31,643
Non-public transportation	-	-	-	12,480	12,480
Categorical security	20,253	-	20,253	20,253	-
Adjustment aid	11,056	-	11,056	11,056	-
TPAF-LTDI (on-behalf - Non-budgeted)	-	-	-	535	535
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	430,976	430,976
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	1,375,233	1,375,233
TPAF social security (reimbursed - Non-budgeted)	-	-	-	400,471	400,471
Total state sources	590,351	113,155	703,506	2,908,958	2,205,452
Total revenues	11,509,138	113,149	11,622,287	13,886,555	2,264,268
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	230,991	-	230,991	219,460	11,531
Grades 1-5 - Salaries of teachers	1,714,339	31,128	1,745,467	1,745,217	250
Grades 6-8 - Salaries of teachers	1,292,857	4,450	1,297,307	1,293,076	4,231
Regular Programs - Home Instruction:					
Salaries of teachers	7,000	-	7,000	6,669	331
Purchased professional-educational services	147,000	14,326	161,326	161,325	1
Regular Programs - Undistributed Instruction					
Other purchased services (400-500 series)	103,615	6	103,621	103,621	-
General supplies	82,806	19,704	102,510	21,722	80,788
Textbooks	33,765	(6)	33,759	33,729	30
Other objects - misc. exp.	5,500	-	5,500	5,493	7
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,617,873	69,608	3,687,481	3,590,312	97,169
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	200,672	14,025	214,697	206,430	8,267
Other salaries for instruction	112,836	(725)	112,111	103,777	8,334
Unused vacation payment to terminated/retired staff	15,000	(15,000)	-	-	-
Other purchased services (400-500 series)	40,000	-	40,000	39,084	916
General supplies	7,050	-	7,050	7,050	-
Total Learning and/or Language Disabilities	375,558	(1,700)	373,858	356,341	17,517
Resource Room/Resource Center:					
Salaries of teachers	801,528	(8,049)	793,479	793,391	88
Unused vacation payment to terminated/retired staff	30,000	(30,000)	-	-	-
General supplies	500	-	500	175	325
Total Resource Room/Resource Center	832,028	(38,049)	793,979	793,566	413
Preschool Disabilities - Full Time					
Salaries	180,985	(4,044)	176,941	169,357	7,584
Other salaries for instruction	42,986	-	42,986	40,052	2,934
General supplies	500	-	500	94	406
Total Preschool Disabilities - Full Time	224,471	(4,044)	220,427	209,503	10,924
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,432,057	(43,793)	1,388,264	1,359,410	28,854

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of teachers	\$ 58,046	\$ 8,040	\$ 66,086	\$ 65,967	\$ 119
General supplies	150	-	150	-	150
Total Basic Skills/Remedial - Instruction	<u>58,196</u>	<u>8,040</u>	<u>66,236</u>	<u>65,967</u>	<u>269</u>
Bilingual Education - Instruction					
General supplies	500	-	500	-	500
Total Bilingual Education - Instruction	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
School Sponsored CoCurricular Act-Instruction					
Salaries	58,500	(5,282)	53,218	28,153	25,065
Supplies and Materials	2,500	-	2,500	-	2,500
Other Objects	3,000	-	3,000	-	3,000
Total School Sponsored CoCurricular Act-Instruction	<u>64,000</u>	<u>(5,282)</u>	<u>58,718</u>	<u>28,153</u>	<u>30,565</u>
School Sponsored Athletics-Instruction					
Salaries	39,900	-	39,900	24,276	15,624
Supplies and Materials	4,000	-	4,000	3,998	2
Other Objects	3,000	-	3,000	3,000	-
Total School Sponsored Athletics-Instruction	<u>46,900</u>	<u>-</u>	<u>46,900</u>	<u>31,274</u>	<u>15,626</u>
Total Instruction	<u>5,219,526</u>	<u>28,573</u>	<u>5,248,099</u>	<u>5,075,116</u>	<u>172,983</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - special	-	51,942	51,942	51,863	79
Tuition to private schools for the handicapped - Within state	481,425	(118,522)	362,903	146,633	216,270
Total Undistributed Expenditures - Instruction:	<u>481,425</u>	<u>(66,580)</u>	<u>414,845</u>	<u>198,496</u>	<u>216,349</u>
Undist. Expend. - Health Services					
Salaries	153,751	-	153,751	149,136	4,615
Purchased professional and technical services	2,000	(259)	1,741	-	1,741
Other purchased services (400-500 series)	9,100	-	9,100	6,244	2,856
Supplies and materials	3,200	259	3,459	3,313	146
Total Undistributed Expenditures - Health Services	<u>168,051</u>	<u>-</u>	<u>168,051</u>	<u>158,693</u>	<u>9,358</u>
Undist. Expend. - Other Support Services - Students-Related Srvc					
Salaries	184,396	-	184,396	182,328	2,068
Purchased professional - educational services	18,000	(3,600)	14,400	7,468	6,932
Supplies and materials	1,000	-	1,000	313	687
Total Undist. Expend.-Other Support Svcs-Students-Related Srvc	<u>203,396</u>	<u>(3,600)</u>	<u>199,796</u>	<u>190,109</u>	<u>9,687</u>
Undist. Expend.- Other Support Services -Students-Extraordinary Srvc					
Salaries	335,322	23,699	359,021	359,019	2
Purchased professional - educational services	-	-	-	-	-
Total Undist. Expend.-Othr Sprt Svcs Students-Extraordinary Svcs	<u>335,322</u>	<u>23,699</u>	<u>359,021</u>	<u>359,019</u>	<u>2</u>
Undist. Expend.- Other Support Services Students-Regular					
Salaries of other professional staff	136,916	-	136,916	136,406	510
Purchased professional - educational services	2,500	(1,500)	1,000	-	1,000
Supplies and materials	4,000	-	4,000	609	3,391
Total Undist. Expend. - Other Support Services - Students-Regular	<u>143,416</u>	<u>(1,500)</u>	<u>141,916</u>	<u>137,015</u>	<u>4,901</u>
Undist. Expend. - Other Support Services - Students-Special					
Salaries of other professional staff	347,865	10,850	358,715	358,700	15
Salaries of secretarial and clerical assistants	54,811	-	54,811	54,411	400
Purchased professional - educational services	12,500	(6,552)	5,948	5,948	-
Supplies and materials	6,000	(2,198)	3,802	3,116	686
Other objects	2,000	-	2,000	2,000	-
Total Undist. Expend. - Other Support Services - Students-Special	<u>423,176</u>	<u>2,100</u>	<u>425,276</u>	<u>424,175</u>	<u>1,101</u>
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	95,885	-	95,885	95,604	281
Salaries of other professional staff	10,710	2,590	13,300	10,583	2,717
Purchased professional - educational services	-	6,000	6,000	6,000	-
Total Undist. Expend. - Improvement of Instruction Services	<u>106,595</u>	<u>8,590</u>	<u>115,185</u>	<u>112,187</u>	<u>2,998</u>
Undist. Expend. - Educational Media Services/School Library					
Salaries	101,775	(6,500)	95,275	93,609	1,666
Salaries of Technology Coordinators	67,000	5,250	72,250	70,000	2,250
Purchased professional and technical services	8,600	(8,600)	-	-	-
Supplies and materials	3,000	-	3,000	1,999	1,001
Total Undist. Expend. - Educational Media Services/School Library	<u>180,375</u>	<u>(9,850)</u>	<u>170,525</u>	<u>165,608</u>	<u>4,917</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	\$ 10,080	\$ 997	\$ 11,077	\$ 8,884	\$ 2,193
Other purchased services (400-500 series)	4,000	(1,756)	2,244	527	1,717
Total Undist. Expend. - Instruction Staff Training Services	14,080	(759)	13,321	9,411	3,910
Undist. Expend. - Support Service - General Administration					
Salaries	147,450	-	147,450	141,478	5,972
Legal services	42,000	53,606	95,606	95,606	-
Audit fees	14,500	-	14,500	14,000	500
Communications/Telephone	36,650	614	37,264	37,257	7
Other purchased services (400-500 series)	36,775	7,000	43,775	43,612	163
General supplies	3,000	(1,250)	1,750	1,747	3
Miscellaneous expenditures - Board of Ed	8,000	1,250	9,250	9,126	124
Membership Dues and Fees	8,750	-	8,750	8,741	9
Total Undist. Expend. - Support Service - General Administration	297,125	61,220	358,345	351,567	6,778
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	234,320	3,475	237,795	237,584	211
Salaries of secretarial and clerical assistants	81,348	5,935	87,283	87,280	3
Other purchased services (400-500 series)	34,000	-	34,000	28,365	5,635
Supplies and materials	15,000	(4,690)	10,310	7,374	2,936
Other objects	10,600	5,772	16,372	15,497	875
Total Undist. Expend. - Support Service - School Administration	375,268	10,492	385,760	376,100	9,660
Undist. Expend. - Central Services					
Salaries	207,155	701	207,856	204,898	2,958
Purchased professional services	22,500	14,175	36,675	36,641	34
Misc. Pur Serv (400-500 series)	1,500	149	1,649	1,649	-
Supplies and materials	4,100	(75)	4,025	3,923	102
Misc Expenditures	750	(500)	250	225	25
Total Undist. Expend. - Central Services	236,005	14,450	250,455	247,336	3,119
Undist. Expend. - Admin. Info. Technology					
Purchased technical services	1,500	-	1,500	1,499	1
Supplies and materials	29,850	-	29,850	28,250	1,600
Total Undist. Expend - Admin. Info. Technology	31,350	-	31,350	29,749	1,601
Interest Earned on Maintenance Reserve					
Interest earned on maintenance reserve	5	(5)	-	-	-
Total Interest Earned on Maintenance Reserve	5	(5)	-	-	-
Undist. Expend. - Required Maintenance for School Facilities					
Salaries	86,225	(400)	85,825	58,495	27,330
Cleaning, repair and maintenance services	163,775	4,850	168,625	160,511	8,114
Total Undist. Expend. - Allowed Maintenance for School Facilities	250,000	4,450	254,450	219,006	35,444
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - Custodians	239,727	(19,704)	220,023	196,412	23,611
Salaries - Café./Playground Aides	35,000	-	35,000	30,600	4,400
Purchased professional and technical services	4,500	(4,500)	-	-	-
Cleaning, repair and maintenance services - up keep	10,675	550	11,225	8,519	2,706
Other purchased property services	23,000	-	23,000	17,867	5,133
Insurance	62,175	-	62,175	62,158	17
General supplies	43,000	13,021	56,021	56,019	2
Energy (Natural Gas)	58,750	(1,545)	57,205	56,803	402
Energy (Electricity)	101,700	(12,386)	89,314	79,563	9,751
Other objects	2,000	-	2,000	1,723	277
Total Undist. Expend. - Other Operation & Maintenance Of Plant	580,527	(24,564)	555,963	509,664	46,299
Care and Upkeep of Grounds					
Cleaning, repair and maintenance services	34,500	6,710	41,210	41,179	31
General supplies	5,050	(5,050)	-	-	-
Total Undist. Expend. - Care and Upkeep of Grounds	39,550	1,660	41,210	41,179	31
Undist. Expend. - Security					
Salaries	59,935	-	59,935	44,579	15,356
Purchased professional services	20,000	-	20,000	17,500	2,500
Cleaning, repair and maintenance services	15,500	-	15,500	15,494	6
Total Undist. Expend. - Security	95,435	-	95,435	77,573	17,862
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation(between home and school)-Special	-	-	-	-	-
Management fee - ESC	25,000	-	25,000	22,500	2,500
Cleaning, repair and maintenance services	1,000	-	1,000	366	634
Contract services Aid in Lieu Pymnts - NonPub Sch	23,768	29,718	53,486	53,486	-
Contract services (between home & school) - Vendors	236,079	(27,000)	209,079	165,936	43,143
Contract services -(other between home and school) - Vendors	19,200	(15,000)	4,200	-	4,200
Contract services-(regular) - ESC's	20,000	-	20,000	10,502	9,498
Contract services-(special education students)-ESC's & CTSA's	158,480	-	158,480	52,281	106,199
Total Undist. Expend. - Student Transportation Services	483,527	(12,282)	471,245	305,071	166,174

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Interest Earned on Current Expense Capital Reserve					
Interest earned on current expense capital reserve	1	(1)	-	-	-
Total Interest Earned on Current Expense Capital Reserve	<u>1</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNALLOCATED EMPLOYEE BENEFITS					
Perfect attendance	-	-	-	-	-
Social security contributions	132,750	9,255	142,005	142,004	1
Other retirement contributions - PERS	115,042	-	115,042	109,114	5,928
Other retirement contributions - regular	14,775	-	14,775	13,710	1,065
Workmen's compensation	109,680	(10,275)	99,405	95,671	3,734
Health benefits	1,871,372	-	1,871,372	1,819,394	51,978
Tuition reimbursement	20,000	(10,005)	9,995	8,813	1,182
Unused sick payments to term/ret staff	15,000	(7,250)	7,750	7,750	-
TOTAL UNALLOCATED EMPLOYEE BENEFITS	<u>2,278,619</u>	<u>(18,275)</u>	<u>2,260,344</u>	<u>2,196,456</u>	<u>63,888</u>
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	535	(535)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	430,976	(430,976)
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	1,375,233	(1,375,233)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	400,471	(400,471)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,207,215</u>	<u>(2,207,215)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>2,278,619</u>	<u>(18,275)</u>	<u>2,260,344</u>	<u>4,403,671</u>	<u>(2,143,327)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>6,723,248</u>	<u>(10,755)</u>	<u>6,712,493</u>	<u>8,315,629</u>	<u>(1,603,136)</u>
TOTAL GENERAL CURRENT EXPENDITURES	<u>11,942,774</u>	<u>17,818</u>	<u>11,960,592</u>	<u>13,390,745</u>	<u>(1,430,153)</u>
CAPITAL OUTLAY					
Regular Programs - Instruction:					
Grades 1-5	37,000	10,500	47,500	34,350	13,150
Grades 6-8	32,000	(11,750)	20,250	-	20,250
Undistributed:					
Undistributed expenditures - Instruction	-	-	-	-	-
Undistributed expenditures - Security	35,000	-	35,000	4,280	30,720
Total Equipment	<u>104,000</u>	<u>(1,250)</u>	<u>102,750</u>	<u>38,630</u>	<u>64,120</u>
Facilities Acquisition and Construction Services					
Debt Service Assessment	1,230	-	1,230	1,230	-
Total Facilities Acquisition and Construction Services	<u>1,230</u>	<u>-</u>	<u>1,230</u>	<u>1,230</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>105,230</u>	<u>(1,250)</u>	<u>103,980</u>	<u>39,860</u>	<u>64,120</u>
TOTAL EXPENDITURES	<u>12,048,004</u>	<u>16,568</u>	<u>12,064,572</u>	<u>13,430,605</u>	<u>(1,366,033)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(538,866)	96,581	(442,285)	455,950	898,235
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(538,866)	96,581	(442,285)	455,950	898,235
Fund Balance, July 1	1,449,063	-	1,449,063	1,449,063	-
Prior Period Adjustment				157,782	
Fund Balance, July 1, Restated				1,606,845	
Fund Balance, June 30	<u>\$ 910,197</u>	<u>\$ 96,581</u>	<u>\$ 1,006,778</u>	<u>\$ 2,062,795</u>	<u>\$ 898,235</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				\$ 351,196	
Maintenance reserve				399,621	
Emergency reserve				2,352	
Unemployment compensation				159,946	
Excess surplus - Designated for subsequent year's expenditures				248,677	
Excess surplus - Current year				219,016	
Committed Fund Balance:					
Year-end encumbrances				129,130	
Assigned Fund Balance:					
Other purposes				-	
Designated by the BOE for subsequent year's expenditures				59,798	
Unassigned Fund Balance				<u>493,059</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				2,062,795	
Last state aid payment not recognized on GAAP basis				<u>(52,223)</u>	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 2,010,572</u>	

* Includes interest earnings on the unemployment compensation bank account
 ** Includes contributions paid to unemployment compensation bank account
 *** Includes claims paid from unemployment compensation bank account
 **** Represents unemployment fund net position as of June 30, 2020

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ 4,037	25,963	30,000	42,859	\$ 12,859
State sources	-	-	-	-	-
Federal sources	420,642	(17,144)	403,498	352,029	(51,469)
Total Revenues	<u>424,679</u>	<u>8,819</u>	<u>433,498</u>	<u>394,888</u>	<u>(38,610)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	84,237	-	84,237	77,263	6,974
Other salaries for instruction	-	-	-	-	-
Purchased professional services	8,100	-	8,100	-	8,100
General supplies	108,680	8,819	117,499	94,246	23,253
Tuition	162,125	-	162,125	162,125	-
Misc. Expenditures	-	-	-	-	-
Total Instruction	<u>363,142</u>	<u>8,819</u>	<u>371,961</u>	<u>333,634</u>	<u>38,327</u>
Support services:					
Salaries of program director	-	-	-	-	-
Personal services	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	16,908	-	16,908	7,605	9,303
Purchased technical services	8,000	-	8,000	8,000	-
Travel	-	-	-	-	-
Employee Benefits	4,044	-	4,044	4,044	-
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	10,548	-	10,548	10,548	-
Supplies & materials	22,037	-	22,037	16,709	5,328
Student activities	-	-	-	24,010	(24,010) Note 1
Total support services	<u>61,537</u>	<u>-</u>	<u>61,537</u>	<u>70,916</u>	<u>14,631</u>
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>424,679</u>	<u>8,819</u>	<u>433,498</u>	<u>404,550</u>	<u>52,958</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(9,662)</u>	<u>\$ 14,348</u>
Fund Balance, July 1				-	
Prior Period Adjustment				61,306	
Fund Balance, July 1 (Restated)				61,306	
Fund Balance, June 30				<u>51,644</u>	
Recapitulation:					
Restricted:					
Student Activities				51,644	
Total Fund Balance				<u>\$ 51,644</u>	

Note 1 - Not required to budget for these funds.

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

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 13,886,555	[C-2]	\$ 394,888
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(4,301)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,375,233)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(52,223)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		52,306		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 12,511,405	[B-2]	\$ 390,587
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 13,430,605	[C-2]	\$ 394,888
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,375,233)		-
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		(4,301)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 12,055,372	[B-2]	\$ 390,587

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**OCEANPORT SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Year Ended June 30, 2021**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contributions	\$ 87,516	\$ 144,209	\$ 96,950	\$ 114,950	\$ 105,776	\$ 121,541	\$ 103,261	\$ 109,114
Contributions in relation to the contractually required contribution	<u>87,516</u>	<u>144,209</u>	<u>96,950</u>	<u>114,950</u>	<u>105,776</u>	<u>121,541</u>	<u>103,533</u>	<u>109,114</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (272)</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 811,178	\$ 797,945	\$ 771,853	\$ 776,861	\$ 749,248	\$ 757,246	\$ 728,550	\$ 728,550
Contributions as a percentage of covered-employee payroll	0.00%	18.07%	12.56%	14.80%	13.62%	16.05%	14.17%	14.98%

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

**OCEANPORT SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS
For the Year Ended June 30, 2021**

Last 10 Fiscal Years*

	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>
District's proportion of the net pension liability	100.000%		100.000%		0.0114843954%		0.0126013958%		0.0113745438%		0.0121954172%		0.0106158551%		0.0099743173%
District's proportionate share of the net pension liability	\$ 2,149,199	\$	2,270,377	\$	2,689,966	\$	3,732,172	\$	2,647,812	\$	2,401,217	\$	1,912,816	\$	1,626,550
District's covered-employee payroll	\$ -	\$	811,178	\$	797,945	\$	771,853	\$	776,861	\$	749,248	\$	757,246	\$	728,550
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%		279.89%		337.11%		480.42%		353.40%		317.10%		262.55%		223.26%
Plan fiduciary net position as a percentage of the total pension liability	40.71%		52.08%		47.93%		40.14%		48.10%		53.60%		56.27%		58.32%

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

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

**OCEANPORT SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-TPAF
For the Year Ended June 30, 2021**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the net pension liability associated with the District	0.0000000000%	0.0441200000%	0.0452083709%	0.0433096415%	0.0450482843%	0.0454732493%	0.0445870679%	0.0449791115%
State's proportionate share of the net pension liability associated with the District	\$ 22,240,031	\$ 23,742,413	\$ 28,573,621	\$ 34,070,122	\$ 30,373,178	\$ 28,929,104	\$ 27,363,504	\$ 29,618,204
District's covered-employee payroll	4,369,752	4,338,875	2,627,817	4,709,818	4,748,105	4,969,819	5,192,710	5,500,888
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	508.95%	547.20%	1087.35%	723.39%	639.69%	582.10%	526.96%	538.43%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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

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

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

OCEANPORT SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2021
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the OPEB liability associated with the District				
Service cost	\$ 1,178,247	\$ 979,986	\$ 809,064	\$ 811,323
Interest cost	987,762	1,142,394	1,036,486	812,122
Differences between expected and actual experiences	-	-	(5,112,331)	6,750,564
Changes in assumptions	(4,027,803)	(6,401,814)	338,517	6,805,033
Member contributions	26,667	24,313	20,659	19,658
Gross benefit payments	<u>(724,211)</u>	<u>(703,479)</u>	<u>(696,942)</u>	<u>(648,562)</u>
Net change in total OPEB liability	(2,559,338)	(4,958,600)	(3,604,547)	14,550,138
Total State's portion of the OPEB liability - beginning	<u>33,826,385</u>	<u>31,267,047</u>	<u>26,308,447</u>	<u>22,703,900</u>
Total State's portion of the OPEB liability - ending	<u>\$ 31,267,047</u>	<u>\$ 26,308,447</u>	<u>\$ 22,703,900</u>	<u>\$ 37,254,038</u>
District's covered employee payroll	<u>\$ 6,292,251</u>	<u>\$ 6,715,885</u>	<u>\$ 7,146,080</u>	<u>\$ 7,505,772</u>
Total State's OPEB liability as a percentage of covered employee payroll	497%	392%	318%	496%

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

Oceanport School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2021

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 5.60% as of June 30 2019, to 5.40% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 6.28% as of June 30 2019, to 7.00% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

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

	IDEA Basic 20-21	IDEA Preschool 20-21	Title I 20-21	Title II 20-21	CARES 20-21	COVID Relief 20-21
Revenues:						
Local sources	\$ -	-	-	-	-	\$ -
State sources	-	-	-	-	-	-
Federal sources	162,125	4,855	91,886	7,605	60,080	18,478
Total revenues	<u>162,125</u>	<u>4,855</u>	<u>91,886</u>	<u>7,605</u>	<u>60,080</u>	<u>18,478</u>
Expenditures:						
Instruction:						
Salaries of teachers	-	-	77,263	-	-	-
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-
General supplies	-	4,855	10,579	-	24,823	18,478
Tuition	162,125	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	<u>162,125</u>	<u>4,855</u>	<u>87,842</u>	<u>-</u>	<u>24,823</u>	<u>18,478</u>
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-
Other purchased professional services	-	-	-	7,605	8,000	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	-	4,044	-	-	-
Travel	-	-	-	-	-	-
General supplies	-	-	-	-	16,709	-
Miscellaneous expenses	-	-	-	-	10,548	-
Total support services	<u>-</u>	<u>-</u>	<u>4,044</u>	<u>7,605</u>	<u>35,257</u>	<u>-</u>
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 162,125</u>	<u>4,855</u>	<u>91,886</u>	<u>7,605</u>	<u>60,080</u>	<u>\$ 18,478</u>
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-	-
Fund Balance, July 1						
Prior Period Adjustment	-	-	-	-	-	-
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

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

	Title IV 20-21	Local 20-21	Student Activities	Total
Revenues:				
Local sources	\$ -	28,511	14,348	\$ 42,859
State sources	-	-	-	-
Federal sources	7,000	-	-	352,029
Total revenues	<u>7,000</u>	<u>28,511</u>	<u>14,348</u>	<u>394,888</u>
Expenditures:				
Instruction:				
Salaries of teachers	-	-	-	77,263
Other salaries/instruction	-	-	-	-
Purchased professional services	-	-	-	-
General supplies	7,000	28,511	-	94,246
Tuition	-	-	-	162,125
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	<u>7,000</u>	<u>28,511</u>	<u>-</u>	<u>333,634</u>
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	-	-	-
Personal Services	-	-	-	-
Purchased professional services	-	-	-	-
Other purchased professional services	-	-	-	15,605
Purchased technical services	-	-	-	-
Employee benefits	-	-	-	4,044
Travel	-	-	-	-
General supplies	-	-	-	16,709
Miscellaneous expenses	-	-	-	10,548
Student Activities	-	-	24,010	24,010
Total support services	<u>-</u>	<u>-</u>	<u>24,010</u>	<u>70,916</u>
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 7,000</u>	<u>28,511</u>	<u>24,010</u>	<u>\$ 404,550</u>
Excess (deficiency) of revenues				
Over (under) expenditures	-	-	(9,662)	(9,662)
Fund Balance, July 1				
Prior Period Adjustment	-	-	61,306	61,306
Fund Balance, July 1 (Restated)			<u>61,306</u>	<u>61,306</u>
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>51,644</u>	<u>\$ 51,644</u>

F. Capital Projects Fund

**Oceanport School District
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2021**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2021</u>
			<u>Prior Years</u>	<u>Current Year</u>	
WH Capital Renovations - SP 3830-050-19-1000	11/19/20	\$ 14,051,815	\$ -	\$ 1,323,443	\$ 12,728,372
WH Educational adequacy renovations - SP 3080-050-19-2000	11/19/20	9,007,788	-	875,654	8,132,134
MP Capital renovations - SP 3830-030-19-1000	11/19/20	7,264,527	-	995,387	6,269,140
MP Educational adequacy renovations- SP 3080-030-19-2000	11/19/20	<u>2,829,870</u>	<u>-</u>	<u>1,713,582</u>	<u>1,116,288</u>
Totals		<u>\$ 33,154,000</u>	<u>\$ -</u>	<u>\$ 4,908,066</u>	<u>\$ 28,245,934</u>

OCEANPORT SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2021

Revenues and Other Financing Sources	
State Sources - Grant	\$ -
Bond proceeds and transfers	33,154,000
Capital lease proceeds	-
Transfer from capital reserve	-
Total revenues	<u>33,154,000</u>
Expenditures and Other Financing Uses	
Purchased professional and technical services	1,220,951
Construction services	3,687,115
Supplies	-
Total expenditures	<u>4,908,066</u>
Excess (deficiency) of revenues over (under) expenditures	28,245,934
Fund balance - beginning	-
Fund balance - ending	<u>\$ 28,245,934</u>

OCEANPORT SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Capital Renovations Maple Place Middle School
For the Year Ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	7,264,527	7,264,527	7,264,527
Local Revenue	-	-	-	-
Total revenues	<u>-</u>	<u>7,264,527</u>	<u>7,264,527</u>	<u>7,264,527</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	307,185	307,185	1,383,927
Construction services	-	1,016,258	1,016,258	5,880,600
Supplies	-	-	-	-
Total expenditures	<u>-</u>	<u>1,323,443</u>	<u>1,323,443</u>	<u>7,264,527</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 5,941,084</u>	<u>\$ 5,941,084</u>	<u>\$ -</u>

Additional project information:

Project Number	SP3830-030-19-1000
Grant Date	11/19/2020
Bond Authorization Date	7/15/2020
Bonds Authorized	\$ 7,264,572
Bonds Issued	7,264,572
Original Authorized Cost	7,264,572
Additional Authorized Cost	-
Revised Authorized Cost	7,264,572
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	18%
Original target completion date	2022
Revised target completion date	2022

OCEANPORT SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Maple Place Middle School Educational Adequacy Renovations
For the Year Ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	2,829,870	2,829,870	2,829,870
Local Revenue	-	-	-	-
Total revenues	<u>-</u>	<u>2,829,870</u>	<u>2,829,870</u>	<u>2,829,870</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	290,837	290,837	524,870
Construction services	-	584,817	584,817	2,305,000
Supplies	-	-	-	-
Total expenditures	<u>-</u>	<u>875,654</u>	<u>875,654</u>	<u>2,829,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1,954,216</u>	<u>\$ 1,954,216</u>	<u>\$ -</u>

Additional project information:

Project Number	SP 3830-030-19-2000
Grant Date	11/19/2020
Bond Authorization Date	7/15/2020
Bonds Authorized	\$ 2,829,870
Bonds Issued	2,829,870
Original Authorized Cost	2,829,870
Additional Authorized Cost	-
Revised Authorized Cost	2,829,870
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	30.9432589%
Original target completion date	2022
Revised target completion date	2022

OCEANPORT SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Wolf Hill Elementary School Capital Renovations
For the Year Ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	14,051,815	14,051,815	14,052,705
Local Revenue	-	-	-	-
Total revenues	-	14,051,815	14,051,815	14,052,705
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	308,579	308,579	2,570,750
Construction services	-	686,808	686,808	11,481,955
Supplies	-	-	-	-
Total expenditures	-	995,387	995,387	14,052,705
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 13,056,428	\$ 13,056,428	\$ -
Additional project information:				
Project Number	SP 3830-050-19-1000			
Grant Date	11/19/2020			
Bond Authorization Date	7/15/2020			
Bonds Authorized	\$ 14,052,705			
Bonds Issued	14,052,705			
Original Authorized Cost	14,052,705			
Additional Authorized Cost	-			
Revised Authorized Cost	14,052,705			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	7.0832413%			
Original target completion date	2022			
Revised target completion date	2022			

OCEANPORT SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Wolf Hill Elementary School Educational Adequacy Renovations
For the Year Ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	-	9,007,788	9,007,788	9,007,788
Local Revenue	-	-	-	-
Total revenues	<u>-</u>	<u>9,007,788</u>	<u>9,007,788</u>	<u>9,007,788</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	314,350	314,350	1,347,548
Construction services	-	1,399,232	1,399,232	7,660,240
Supplies	-	-	-	-
Total expenditures	<u>-</u>	<u>1,713,582</u>	<u>1,713,582</u>	<u>9,007,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 7,294,206</u>	<u>\$ 7,294,206</u>	<u>\$ -</u>

Additional project information:

Project Number	SP 0380-025-14-1004-G04
Grant Date	11/19/2020
Bond Authorization Date	7/15/2020
Bonds Authorized	\$ 9,007,788
Bonds Issued	9,007,788
Original Authorized Cost	9,007,788
Additional Authorized Cost	-
Revised Authorized Cost	9,007,788
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.190233385
Original target completion date	2022
Revised target completion date	2022

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

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt

OCEANPORT SCHOOL DISTRICT
 Long-Term Debt
 Statement of Serial Bonds
 June 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
Alterations and Renovations at Maple Place and Wolf Hill Schools (The bonds are held and issued by Monmouth County as part of a larger multi purpose bond. The refunding process was performed by Monmouth County)	10/5/2016	\$ 1,120,000	8/1/2021	135,000	3.0-4.0%	\$ 810,000	-	130,000	680,000
			8/1/2022	135,000					
			8/1/2023	135,000					
			8/1/2024	135,000					
			8/1/2025	140,000					
2020 Series Bond	7/1/2020	33,154,000	7/15/2022	749,000	2.50-2.65%	-	33,154,000	-	33,154,000
			7/15/2023	775,000					
			7/15/2024	795,000					
			7/15/2025	820,000					
			7/15/2026	845,000					
			7/15/2027	870,000					
			7/15/2028	900,000					
			7/15/2029	925,000					
			7/15/2030	955,000					
			7/15/2031	980,000					
			7/15/2032	1,010,000					
			7/15/2033	1,045,000					
			7/15/2034	1,075,000					
			7/15/2035	1,105,000					
			7/15/2036	1,140,000					
			7/15/2037	1,175,000					
			7/15/2038	1,210,000					
			7/15/2039	1,250,000					
			7/15/2040	1,285,000					
			7/15/2041	1,325,000					
			7/15/2042	1,365,000					
			7/15/2043	1,405,000					
			7/15/2044	1,450,000					
			7/15/2045	1,450,000					
			7/15/2046	1,450,000					
			7/15/2047	1,450,000					
			7/15/2048	1,450,000					
			7/15/2049	1,450,000					
			7/15/2050	1,450,000					
						\$ 810,000	33,154,000	130,000	\$ 33,834,000

OCEANPORT SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Capital Leases
 June 30, 2021

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Principal Balance July 1, 2020</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Principal Balance Outstanding June 30, 2021</u>
Ricoh Americas Corporation		\$ 51,578	\$ 50,798.0	\$ -	\$ (9,568)	\$ 41,230
Monmouth County Improvement Authority	2-5%	100,000	<u>22,000</u>	<u>-</u>	<u>(22,000)</u>	<u>-</u>
			<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ (31,568)</u>	<u>\$ 41,230</u>

OCEANPORT 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	\$ 105,033	\$ -	\$ 105,033	\$ 105,033	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt service aid Type II	54,111	-	54,111	54,111	-
				-	
Total - State Sources	54,111	-	54,111	54,111	-
Total Revenues	159,144	-	159,144	159,144	-
EXPENDITURES:					
Regular Debt Service:					
Interest	29,150	-	29,150	29,150	-
Redemption of principal	130,000	-	130,000	130,000	-
Total Regular Debt Service	159,150	-	159,150	159,150	-
Total expenditures	159,150	-	159,150	159,150	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6)	-	(6)	(6)	-
Other Financing Sources:					
Operating transfers in:					
Transfer from Capital Projects Fund	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(6)	-	(6)	(6)	-
Fund Balance, July 1	6	-	6	6	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

**Oceanport School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	107-112
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	113-116
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	117-120
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	121-122
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	123-127

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 3,731,111	\$ 3,493,436	\$ 3,701,607	\$ 3,697,236	\$ 3,754,589	\$ 3,445,140	\$ 3,513,665	\$ 3,573,876	\$ 3,720,175	\$ 8,594,095
Restricted	864,255	983,270	1,292,366	1,177,872	1,138,072	1,268,392	1,655,089	1,131,410	1,088,366	29,595,926
Unrestricted	(267,596)	217,955	52,255	(1,988,462)	(2,764,231)	(2,855,064)	(3,290,472)	(2,715,029)	(2,693,094)	(36,192,098)
Total governmental activities position	<u>\$ 4,327,770</u>	<u>\$ 4,694,661</u>	<u>\$ 5,046,228</u>	<u>\$ 2,886,646</u>	<u>\$ 2,128,430</u>	<u>\$ 1,858,468</u>	<u>\$ 1,878,282</u>	<u>\$ 1,990,257</u>	<u>\$ 2,115,447</u>	<u>\$ 1,997,923</u>
Business-type activities										
Net investment in capital assets	\$ 30,579	\$ 25,107	\$ 19,635	\$ 14,163	\$ 8,445	\$ 2,727	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(69,185)	(79,303)	(68,543)	(61,843)	102,348	114,528	75,506	45,440	(18,355)	13,759
Total business-type activities position	<u>\$ (38,606)</u>	<u>\$ (54,196)</u>	<u>\$ (48,908)</u>	<u>\$ (47,680)</u>	<u>\$ 110,793</u>	<u>\$ 117,255</u>	<u>\$ 75,506</u>	<u>\$ 45,440</u>	<u>\$ (18,355)</u>	<u>\$ 13,759</u>
District-wide										
Net investment in capital assets	\$ 3,761,690	\$ 3,518,543	\$ 3,721,242	\$ 3,711,399	\$ 3,763,034	\$ 3,447,867	\$ 3,513,665	\$ 3,573,876	\$ 3,720,175	\$ 8,594,095
Restricted	864,255	983,270	1,292,366	1,177,872	1,138,072	1,268,392	1,655,089	1,131,410	1,088,366	29,595,926
Unrestricted	(336,781)	138,652	(16,288)	(2,050,305)	(2,661,883)	(2,740,536)	(3,214,966)	(2,669,589)	(2,711,449)	(36,178,339)
Total district position	<u>\$ 4,289,164</u>	<u>\$ 4,640,465</u>	<u>\$ 4,997,320</u>	<u>\$ 2,838,966</u>	<u>\$ 2,239,223</u>	<u>\$ 1,975,723</u>	<u>\$ 1,953,788</u>	<u>\$ 2,035,697</u>	<u>\$ 2,097,092</u>	<u>\$ 2,011,682</u>

Source: CAFR Schedule A-1 and District records.

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
Instruction										
Regular					\$ 3,428,786	\$ 3,485,308	\$ 3,649,558	\$ 3,648,729	\$ 3,630,997	\$ 3,923,681
Special education					802,143	1,059,188	1,049,990	1,223,531	1,381,182	1,359,410
Other special education					105,614	188,307	219,538	203,012	139,581	125,394
Vocational					-	-	-	-	-	-
Other instruction					-	-	-	-	-	-
Nonpublic school programs					-	-	-	-	-	-
Adult/continuing education programs					-	-	-	-	-	-
Support Services:										
Instruction					103,972	99,389	138,103	221,724	146,544	198,496
Attendance and social work					1,825	-	-	21,193	-	-
Health services					137,654	150,297	150,311	148,033	158,719	158,693
Improvement of instr. services					-	-	-	-	-	-
Educational media services					132,442	154,961	155,689	155,932	169,287	165,608
Instruction staff training					20,853	32,493	18,551	9,008	11,929	9,411
School Administrative services					359,397	360,618	376,407	380,218	354,623	376,100
General administration					198,406	238,729	304,133	301,641	352,256	351,567
Central Services					137,619	138,796	171,244	183,975	204,267	247,336
Plant operations and maintenance					976,627	978,271	932,310	1,258,352	858,906	973,855
Administrative information technology					37,708	35,849	9,636	4,748	30,148	29,749
Pupil transportation					361,602	308,378	280,081	459,728	299,085	305,071
Other support services					1,007,922	941,438	859,984	1,101,563	1,309,056	1,289,385
Security					48,622	69,993	77,005	93,329	86,369	77,573
Special Schools					-	-	-	-	-	-
Charter Schools					-	-	-	-	-	-
Interest on long-term debt					62,762	51,148	50,825	35,319	33,411	831,045
Non-budgeted expenditures					-	745,975	980,046	764,752	751,490	831,982
Unallocated employee benefits					2,271,551	2,261,366	2,720,467	2,231,462	2,332,808	2,143,392
Total governmental activities expenses	10,218,877	10,530,881	10,779,881	9,640,285	10,195,511	11,300,504	12,143,878	12,446,249	12,250,658	13,397,748
Business-type activities:										
Enterprise fund										
					(134,125)	346,433	318,304	310,771	290,218	188,399
Total business-type activities expense	182,843	178,151	151,700	160,774	(134,125)	346,433	318,304	310,771	290,218	188,399
Total district expenses	\$ 10,401,720	\$ 10,709,032	\$ 10,931,581	\$ 9,801,059	\$ 10,061,386	\$ 11,646,937	\$ 12,462,182	\$ 12,757,020	\$ 12,540,876	\$ 13,586,147
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)					\$ -	\$ -	\$ -	\$ (217,899)	\$ (136,246)	\$ (74,338)
Pupil transportation					-	-	-	-	-	-
Central and other support services					-	-	-	-	-	-
Operating grants and contributions					-	(745,975)	(980,046)	(764,752)	(751,490)	(1,208,221)
Capital grants and contributions					-	-	-	-	-	-
Total governmental activities program revenues	1,331,481	225,768	322,150	85,046	-	(745,975)	(980,046)	(982,651)	(887,736)	(1,282,559)
Business-type activities:										
Charges for services										
Food service					-	(273,481)	(245,009)	(241,342)	(197,228)	(27,561)
Child care					-	-	-	-	-	-
Operating grants and contributions					-	(28,046)	(30,169)	(38,119)	(28,535)	(192,931)
Capital grants and contributions					-	-	-	-	-	-
Total business-type activities program revenues	178,544.00	162,561	137,353	161,963	-	(301,527)	(275,178)	(279,461)	(225,763)	(220,492)
Total district program revenues	1,510,025	388,329	459,503	247,009	-	(1,047,502)	(1,255,224)	(1,262,112)	(1,113,499)	(1,503,051)
Net (Expense)/Revenue										
Governmental activities	(8,887,396)	(10,305,113)	(10,457,731)	(9,555,239)	(10,195,511)	(10,554,529)	(11,163,832)	(11,463,598)	(11,362,922)	(12,115,189)
Business-type activities	(4,299)	(15,590)	(14,347)	1,189	134,125	(44,906)	(43,126)	(31,310)	(64,455)	32,093
Total district-wide net expense	\$ (8,891,695)	\$ (10,320,703)	\$ (10,472,078)	\$ (9,554,050)	\$ (10,061,386)	\$ (10,599,435)	\$ (11,206,958)	\$ (11,494,908)	\$ (11,427,377)	\$ (12,083,096)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net					\$ 8,946,992	\$ 9,586,658	\$ 9,778,391	\$ 10,056,401	\$ 10,358,093	\$ 10,740,680
Taxes levied for debt service					115,686	120,000	115,990	94,349	107,613	105,033
Unrestricted grants and contributions					504,855	516,298	571,739	602,645	686,762	755,937
State aid - restricted					262,295	219,488	365,245	285,139	274,698	-
Tuition Received					-	-	-	-	-	-
Investment earnings					5,221	8,083	28,212	32,815	23,668	96,242
Transfer					-	(50,679)	-	-	-	-
Miscellaneous restricted income					387,729	84,971	324,069	50,726	37,278	78,521
Miscellaneous income					-	-	-	-	-	2,164
Other financing sources / uses					(785,483)	(200,252)	-	453,498	-	-
Total governmental activities	10,026,349	10,629,209	10,659,732	10,580,668	9,437,295	10,284,567	11,183,646	11,575,573	11,488,112	11,778,577
Business-type activities:										
Investment earnings					33	689	1,377	1,244	660	21
Transfers					24,315	50,679	-	-	-	-
Total business-type activities	27	-	-	39	24,348	51,368	1,377	1,244	660	21
Total district-wide	\$ 10,026,376	\$ 10,629,209	\$ 10,659,732	\$ 10,580,707	\$ 9,437,328	\$ 10,285,256	\$ 11,185,023	\$ 11,576,817	\$ 11,488,772	\$ 11,778,598
Change in Net Position										
Governmental activities	1,138,953	324,096	202,001	1,025,429	(758,216)	(269,962)	19,814	111,975	125,190	(336,612)
Business-type activities	(4,272)	(15,590)	(14,347)	1,228	158,473	6,462	(41,749)	(30,066)	(63,795)	32,114
Total district	\$ 1,134,681	\$ 308,506	\$ 187,654	\$ 1,026,657	\$ (599,743)	\$ (263,500)	\$ (21,935)	\$ 81,909	\$ 61,395	\$ (304,498)

Source: CAFR Schedule A-2 and District records.

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

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,241,146	\$ 1,504,261	\$ 1,131,404	\$ 1,088,010	\$ 1,380,808
Committed	-	-	-	-	-	3,410	123,808	-	350	129,130
Assigned	-	-	-	-	-	7,187	11,182	-	50,905	59,798
Unassigned	-	-	-	-	-	216,636	264,970	252,170	257,492	440,836
Reserved	864,255	980,045	1,289,734	2,165,902	1,137,261	-	-	-	-	-
Unreserved	194,304	217,955	52,255	213,480	213,346	-	-	-	-	-
Total general fund	<u>\$ 1,058,559</u>	<u>\$ 1,198,000</u>	<u>\$ 1,341,989</u>	<u>\$ 2,379,382</u>	<u>\$ 1,350,607</u>	<u>\$ 1,468,379</u>	<u>\$ 1,904,221</u>	<u>\$ 1,383,574</u>	<u>\$ 1,396,757</u>	<u>\$ 2,010,572</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special Revenue fund	-	-	-	-	-	-	-	-	-	51,644.00
Debt service fund	3,225	3,225	2,632	(393)	811	16,649	15,838	6	6	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	28,245,934
Debt service fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,225</u>	<u>\$ 3,225</u>	<u>\$ 2,632</u>	<u>\$ (393)</u>	<u>\$ 811</u>	<u>\$ 16,649</u>	<u>\$ 15,838</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 28,297,578</u>

Source: CAFR Schedule B-1 and District records.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	9,075,881	8,969,686	8,712,664	8,882,686	9,062,678	9,706,658	9,894,381	10,150,750	10,465,706	10,845,713
Tuition charges	-	-	-	-	331,893	304,623	295,448	217,899	136,246	59,990
Interest earnings	-	-	-	-	5,221	8,083	28,212	32,815	23,668	96,242
Transportation fees	-	-	-	-	-	-	4,918	6,150	600	-
Rents and royalties	-	-	-	-	-	-	18,550	18,550	12,985	-
Miscellaneous	286,435	310,116	284,315	232,728	55,836	20,690	5,153	26,026	23,693	117,344
Miscellaneous Restricted Revenue	-	-	-	-	-	-	-	-	-	2,164
State sources	1,297,034	1,394,827	1,315,325	1,470,436	1,240,016	1,262,273	1,551,785	1,367,397	1,438,252	1,587,919
Federal sources	211,109	186,158	633,457	473,311	262,295	219,488	365,245	285,139	274,698	351,764
Total revenue	10,870,459	10,860,787	10,945,761	11,059,161	10,957,939	11,521,815	12,163,692	12,104,726	12,375,848	13,061,136
Expenditures										
Instruction										
Regular Instruction	2,716,327	2,812,502	3,132,902	2,615,461	3,428,786	3,485,308	3,649,558	3,648,729	3,630,997	3,923,681
Special education instruction	841,551	1,072,228	1,031,845	800,250	802,143	1,059,188	1,049,990	1,223,531	1,381,182	1,359,410
Other special instruction	99,225	125,380	85,153	115,785	105,614	188,307	219,538	203,012	139,581	125,394
Support Services:	102,406									
Tuition	2,438	33,804	122,846	54,571	103,972	99,389	138,103	221,724	146,544	198,496
Student & inst. related services	1,317,005	1,364,069	1,387,374	1,189,288	292,774	337,751	324,551	334,166	339,935	333,712
General administration	310,254	629,569	632,275	324,501	198,406	238,729	304,133	301,641	352,256	351,567
School administrative services	348,859	314,478	260,420	305,512	359,397	360,618	376,407	380,218	354,623	376,100
Central services	-	-	-	-	137,619	138,796	171,244	183,975	204,267	247,336
Admin. information technology	-	-	-	-	37,708	35,849	9,636	4,748	30,148	29,749
Plant operations and maintenance	721,168	795,448	631,231	697,456	695,588	747,716	753,793	1,023,503	762,097	769,849
Security	-	-	-	-	48,622	69,993	77,005	93,329	86,369	77,573
Pupil transportation	298,090	394,015	337,422	340,301	361,602	308,378	280,081	459,728	299,085	305,071
Other Support Services	23,274	-	-	-	1,007,922	941,438	859,984	1,101,563	1,309,056	1,289,385
Employee benefits	2,934,469	2,700,983	2,677,262	2,974,793	2,780,189	2,914,207	3,220,530	3,129,334	3,048,340	3,028,438
On-behalf TPAF pension contributions										
Contributions										
Special Schools	187,835	186,158	199,304	30,475	-	-	-	-	-	-
Capital Projects Fund	352,675	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	302,481	171,356	172,256	172,956	115,000	120,000	130,000	130,000	130,000	130,000
Interest and other charges	-	-	-	-	58,457	43,239	41,554	36,944	33,050	29,150
Capital outlay	581	115,546	4,147	174,046	223,392	103,368	122,554	165,060	115,135	4,947,926
Total expenditures	10,558,638	10,715,536	10,674,437	9,795,395	10,757,191	11,192,274	11,728,661	12,641,205	12,362,665	17,522,837
Excess (Deficiency) of revenues over (under) expenditures	311,821	145,251	271,324	1,263,766	200,748	329,541	435,031	(536,479)	13,183	(4,461,701)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing sources (uses)										
Adjustment for Payroll Agency Disbursements	-	-	-	-	(327,015)	100,000	-	-	-	-
Community Development Loan never drawn down	-	-	-	-	(442,836)	(245,252)	-	-	-	-
Community Development Loan cash drawdown not recorded	-	-	-	-	(434,153)	-	-	-	-	-
Sale of bonds	-	-	-	-	-	-	-	-	-	33,154,000
Transfers in	131,494	-	36,121	-	-	-	-	-	-	-
Transfers out	-	(5,810)	-	(393,447)	(24,315)	(50,679)	-	-	-	-
Total other financing sources (uses)	<u>131,494</u>	<u>(5,810)</u>	<u>36,121</u>	<u>(393,447)</u>	<u>(1,228,319)</u>	<u>(195,931)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,154,000</u>
Net change in fund balances	<u>443,315</u>	<u>139,441</u>	<u>307,445</u>	<u>870,319</u>	<u>(1,027,571)</u>	<u>133,610</u>	<u>435,031</u>	<u>(536,479)</u>	<u>13,183</u>	<u>28,692,299</u>
Debt service as a percentage of noncapital expenditures	2.86%	1.62%	1.61%	1.80%	0.031	0.020	0.022	0.023	0.020	0.013

Source: CAFR Schedule B-1 and District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

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

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Rentals	Prior Year Refunds	Transportat ion Fees	Miscellaneous	Annual Totals
2012	207,423	6,120	-	-	-	72,892	286,435
2013	245,346	6,915	-	-	-	57,855	310,116
2014	249,257	6,174	-	-	-	28,884	284,315
2015	189,928	6,768	-	-	-	36,032	232,728
2016	331,893	5,221	-	-	-	55,836	392,950
2017	304,623	8,083	-	-	-	19,086	331,792
2018	295,448	24,434	-	-	-	3,027	322,909
2019	217,899	32,815	18,550	-	6,150	9,132	284,546
2020	136,246	23,668	12,985	-	600	3,177	176,676
2021	59,990	96,242	-	-	-	78,521	234,753

Source: District records

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

Oceanport Boro

Fiscal Year Ended June 30,	Net Assessed Valuation	Estimated Full Cash Valuations	% of Net Assessed to Estimated Full Cash Valuations
2012	1,050,192,330	1,202,969,450	87.30%
2013	1,020,133,815	1,141,027,317	89.40%
2014	1,031,964,800	1,137,778,170	90.70%
2015	1,144,745,650	1,269,400,809	90.18%
2016	1,040,047,619	1,168,755,514	88.99%
2017	1,296,265,900	1,296,916,659	99.95%
2018	1,296,619,659	1,255,706,578	103.26%
2019	1,332,629,300	1,349,558,785	98.75%
2020	1,374,013,000	1,398,771,251	98.23%
2021	N/A	N/A	N/A

Sea Bright Boro

2012	517,871,100	764,096,652	67.78%
2013	447,804,294	632,760,059	70.77%
2014	467,246,587	724,188,758	64.52%
2015	437,700,056	634,347,907	69.00%
2016	683,156,100	683,634,536	99.93%
2017	737,640,000	738,116,674	99.94%
2018	737,640,000	738,116,674	99.94%
2019	777,727,764	777,222,400	100.07%
2020	821,693,910	821,157,600	100.07%
2021	862,356,689	987,808,349	87.30%

Source: Abstract of Ratables

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

OCEANPORT

Fiscal Year Ended June 30,	Oceanport School District	Shore Regional High School	Oceanport Borough	Monmouth County	Total Direct and Overlapping Tax Rate
2011	0.762	0.419	0.528	0.332	2.041
2012	0.761	0.422	0.528	0.338	2.049
2013	0.784	0.405	0.508	0.346	2.043
2014	0.806	0.352	0.539	0.348	2.045
2015	0.806	0.372	0.549	0.347	2.074
2016	0.852	0.395	0.559	0.337	2.143
2017	0.892	0.344	0.584	0.337	2.157
2018	0.743	0.271	0.487	0.288	1.789
2019	0.740	0.289	0.497	0.275	1.801
2020	0.744	0.298	0.493	0.283	1.818
2021	0.744	0.298	0.493	0.283	1.818
	0.744	0.298	0.493	0.283	1.818

SEA BRIGHT

Fiscal Year Ended June 30,	Oceanport School District	Shore Regional High School	Sea Bright Borough	Monmouth County	Total Direct and Overlapping Tax Rate
2012	0.189	0.411	0.766	0.431	1.797
2013	0.159	0.444	0.775	0.428	1.806
2014	0.122	0.586	0.808	0.481	1.997
2015	0.177	0.492	0.892	0.432	1.993
2016	0.124	0.311	0.596	0.274	1.305
2017	0.092	0.477	0.607	0.283	1.459
2018	0.070	0.484	0.593	0.289	1.436
2019	0.077	0.405	0.578	0.297	1.357
2020	0.076	0.336	0.567	0.305	1.284
2021	1.080	0.299	0.548	0.290	2.217

Source: Abstract of Ratables

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

OCEANPORT BOROUGH

	2021			2012	
	Assessed Valuation	As a percentage of District Net Assessed Valuation		Assessed Valuation	As a percentage of District Net Assessed Valuation
NJ Sports & Exposition Authority	-	0.00%	NJ Sports & Exposition Authority	-	5.22%
Residences at Fort Monmouth	-	0.00%	MPCC II LLC	-	1.93%
MPCC II LLC	-	0.00%	NJ Sports & Exposition Authority	-	1.51%
NJ Sports & Exposition Authority	-	0.00%	NJ Sports & Exposition Authority	-	0.70%
Acutecare Management Services	-	0.00%	NJ Sports & Exposition Authority	-	0.62%
Oceanport Village Center LLC	-	0.00%	Individual Taxpayer #1	-	0.29%
NJ Sports & Exposition Authority	-	0.00%	Individual Taxpayer #2	-	0.26%
Individual Taxpayer #1	-	0.00%	Individual Taxpayer #3	-	0.23%
Individual Taxpayer #2	-	0.00%	Individual Taxpayer #4	-	0.23%
Individual Taxpayer #3	-	0.00%	NJ Sports & Exposition Authority	-	0.22%

SEA BRIGHT

	2021			2012	
	Assessed Valuation	As a percentage of District Net Assessed Valuation		Assessed Valuation	As a percentage of District Net Assessed Valuation
1485 Ocean Ave Realty	15,000,000	2.03%	Ocean Ave Realty	-	0.00%
Edgewater Beach Inc	10,703,800	1.45%	Edgewater Beach Inc	-	0.00%
Surfrider Beach Club, LLC	7,907,600	1.07%	Individual Taxpayer #1	-	0.00%
Beach Club Holdings, LLC	7,893,400	1.07%	Individual Taxpayer #2	-	0.00%
Rozinante, Inc	6,952,000	0.94%	Hudson City Savings Bank	-	0.00%
Seabright Beach Club	8,375,100	1.14%	Individual Taxpayer #3	-	0.00%
Navesink Partners LLC	6,890,800	0.93%	Ocean First Bank	-	0.00%
SBBP LLC	6,011,200	0.81%	Individual Taxpayer #4	-	0.00%
Sea Bright Hospitality Group LLC	4,311,800	0.58%	Individual Taxpayer #5	-	0.00%
280 Ocean Ave Sea Bright, LLC	4,187,400	0.57%	Individual Taxpayer #6	-	0.00%

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

OCEANPORT			
Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percentage of Levy
2012	22,098,823	21,840,267	98.83%
2013	22,750,738	22,516,405	98.97%
2014	21,104,190	20,785,362	98.49%
2015	21,169,799	20,919,917	98.82%
2016	22,279,955	22,030,420	98.88%
2017	22,580,860	22,348,147	98.97%
2018	23,236,456	22,685,656	97.63%
2019	23,963,331	23,673,465	98.79%
2020	25,084,523	-	0.00%
2021	-	-	0.00%

SEA BRIGHT			
Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percentage of Levy
2012	8,520,943	8,224,127	96.52%
2013	8,145,264	7,957,350	97.69%
2014	9,330,829	9,169,206	98.27%
2015	8,841,471	8,637,632	97.69%
2016	8,985,795	8,760,350	97.49%
2017	10,324,683	10,144,141	98.25%
2018	10,670,499	10,494,013	98.35%
2019	10,649,845	10,467,681	98.29%
2020	10,606,311	10,267,367	96.80%
2021	10,736,038	N/A	N/A

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

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

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total Debt Per District	Percentage of Personal Income	Per Capita
2012	1,795,000	39,736	1,834,736	3.10%	314.00
2013	1,695,000	29,089	1,724,089	3.30%	290.59
2013	1,695,000	29,069	1,724,089	0.51%	295.58
2014	1,590,000	18,522	1,608,522	0.44%	273.28
2015	1,480,000	129,662	1,609,662	0.55%	280.48
2016	1,360,000	205,014	1,565,014	0.41%	272.70
2017	1,200,000	147,505	1,347,505	0.34%	235.99
2018	1,070,000	103,739	1,173,739	0.29%	204.87
2019	940,000	59,599	999,599	0.24%	178.62
2020	810,000	72,798	882,798	0.35%	154.28
2021	680,000	41,230	721,230	0.20%	126.38

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

OCEANPORT SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding
To Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	School District Population	Net Assessed Valuation Taxable	Net Bonded Debt	Ratio of Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2012	5,837	1,048,364,465	1,795,000	0.171%	307.52
2013	5,833	1,050,192,330	1,695,000	0.161%	290.59
2014	5,816	1,019,494,800	1,590,000	0.156%	270.13
2015	5,672	1,031,964,800	1,480,000	0.143%	260.93
2016	5,739	1,028,488,106	1,360,000	0.132%	236.98
2017	5,725	1,144,745,650	1,200,000	0.105%	209.61
2018	5,755	1,296,619,659	1,070,000	0.103%	185.93
2019	5,751	1,333,347,020	940,000	0.720%	163.45
2020	5,722	1,374,727,744	810,000	0.059%	141.56
2021	5,707	-	680,000	0.000%	0.00

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

See Exhibit J-6 for property tax data

See Exhibit J-14 for population data

OCEANPORT SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021
UNAUDITED

	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVERLAPPING DEBT
OCEANPORT			
Net Direct Debt of the School District as of June 30, 2020	\$ 721,230.00		-
Net Overlapping Debt of School District:			
Oceanport		\$ -	
Regional High School		-	
County of Monmouth		-	
		-	
Subtotal, Overlapping Debt		-	
			721,230
Total Direct and Overlapping Bonded Debt as of June 30, 2021			\$ 721,230
SEA BRIGHT			
Debt repaid with Property Taxes	-		-
Other Debt:			
Two Rivers Sewer Authority	\$ -	\$ -	-
Sub-total of Overlapping Debt	-		-
Regional School District Direct Debt	-	\$ -	-
Local School District Debt	-	-	-
			-
Total Direct and Overlapping Bonded Debt as of June 30, 2021			\$ -

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

OCEANPORT SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Nine Fiscal Years
 UNAUDITED

Year	Equalized Valuation Basis
2021	\$ -
2020	1,350,216,505
2019	1,275,042,873
[A]	2,625,259,378
[A/3]	\$ 875,086,459
[B]	26,252,594
[C]	-
[B-C]	\$ 26,252,594

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

Fiscal Year

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt limit	\$ 26,252,594	\$ 38,715,491	\$ 37,121,690	\$ 37,065,269	\$ 33,687,254	\$ 32,865,575	\$ 33,232,144	\$ 34,893,548	\$ 35,773,064
Total net debt applicable to limit	-	940,000	940,000	1,070,000	1,200,000	1,360,000	1,480,000	1,585,000	1,695,000
Legal debt margin	\$ 26,252,594	\$ 37,775,491	\$ 36,181,690	\$ 35,995,269	\$ 32,487,254	\$ 31,505,575	\$ 31,752,144	\$ 33,308,548	\$ 34,078,064

Year	Equalized Valuation Basis
2021	\$ -
2020	888,252,251
2019	815,541,433
[A]	1,703,793,684
[A/3]	\$ 567,931,228
[B]	17,037,937
[C]	-
[B-C]	\$ 17,037,937

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

	2021	2020	2019	2018	2017
Debt limit	\$ -	\$ -	\$ 13,828,101	\$ 13,828,101	\$ 11,213,346
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ -	\$ -	\$ 13,828,101	\$ 13,828,101	\$ 11,213,346

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

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

Year	Unemployment Rate	Personal Income	Per Capita Personal Income	Population
2012	4.40%	257,224,916	63,001	5,837
2013	4.60%	340,384,715	63,067	5,833
2014	13.10%	361,553,436	61,426	5,886
2015	6.30%	293,429,576	51,733	5,672
2016	5.30%	378,883,041	66,019	5,739
2017	4.80%	397,382,250	69,410	5,725
2018	4.10%	409,968,935	71,237	5,755
2019	4.20%	433,596,645	75,395	5,751
2020	3.00%	254,955,154	44,557	5,722
2021	3.80%	366,173,578	64,162	5,707

Seabright Boro

2017	4.10%	96,271,670	69,410	1,387
2018	3.70%	98,948,193	71,237	1,389
2019	3.40%	100,383,580	73,595	1,364
2020	6.10%	113,895,834	85,653	1,378
2021	4.40%	104,409,202	78,209	1,335

Source: New Jersey Department of Labor and Workforce Development

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

OCEANPORT
 2021

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

SEA BRIGHT
 2021

Company	Number of Employees	Percentage of Total Municipal Employment
Tommy's Tavern & Tap	75	Unavailable
Edgewater Beach Club	120	Unavailable
Rum Runner	106	Unavailable
Sea Bright Beach Club	90	Unavailable
Ocean House Tap & Grille	40	Unavailable
Surfrider Beach club	50	Unavailable
Woody's	90	Unavailable
Navesink Partners	60	Unavailable
Sands Beach Club	60	Unavailable
Chapel Beach Club	45	Unavailable

Source: Borough of Oceanport

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	46.00	46.00	47.00	50.00	50.00	44.20	44.60	45.60	47.20	48.50
Special education	38.0	37.00	38.00	34.00	32.00	35.30	41.80	41.80	42.40	43.00
Other instruction										
Support Services:										
Student & instruction related services	3.0	3.00	3.00	4.00	8.20	8.20	7.70	8.70	8.70	8.50
General administration	2.0	0.60	0.60	0.60	0.60	1.30	1.30	1.30	1.30	1.50
School administrative services	3.0	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	3.50
Other administrative services	-	-	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.00
Central services	5.0	5.00	4.00	4.00	4.00	1.60	1.60	1.60	2.60	3.00
Administrative Information Technology	1.0	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Plant operations and maintenance	5.0	5.00	5.00	5.00	5.00	8.20	8.20	8.20	6.00	6.00
Other support services	2.0	2.00	1.00	1.00	1.00	2.50	2.50	2.50	2.50	2.50
Total	<u>105.00</u>	<u>102.60</u>	<u>102.85</u>	<u>102.85</u>	<u>105.05</u>	<u>106.55</u>	<u>112.95</u>	<u>114.95</u>	<u>115.95</u>	<u>117.50</u>

Source: District Records

OCEANPORT SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2012	650	9,902,901	15,235	-11.40%	84	0	647	616	14.30%	95.00%
2013	637	10,242,476	16,079	5.25%	83	7.7	617.9	599.4	-4.50%	97.00%
2014	618	10,515,273	16,206	5.99%	85	7.3	615.0	587.8	-0.47%	95.58%
2015	614	10,215,578	16,638	8.43%	84	7.3	602.0	590.0	-2.57%	98.01%
2016	610	9,610,563	15,755	-5.31%	84	7.3	604.2	581.4	-1.45%	96.22%
2017	610	10,357,899	16,980	7.78%	73	8.3	609.8	581.7	0.92%	95.39%
2018	580	10,209,690	17,603	11.73%	74	7.8	572.0	546.0	-6.19%	95.45%
2019	610	12,309,201	20,179	28.08%	75	8.1	603.3	573.5	5.47%	95.06%
2020	606	12,084,480	19,941	26.57%	80	7.6	606.9	585.5	0.60%	96.48%
2021	545	12,415,761	22,781	44.60%	85	6.4	542.2	527.7	-10.60%	96.83%

Source: School Register Summary, District Records

OCEANPORT SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 UNAUDITED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Elementary</u>										
Wolf Hill										
Square Feet	41,881	41,881	41,881	41,881	41,881	41,881	41,881	41,881	41,881	41,881
Capacity	465	465	465	465	465	465	465	465	465	465
Enrollment	278	355	317	339	338	341	342	356	359	290
<u>Middle School</u>										
Square Feet	58,327	58,327	58,327	58,327	58,327	58,327	58,327	58,327	58,327	58,327
Capacity	366	366	366	366	366	366	366	366	366	366
Enrollment	288	282	298	275	265	269	238	254	247	255

Source: District Records

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

Fiscal Year Ended June 30,	Maple Place School	Wolf Hill Elementary	Total
2012	63,536	69,166	132,702
2013	37,470	40,790	78,260
2014	27,710	31,165	58,875
2015	160,875	207,667	368,542
2016	83,319	40,759	124,078
2017	75,702	54,818	130,520
2018	99,088	79,879	178,967
2019	294,746	119,441	414,187
2020	56,989	79,368	136,357
2021	71,450	147,556	219,006

Source: District records

**OCEANPORT SCHOOL DISTRICT
Insurance Schedule
June 30, 2021
UNAUDITED**

Insurance Coverage is provided by Boynton & Boynton of NJ
Policy period runs from July 1, 2020 thru July 1, 2021

Commercial Property Coverage	
For Building and Business Personal Property	\$ 17,925,647
General Aggregate Limit	2,000,000
Products - Completed Operations - Aggregate Limit	2,000,000
Personal and Advertising - Injury Limit	1,000,000
Each Occurrence Limit	1,000,000
Damage to Premises	100,000
Medical Expenses Limit	5,000
Crime	500,000
Bond Petrone	200,000
Flood Maple Place	500,000/500,000
Flood Wolf Hill	500,000/500,000
Cyber Liability	1,000,000
Monmouth Ocean County Shared Services Insurance Fund	
Errors & Omissions Liability Policy	6,000,000
Workmans Comp	2,000,000

Source: District Records

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Oceanport School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Oceanport School District basic financial statements, and have issued our report thereon dated January 5, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

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



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

Toms River, New Jersey
January 5, 2022

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

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

Report on Compliance for Each Major Federal and State Program

We have audited Oceanport School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Oceanport School District's major federal programs for the year ended June 30, 2021. Oceanport School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Oceanport School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and the New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Oceanport School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Oceanport School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Oceanport School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Respectfully submitted,

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



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

Toms River, New Jersey
January 5, 2022

OCEANPORT SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, Schedule A

For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Program or Award Amount	Balance at June 30, 2020	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2021			
									Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education												
Passed-through State Department of Education												
Child Nutrition Cluster												
Summer Food Service Program for Children	10.555	7/1/20-6/30/21	159,747	-	145,791	(159,747)	-	-	(13,956)	-	-	
National School PB Lunch Program	10.555	7/1/20-6/30/21	3,186	-	2,908	(3,186)	-	-	(278)	-	-	
Subtotal of Child Nutrition Cluster			162,933	-	148,699	(162,933)	-	-	(14,234)	-	-	
Food Distribution	10.550	7/1/20-6/30/21	22,577	-	22,577	(22,577)	-	-	-	-	-	
Total U.S.Department of Agriculture			185,510	-	171,276	(185,510)	-	-	(14,234)	-	-	
U.S. Department of Education												
Passed-through State Department of Education												
Special Revenue Fund:												
Title I	84.010A	7/1/19-6/30/20	112,074	(30,747)	30,747	-	-	-	-	-	-	
Title I	84.010A	7/1/20-6/30/21	114,777	-	37,220	(91,886)	-	-	(54,666)	-	-	
Title II, Part A	84.367A	7/1/19-6/30/20	22,992	(5,374)	5,374	-	-	-	-	-	-	
Title II, Part A	84.367A	7/1/20-6/30/21	14,908	-	6,294	(7,605)	-	-	(1,311)	-	-	
Title IV	84.424A	7/1/19-6/30/20	10,000	(492)	492	-	-	-	-	-	-	
Title IV	84.424A	7/1/20-6/30/21	10,000	-	6,806	(7,000)	-	-	(194)	-	-	
CARES	84.425D	7/1/20-6/30/21	82,375	-	51,559	(60,080)	-	-	(8,521)	-	-	
CRF	84.425D	7/1/20-6/30/21	20,653	-	18,478	(18,478)	-	-	-	-	-	
Special Education Cluster:												
IDEA Basic	84.027	7/1/19-6/30/20	154,639	(8,072)	8,072	-	-	-	-	-	-	
IDEA Basic	84.027	7/1/20-6/30/21	162,125	-	147,605	(162,125)	-	-	(14,520)	-	-	
IDEA Preschool	84.173	7/1/19-6/30/20	5,845	(750)	750	-	-	-	-	-	-	
IDEA Preschool	84.173	7/1/20-6/30/21	5,863	-	4,855	(4,855)	-	-	-	-	-	
Subtotal of Special Education Cluster				(8,822)	161,282	(166,980)	-	-	(14,520)	-	-	
Total U.S.Department of Education				(45,435)	318,252	(352,029)	-	-	(79,212)	-	-	
Total Expenditures of Federal Awards				\$ (45,435)	\$ 489,528	\$ (537,539)	\$ -	\$ -	\$ (93,446)	\$ -	\$ -	

See accompanying notes to schedules of expenditures.

OCEANPORT SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020			Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2021			MEMO		
			From	To	Deferred Revenue (Accts Receivable)	Cash Received	Budgetary Expenditures		(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education														
General Fund:														
Transportation Aid	21-495-034-5120-014	92,108	7/1/20	6/30/21	-	92,108	(92,108)	-	-	-	-	-	-	92,108
Special Education Aid	21-495-034-5120-012	421,048	7/1/20	6/30/21	-	368,825	(421,048)	-	-	-	-	(52,223)	-	421,048
Extraordinary Aid	21-495-034-5120-044	144,798	7/1/20	6/30/21	-	-	(144,798)	-	(144,798)	-	-	-	-	144,798
Extraordinary Aid	20-495-034-5120-044	102,852	7/1/19	6/30/20	(102,852)	102,852	-	-	-	-	-	-	-	-
Security Aid	21-495-034-5120-084	20,253	7/1/20	6/30/21	-	20,253	(20,253)	-	-	-	-	-	-	20,253
Adjustment Aid	21-495-034-5120-085	11,056	7/1/20	6/30/21	-	11,056	(11,056)	-	-	-	-	-	-	11,056
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	400,471	7/1/20	6/30/21	-	380,259	(400,471)	-	(20,212)	-	-	-	-	400,471
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	378,393	7/1/19	6/30/20	(18,879)	18,879	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	1,375,233	7/1/20	6/30/21	-	1,375,233	(1,375,233)	-	-	-	-	-	-	1,375,233
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	430,976	7/1/20	6/30/21	-	430,976	(430,976)	-	-	-	-	-	-	430,976
On-Behalf TPAF Long-Term Disability Insu	21-100-034-5095-004	535	7/1/20	6/30/21	-	535	(535)	-	-	-	-	-	-	535
Nonpublic Transportation Aid	21-495-034-5120-014	12,480	7/1/20	6/30/21	-	-	(12,480)	-	(12,480)	-	-	-	-	12,480
Nonpublic Transportation Aid	20-495-034-5120-014	154	7/1/19	6/30/20	(154)	154	-	-	-	-	-	-	-	-
Total General Fund					(121,885)	2,801,130	(2,908,958)	-	(177,490)	-	-	(52,223)	-	2,908,958
Debt Service Fund														
Debt service aid Type II	21-495-034-5120-017	54,111	7/1/20	6/30/21	-	54,111	(54,111)	-	-	-	-	-	-	54,111
Food Service Fund														
State School Lunch Program	21-100-010-3350-023	7,421	7/1/20	6/30/21	-	6,407	(7,421)	-	(1,014)	-	-	-	-	7,421
Total Food Service Fund					-	6,407	(7,421)	-	(1,014)	-	-	-	-	7,421
Total State Expenditures Subject to Single Audit Determination					(121,885)	2,861,648	(2,970,490)	-	(178,504)	-	-	(52,223)	-	2,970,490
State Expenditures Not Subject to Major Program Determination														
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	1,375,233	7/1/2020	6/30/2021	-	-	1,375,233	-	-	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	430,976	7/1/2020	6/30/2021	-	-	430,976	-	-	-	-	-	-	-
On-Behalf TPAF Long-Term Disability Insu	21-100-034-5095-004	535	7/1/2020	6/30/2021	-	-	535	-	-	-	-	-	-	-
Total State Expenditures Not Subject to Major Program Determination					-	-	1,806,744	-	-	-	-	-	-	-
Total Expenditures of State Awards Subject to Major Program Determination					\$ (121,885)	\$ 2,861,648	\$ (1,163,746)	\$ -	\$ (178,504)	\$ -	\$ -	\$ (52,223)	\$ -	\$ 2,970,490

See accompanying notes to schedules of expenditures.

Oceanport School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2021

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,375,150) for the general fund, \$- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page.

Oceanport School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2021

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,533,808	\$ 1,533,808
Special Revenue Fund	351,764	-	351,764
Debt Service Fund	-	54,111	54,111
Capital Projects Fund	-	-	-
Food Service Fund	<u>185,510</u>	<u>7,421</u>	<u>192,931</u>
Total awards and financial assistance	<u>\$ 537,274</u>	<u>\$ 1,595,340</u>	<u>\$ 2,132,614</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2021.

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

6. Indirect Costs

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

Oceanport School District
 Schedule of Findings and Questioned Costs

June 30, 2021

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

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? _____yes ___X___no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? _____yes ___X___none reported
- Noncompliance material to general-purpose financial statements noted? _____yes ___X___no

Federal Awards Section - N/A

Internal Control over major programs:

- 1) Material weakness(es) identified? _____yes ___no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? _____yes ___none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance? _____yes ___no

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? ___yes _____no

Oceanport School District

Schedule of Findings and Questioned Costs (Cont'd)

June 30, 2021

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

State Awards Section

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

Auditee qualified as low-risk auditee? yes no

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

Internal Control over major programs:

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

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

Identification of major programs:

GMIS Number(s)	Name of State Program
State Aid Cluster	
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid

Oceanport School District
Schedule of Findings and Questioned Costs (Cont'd)
June 30, 2021

Section II - Financial Statement Findings - N/A

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

Oceanport School District
Summary Schedule of Prior Audit Findings
June 30, 2021

Summary Schedule of Prior Year Audit Findings - N/A