

SCHOOL DISTRICT
OF
SEA GIRT BOROUGH
OF MONMOUTH COUNTY

Sea Girt School District
Sea Girt, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2021

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

of

Sea Girt School District
of Monmouth County

Sea Girt, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Sea Girt School District
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

	Page
INTRODUCTORY SECTION	
Letter of Introduction	1-6
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9
FINANCIAL SECTION	
Independent Auditor's Report	11-13
Required Supplementary Information - Part I	
Management's Discussion and Analysis	15-24
Basic Financial Statements	
A. District Wide Financial Statements	
A-1 Statement of Net Position	26
A-2 Statement of Activities	27
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	28
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	29
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	30
Proprietary Funds	
B-4 Statement of Net Position	31
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	32
B-6 Statement of Cash Flows	33
Fiduciary Funds	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	34-73

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information - Part II

C.	Budgetary Comparison Schedules	
	C-1 Budgetary Comparison Schedule - General Fund	75-78
	C-1a Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual	N/A
	C-1b Community Development Block Grant - Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	79

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	80
-----	-------------------------------	----

Required Supplementary Information - Part III

L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
	L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	82
	L-2 Schedule of District Contributions - PERS	83
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	84
M.	Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
	M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	85

Notes to the Required Supplementary Information - Part III

86

Other Supplementary Information

D.	School Based Budget Schedules	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A
E.	Special Revenue Fund	
	E-1 Combining Schedules of Program Revenues and Expenditures - Budgetary Basis	90
	E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

F.	Capital Projects Fund	
	F-1 Summary Schedule of Project Expenditures	N/A
	F-2 Summary Schedule Revenues, Expenditures and Changes in Fund Balance- Budgetary Basis	N/A
G.	Proprietary Funds	
	Enterprise Fund	
	G-1 Combining Schedule of Net Position	N/A
	G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
	G-3 Combining Schedule of Cash Flows	N/A
H.	Fiduciary Funds	
	H-1 Combining Statement of Fiduciary Net Position	N/A
	H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	N/A
I.	Long-Term Debt	
	I-1 Schedule of Serial Bonds	N/A
	I-2 Schedule of Obligations Under Capital Leases	N/A
	I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
	I-4 Statement of Loans Payable - N.J.D.E.A.	N/A

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends	
J-1 Net Position by Component	97
J-2 Changes in Net Position	98
J-3 Fund Balances - Governmental Funds	99
J-4 Changes in Fund Balances - Governmental Funds	100
J-5 General Fund - Other Local Revenue by Source	101
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	102
J-7 Direct and Overlapping Property Tax Rates	103
J-8 Principal Property Taxpayers	104
J-9 Property Tax Levies and Collections	105
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	106
J-11 Ratios of General Bonded Debt Outstanding	107
J-12 Direct and Overlapping Governmental Activities Debt	108
J-13 Legal Debt Margin Information	109

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

Demographic and Economic Information	
J-14 Demographic and Economic Statistics	110
J-15 Principal Employers	111
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	112
J-17 Operating Statistics	113
J-18 School Building Information	114
J-19 Schedule of Required Maintenance Expenditures by School Facility	115
J-20 Insurance Schedule	116

SINGLE AUDIT SECTION

K-1 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	118-119
K-2 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 Letter 15-08	120-122
K-3 Schedule of Expenditures of Federal Awards, Schedule A	123
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	124
K-5 Notes to the Schedules of Awards and Financial Assistance	125-126
K-6 Schedule of Findings and Questioned Costs	127-129
- Section I - Summary of Auditor's Results	
- Section II - Financial Statements Findings	
- Section III - Federal Award and State Financial Assistance Findings and Questioned Costs	
K-7 Summary Schedule of Prior Audit Findings	130

INTRODUCTORY SECTION



BOARD OF EDUCATION OF THE BOROUGH OF SEA GIRT

451 Bell Place. Sea Girt, NJ 08750 . (732)449-3422 . Fax (732)449-1204 www.seagirt.k12.nj.us

Richard Papera
Superintendent

Mindy Green
School Business Administrator

January 28, 2022

Honorable President and Members
Sea Girt Borough Board of Education
451 Bell Place
Sea Girt, New Jersey 08750

Dear Board Members:

The comprehensive annual financial report of the Sea Girt Borough 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 disclosures, 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: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's Organizational chart and a list of officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit and in conformity with the provisions of the Single Audit Act of 1984 and the U. S. Office of Management and Budget Single Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.



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1. REPORTING ENTITY AND ITS SERVICES: Sea Girt Borough School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Sea Girt Board of Education, the Pre-K-8 elementary school and the 9-12 sending-receiving relationship with the Manasquan Board of Education and the Monmouth County Vocational School District constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 8, and has a sending-receiving relationship with the Manasquan Board of Education for grades 9-12. Classes offered are regular, vocational, and special education for disabled youngsters. The preschool program began in the 2007-08 school year. The School District also began a K-5 private parent paid tuition program in 2007-08. The District (Pre-K-12) completed the 2020-2021 fiscal year with an enrollment of 177.5 students representing a -1.9% change from the previous year. The Pre-K-8 enrollment stood at 148 - a decrease of 6 students from the previous year. The following details the changes in the Pre-K-12 student enrollment over the last ten years:

Enrollment, Pre-K-12

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-21	177.5	-1.9
2019-20	181	+2.5
2018-19	177	-4.0
2017-18	184	-0.5
2016-17	185	-7.0
2015-16	198	-2.5
2014-15	203	-7.4
2013-14	218	-1.4
2012-13	221	-5.5
2011-12	234	-1.3
2010-11	237	-0.8
2009-10	239	-2.0



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2. ECONOMIC CONDITIONS AND OUTLOOK: The Borough of Sea Girt is an elegant seaside community with well-maintained homes, manicured lawns, a nationally recognized Blue Ribbon School system and low property tax rates. The business district is small in size and not expected to contribute to the Borough's economy in any significant manner; however, the enterprises are well established and add to the town's ambiance. Residential building opportunities are also limited. It is not uncommon to have an older residence sold and demolished in order to make way for new construction, or for a large property to be divided in order to accommodate a new building. Given these factors, the Borough of Sea Girt is expected to have limited economic growth as a municipal entity, but will continue to be regarded as one of the premiere residential communities in New Jersey.

3. MAJOR INITIATIVES: A demanding academic program is delivered in a caring, supportive educational environment. The District maintains high standards for administrative and pedagogical excellence. Students continue surpassing state and national averages on assessment instruments, including the New Jersey Assessment of Student Knowledge grades 3 through 8. In the fall of 2005 and 2017 the District was selected by the United States Department of Education to receive the prestigious Blue Ribbon School award based on overall academic excellence. This award affirms the hard work of students, educators, families and the Sea Girt community in creating safe and welcoming environment where students master challenging content.

The Sea Girt School District is progressive in planning for future initiatives in academic programming, staff development, technology, and facility planning. Selected curriculum is revised yearly and is in alignment with New Jersey Core Curriculum Content Standards and the Common Core State Standards. The district Local Professional Development Plan provides staff training which is sustained and ongoing.

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



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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year.

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8. DEBT ADMINISTRATION: As of June 30, 2021, the District has no outstanding debt.



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Mindy Green
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9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 5. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act. The Board's cash position is adequate, with a balance of \$3,861,720 in General Fund cash and temporary investments at June 30, 2021.

The unreserved, undesignated fund balance of the General Fund is 7% of the general fund expenditures from the previous fiscal year, or approximately 25 working days of expenditures. With the enactment of A-1, the allowable maximum permitted surplus beginning in 2006-07 was the greater of 4% of general fund expenditures or \$250,000. Any shortfall in state and/or federal funds would have to be made up with general fund monies from fund balance.

10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to: general liability, comprehensive/collision, student and volunteer accident, hazard and theft insurance on property and contents, earthquake, flood and fidelity bonds. The Board worked with its insurance broker, Boynton and Boynton Agency, to review insurance requirements in order to secure the most appropriate coverage at the least possible cost. The Board was once again the proud recipient of the New Jersey Schools Insurance Group Safety Award. The award is based upon a safety audit and the implementation of effective safety programs.

11. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, L.L.P, was selected by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Sea Girt Board of Education for their continued concern in



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Richard Papera
Superintendent

Mindy Green
School Business Administrator

providing fiscal accountability to the taxpayers and citizens of the Borough of Sea Girt, thereby contributing their full support to the development and maintenance of the District's financial operation.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "R. Papera", written over a horizontal line.

Richard Papera
Superintendent

A handwritten signature in black ink, appearing to be "Mindy Green", written over a horizontal line.

Mindy Green
School Business
Administrator/Board Secretary

Sea Girt School District
Sea Girt, New Jersey

Organizational Chart
(Unit Control)

Board of Education

Attorney / Auditor / Custodian of School Moneys Committees

Superintendent / Principal

Office Technology Coordinator Staff / Medical Staff / Child Study Team / Board Secretary /
Business Administrator

Custodian Transportation

Teaching Staff

Physical Education / Art / Music / Spanish / Compensatory Education / Librarian / PreK-8 Classroom
Teachers

Pupils

Sea Girt School District
Sea Girt, New Jersey

Roster of Officials
June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Todd Leonhardt, President	2023
Hilary DiFeo, Vice President	2023
Marjorie Kane, Board Member	2022
John Lajewski, Board Member	2022
Brendan O'Reilly, Board Member	2021

Other Officials

Richard Papera, Superintendent

Denise Friedmann, Interim School Business Administrator/Board Secretary

Michael Bardsley, Treasurer

Anthony Sciarrillo, Esq., Solicitor

Sea Girt School District
Consultants and Advisors

Audit Firm

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

Attorneys

Sciarrillo, Cornell, Merlino, McKeever
238 St. Paul Street
Westfield, New Jersey 07090

Adams, Gutierrez & Lattiboudere, LLC
1037 Raymond Blvd., Suite 900
Newark, New Jersey 07102

Gray Miller Persh, LLP
1200 New Hampshire Ave NW, Suite 800
Washington, DC 20036-6802

Official Depositories

Wells Fargo Bank
Sea Girt, New Jersey

Ocean First Bank
Toms River, New Jersey

New Jersey Asset & Rebate Management Program
Harrisburg, Pennsylvania

State of NJ Cash Management Fund
Columbus, Ohio

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sea Girt 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 the Sea Girt 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 Sea Girt 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.

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 28, 2022 on our consideration of the Sea Girt 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 Sea Girt 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

January 28, 2022

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

The discussion and analysis of Sea Girt 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 \$8,726,473, which represents a 5.29 percent increase from June 30, 2020.

General revenues accounted for \$5,181,841 in revenue or 90.82 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 \$523,743 or 9.18 percent of total revenues of \$5,705,584.

Total assets increased \$365,059 as current assets increased by \$506,313 and capital assets decreased by \$(141,254).

The School Board had \$5,334,379 in expenses; only \$523,743 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$5,181,841 were adequate to provide for these programs.

Among major funds, the General Fund had \$5,390,795 in revenues and \$4,957,490 in expenditures and transfers. The General Fund's balance increased \$433,305 over June 30, 2020. The General Fund's balance is \$3,961,032.

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 Sea Girt 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 Sea Girt 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 EBS Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue 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	\$ 4,002,814	\$ 698,663	\$ 4,701,477	\$ 3,483,144	\$ 712,020	\$ 4,195,164
Capital assets, net	3,910,564	856,861	4,767,425	4,057,681	850,998	4,908,679
Total assets	7,913,378	1,555,524	9,468,902	7,540,825	1,563,018	9,103,843
Deferred outflow of resources	101,567	-	101,567	119,737	-	119,737
Liabilities:						
Current liabilities	19,025	-	19,025	-	-	-
Long-term liabilities outstanding	521,216	-	521,216	562,369	-	562,369
Total liabilities	540,241	-	540,241	562,369	-	562,369
Deferred inflow of resources	303,755	-	303,755	373,060	-	373,060
Net position:						
Net investment in capital assets	3,910,564	856,861	4,767,425	4,057,681	850,998	4,908,679
Restricted	3,537,031	-	3,537,031	3,007,613	-	3,007,613
Unrestricted	(276,646)	698,663	422,017	(340,161)	712,020	371,859
Total Net Position	\$ 7,170,949	\$ 1,555,524	\$ 8,726,473	\$ 6,725,133	\$ 1,563,018	\$ 8,288,151

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

The School Board's combined net position was \$8,726,473 on June 30, 2021. This is a change of 5.29% from the previous year.

Table 2 provides a comparison analysis of the 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	\$ 50,899	\$ 193,446	\$ 244,345	\$ -	\$ 187,812	\$ 187,812
Operating and capital grants and contributions	279,398	-	279,398	227,508	-	227,508
General revenues:						
Property taxes	4,759,655	-	4,759,655	4,666,328	-	4,666,328
Federal and state aid	308,343	-	308,343	273,842	-	273,842
Investment earnings	566	160	726	17,131	160	17,291
Miscellaneous	102,834	10,283	113,117	184,336	6,459	190,795
Total revenues	5,501,695	203,889	5,705,584	5,369,145	194,431	5,563,576
Expenses						
Instructional services	1,972,445	-	1,972,445	1,716,685	-	1,716,685
Support services	3,150,551	211,383	3,361,934	2,897,479	234,325	3,131,804
Total expenses	5,122,996	211,383	5,334,379	4,614,164	234,325	4,848,489
Change in net position	378,699	(7,494)	371,205	754,981	(39,894)	715,087
Net position - beginning	6,725,133	1,563,018	8,288,151	5,970,152	1,602,912	7,573,064
Prior period adjustment	67,117	-	67,117	-	-	-
Net position - beginning, restated	6,792,250	1,563,018	8,355,268	5,970,152	1,602,912	7,573,064
Net position (deficit) - ending	\$ 7,170,949	\$ 1,555,524	\$ 8,726,473	\$ 6,725,133	\$ 1,563,018	\$ 8,288,151

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

Regular instructional costs overall increased, but the budget did include the negotiated contractual increases in salary and benefits as well as program maintenance and enhancements. Reductions in instructional programs were caused by unilateral placements not occurring as budgeted and health benefit costs.

Other support services increased 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 (EBS) were comprised of charges for royalties.

Total Enterprise Fund expenses exceeded revenues by \$7,494.

Charges for services represent \$193,446 of revenue. This represents the amount paid for royalty fees.

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	\$ 1,972,445	\$ 1,921,546	\$ 1,716,685	\$ 1,716,685
Support Services:				
Pupils and Instructional Staff	1,374,798	1,095,400	1,566,776	1,339,268
General Administration, School Administration, Business Operation and Maintenance of Facilities	1,714,294	1,714,294	1,246,407	1,246,407
Pupil Transportation	61,459	61,459	84,296	84,296
Total Expenses	\$ 5,122,996	\$ 4,792,699	\$ 4,614,164	\$ 4,386,656

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. Greater than 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.

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 Sea Girt, 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 \$3,983,789, which is a increase of \$500,645. 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	\$ 4,913,954	89.32 %	\$ 46,159	0.95 %
State Sources	530,181	9.64	81,386	18.13
Federal Sources	<u>57,560</u>	<u>1.04</u>	<u>5,005</u>	<u>9.52</u>
Total	<u>\$ 5,501,695</u>	<u>100.00 %</u>	<u>\$ 132,550</u>	<u>2.47 %</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	\$ 1,972,445	38.92 %	\$ 255,760	14.90 %
Undistributed				
Expenditures	2,736,196	53.99	(29,659)	(1.07)
Capital Outlay	<u>359,526</u>	<u>7.09</u>	<u>(768,423)</u>	<u>(68.13)</u>
Total	<u>\$ 5,068,167</u>	<u>100.00 %</u>	<u>\$ (542,322)</u>	<u>(9.67)%</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 \$1,393,636 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$18,135 more 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, TPAF LTDI, and TPAF Pension 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	\$ 483,088
Capital Reserve	2,331,005
Maintenance Reserve	200,000
Unemployment Reserve	46,301
Excess Surplus - Current Year	453,880

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 in 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 may 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 \$4,767,425 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	\$ 916,364	\$ 916,364	\$ -	\$ -	\$ 916,364	\$ 916,364
Building and Improvements	2,994,200	2,711,281	-	-	2,994,200	2,711,281
Machinery and Equipment	-	15,658	856,861	850,998	856,861	866,656
Total	\$ 3,910,564	\$ 3,643,303	\$ 856,861	\$ 850,998	\$ 4,767,425	\$ 4,494,301

During the current fiscal year, \$58,406 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 activities at June 30, 2021 and June 30, 2020.

	June 30, 2021	June 30, 2020
Pension Liability-PERS	\$ 424,623	\$ 474,624
Compensated Absences payable	<u>96,593</u>	<u>87,745</u>
Total long-term liabilities	<u>\$ 521,216</u>	<u>\$ 562,369</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 10.68% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 89.32% of total revenue is from local sources.

The \$(276,646) 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 Sea Girt for increased aid.

The School Board anticipates a 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 Sea Girt School District, Bell Place, Sea Girt, NJ, 08750.

BASIC FINANCIAL STATEMENTS

SEA GIRT SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,553,472	\$ 698,663	\$ 2,252,135
Capital reserve cash	2,331,005	-	2,331,005
Receivables - state	118,337	-	118,337
Receivables - federal	-	-	-
Construction in progress	-	-	-
Capital assets, non-depreciable	916,364	-	916,364
Capital assets, depreciable, net	2,994,200	856,861	3,851,061
Total assets	<u>7,913,378</u>	<u>1,555,524</u>	<u>9,468,902</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	101,567	-	101,567
	<u>101,567</u>	<u>-</u>	<u>101,567</u>
LIABILITIES			
Payroll deductions and withholdings payable	19,025	-	19,025
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	521,216	-	521,216
Total liabilities	<u>540,241</u>	<u>-</u>	<u>540,241</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	303,755	-	303,755
	<u>303,755</u>	<u>-</u>	<u>303,755</u>
NET POSITION			
Investment in capital assets	3,910,564	856,861	4,767,425
Restricted for:			
Capital projects	2,331,005	-	2,331,005
Unemployment compensation	46,301	-	46,301
Student activities	22,757	-	22,757
Other purposes	1,136,968	-	1,136,968
Unrestricted	(276,646)	698,663	422,017
Total net position	<u>\$ 7,170,949</u>	<u>\$ 1,555,524</u>	<u>\$ 8,726,473</u>

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Current:							
Regular instruction	\$ 1,472,395	\$ 50,899 *	\$ -	\$ -	\$ (1,421,496)	\$ -	\$ (1,421,496)
Special education instruction	416,855	-	-	-	(416,855)	-	(416,855)
Other special instruction	83,195	-	-	-	(83,195)	-	(83,195)
Support services and undistributed costs:							
Instruction	492,625	-	-	-	(492,625)	-	(492,625)
Attendance and social work	21,194	-	-	-	(21,194)	-	(21,194)
Health services	109,894	-	-	-	(109,894)	-	(109,894)
Other support services	384,908	-	-	-	(384,908)	-	(384,908)
Improvement of instr. services	67,295	-	-	-	(67,295)	-	(67,295)
Educational media services	8,694	-	-	-	(8,694)	-	(8,694)
Instruction staff training	10,790	-	-	-	(10,790)	-	(10,790)
General administrative services	170,584	-	-	-	(170,584)	-	(170,584)
School administrative services	72,255	-	-	-	(72,255)	-	(72,255)
Central services	74,531	-	-	-	(74,531)	-	(74,531)
Admin. information technology	6,196	-	-	-	(6,196)	-	(6,196)
Allowed maintenance for school facilities	446,413	-	-	-	(446,413)	-	(446,413)
Other operation & maintenance of plant	504,313	-	-	-	(504,313)	-	(504,313)
Student transportation services	61,459	-	-	-	(61,459)	-	(61,459)
Unallocated employee benefits	440,002	-	-	-	(440,002)	-	(440,002)
Non-budgeted expenses	279,398	-	279,398	-	-	-	-
Total governmental activities	5,122,996	50,899	279,398	-	(4,792,699)	-	(4,792,699)
Business-type activities:							
Enterprise fund	211,383	193,446	-	-	-	(17,937)	(17,937)
Total business-type activities	211,383	193,446	-	-	-	(17,937)	(17,937)
Total primary government	\$ 5,334,379	\$ 244,345	\$ 279,398	\$ -	\$ (4,792,699)	\$ (17,937)	\$ (4,810,636)
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 4,759,655	\$ -	\$ 4,759,655
Federal and state aid					308,343	-	308,343
Miscellaneous income					102,834	10,283	113,117
Interest - restricted					16	-	16
Investment earnings					550	160	710
Total general revenues					\$ 5,171,398	\$ 10,443	5,181,841
Change in net position					378,699	(7,494)	371,205
Net position, July 1					6,725,133	1,563,018	8,288,151
Prior period adjustments					67,117	-	67,117
Net position, July 1 (Restated)					6,792,250	1,563,018	8,355,268
Net position, June 30					\$ 7,170,949	\$ 1,555,524	\$ 8,726,473

* Student activity revenue is reported as "charges for services"

** Includes interest earnings on the unemployment compensation bank account

SEA GIRT 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	\$ 1,530,715	\$ 22,757	\$ -	\$ -	\$ 1,553,472
Capital reserve	2,331,005	-	-	-	2,331,005
Receivables from federal	-	-	-	-	-
Receivables from State	118,337	-	-	-	118,337
Total assets	<u>3,980,057</u>	<u>22,757</u>	<u>-</u>	<u>-</u>	<u>4,002,814</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	-
Payroll deductions and withholdings payable	19,025	-	-	-	19,025
Total liabilities	<u>19,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,025</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	453,880	-	-	-	453,880
Excess surplus - prior year- designated for Subsequent year's expenditures	483,088	-	-	-	483,088
Capital reserve account	2,331,005	-	-	-	2,331,005
Maintenance reserve account	200,000	-	-	-	200,000
Tuition reserve account	-	-	-	-	-
Unemployment compensation	46,301	-	-	-	46,301
Student activities	-	22,757	-	-	22,757
Debt services	-	-	-	-	-
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Other purposes	90,960	-	-	-	90,960
Designated by the BOE for subsequent year's expenditures	-	-	-	-	-
Unassigned:					
General fund	355,798	-	-	-	355,798
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Permanent fund	-	-	-	-	-
Total fund balances	<u>3,961,032</u>	<u>22,757</u>	<u>-</u>	<u>-</u>	<u>3,983,789</u>
Total liabilities and fund balances	<u>\$ 3,980,057</u>	<u>\$ 22,757</u>	<u>\$ -</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 \$6,857,027 and the accumulated depreciation is \$2,946,463.	3,910,564
Deferred outflows related to the PERS pension plan	101,567
Deferred inflows related to the PERS pension plan	(303,755)
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>(521,216)</u>
Net position of governmental activities	<u>\$ 7,170,949</u>

SEA GIRT 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	\$ 4,759,655	\$ -	\$ -	\$ -	\$ 4,759,655
Tuition charges	97,236	-	-	-	97,236
Interest on investments	-	-	-	-	-
Interest earned on capital reserve funds	550	-	-	-	550
Interest earned on unemployment - restricted	16	-	-	-	16
Miscellaneous	3,157	53,340 **	-	-	56,497
Total - local sources	4,860,614	53,340	-	-	4,913,954
State sources	530,181	-	-	-	530,181
Federal sources	-	57,560	-	-	57,560
Total revenues	<u>\$ 5,390,795</u>	<u>\$ 110,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,501,695</u>
EXPENDITURES					
Current:					
Regular instruction	\$ 1,425,193	\$ 47,202 ***	\$ -	\$ -	\$ 1,472,395
Special education instruction	416,855	-	-	-	416,855
Other special instruction	41,435	-	-	-	41,435
School sponsored/other instructional	41,760	-	-	-	41,760
Undistributed - current:					
Instruction	492,625	-	-	-	492,625
Attendance and social work services	21,194	-	-	-	21,194
Health services	109,894	-	-	-	109,894
Other support services	321,433	63,475	-	-	384,908
Improvement of instr. services	67,295	-	-	-	67,295
Educational media services	8,694	-	-	-	8,694
Instruction staff training	10,790	-	-	-	10,790
General administrative services	170,584	-	-	-	170,584
School administrative services	72,255	-	-	-	72,255
Central services	74,531	-	-	-	74,531
Admin. info. technology	6,196	-	-	-	6,196
Allowed maintenance for school facilities	98,394	-	-	-	98,394
Other operation & maintenance of plant	345,689	-	-	-	345,689
Student transportation services	61,459	-	-	-	61,459
Unallocated employee benefits	532,290	-	-	-	532,290
Non-budgeted expenditures	279,398	-	-	-	279,398
Special schools	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	359,526	-	-	-	359,526
Total expenditures	<u>4,957,490</u>	<u>110,677</u>	<u>-</u>	<u>-</u>	<u>5,068,167</u>
Excess (deficiency) of revenues over expenditures	<u>433,305</u>	<u>223</u>	<u>-</u>	<u>-</u>	<u>433,528</u>
Net change in fund balances	433,305	223	-	-	433,528
Fund balance—July 1	3,483,144	-	-	-	3,483,144
Prior period adjustments	44,583 ****	22,534 *****	-	-	67,117
Fund balance—July 1, restated	<u>3,527,727</u>	<u>22,534</u>	<u>-</u>	<u>-</u>	<u>3,550,261</u>
Fund balance—June 30	<u>\$ 3,961,032</u>	<u>\$ 22,757</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,983,789</u>

* 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

**SEA GIRT 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) **\$ 433,528**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(158,624)	
	Capital outlays	<u>11,507</u>	(147,117)

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 101,136

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. This year, sick leave was increased. (8,848)

Change in net position of governmental activities **\$ 378,699**

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

	Business-type Activities - Enterprise Fund	
	EBS Technology	Total Enterprise
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 698,663	\$ 698,663
Receivable from state	-	-
Receivable from other governments	-	-
Total current assets	698,663	698,663
Noncurrent assets:		
Furniture, machinery and equipment	1,234,544	1,234,544
Less accumulated depreciation	(377,683)	(377,683)
Total noncurrent assets	856,861	856,861
Total assets	\$ 1,555,524	\$ 1,555,524
LIABILITIES		
Current liabilities:		
Accounts payable	\$ -	\$ -
Total current liabilities	-	-
NET POSITION		
Investment in capital assets	856,861	856,861
Unrestricted	698,663	698,663
Total net position	1,555,524	1,555,524
Total liabilities and net position	\$ 1,555,524	\$ 1,555,524

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

	Business-type Activities - Enterprise Fund	
	EBS Technology	Total Enterprise
Operating revenues:		
Royalties	\$ 193,446	\$ 193,446
Miscellaneous	10,283	10,283
Total operating revenues	<u>203,729</u>	<u>203,729</u>
Operating expenses:		
Salaries	61,648	61,648
Other purchased professional services	9,101	9,101
Cleaning, repair and maintenance services	5,010	5,010
General supplies	94,588	94,588
Depreciation	41,036	41,036
Total operating expenses	<u>211,383</u>	<u>211,383</u>
Operating income (loss)	<u>(7,654)</u>	<u>(7,654)</u>
Non-operating revenues (expenses):		
Interest and investment revenue	160	160
Total non-operating revenues (expenses)	<u>160</u>	<u>160</u>
Change in net position	<u>(7,494)</u>	<u>(7,494)</u>
Total net position—beginning	1,563,018	1,563,018
Total net position—ending	<u>\$ 1,555,524</u>	<u>\$ 1,555,524</u>

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

	Business-type Activities - Enterprise Funds	
	EBS Technology	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 203,729	\$ 203,729
Payments to employees	(61,648)	(61,648)
Payments to suppliers	(108,699)	(108,699)
Net cash provided by (used in) operating activities	33,382	33,382
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest income	160	160
Interest expense	-	-
Net cash provided by (used in) non-capital financing activities	160	160
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(46,899)	(46,899)
Net cash provided by (used for) capital and related financing activities	(46,899)	(46,899)
Net increase (decrease) in cash and cash equivalents	(13,357)	(13,357)
Balances—beginning of year	712,020	712,020
Balances—end of year	\$ 698,663	\$ 698,663
Reconciliation of operating income (loss) to net cash used in operating activities:		
Operating income (loss)	\$ (7,654)	\$ (7,654)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	41,036	41,036
Total adjustments	41,036	41,036
Net cash provided by (used in) operating activities	\$ 33,382	\$ 33,382

Sea Girt 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 ("Board") of the Sea Girt 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 Sea Girt 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 five members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK - 8. The Sea Girt School District had an approximate enrollment of 150 students at June 30, 2021.

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

The 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. 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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Continued)**

B. Basis of Presentation, Basis of Accounting (Continued):

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. 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.

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 by 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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Continued)**

B. Basis of Presentation, Basis of Accounting (Continued)

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and 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 noninstructional equipment, which are classified in the Capital Outlay subfund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to 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.

Special Revenue Fund - The Special Revenue Fund is used to account for all proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Continued)**

B. Basis of Presentation, Basis of Accounting (Continued)

The District reports the following proprietary funds:

Enterprise Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's EBS Royalty program. The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent 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.

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. 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 be used 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 judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds, proceeds of general long-term debt and acquisitions under capital releases are reported as other financing sources.

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 monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable".

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Continued)**

C. 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, except for Special Revenue 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:23A-16.2(f). All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpected grant appropriation, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

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. At June 30, 2021, there was a reconciling difference of \$(447,559) between the budgetary basis and GAAP basis in the General Fund and of \$- in the Special Revenue Fund.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

D. Encumbrance Accounting:

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.

E. Assets, Liabilities, and Equity:

Interfund Transactions:

Transfers between Governmental and Business-Type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses to the funds that initially paid for them are not presented on the financial statements.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Equity (Continued)

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.

Capital Assets:

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and improvements	20-50 years
Furniture and equipment	5-20 years
Vehicles	8 years

Compensated Absences:

The District accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards. A liability for Compensated Absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and the employee is accrued as the employees earn the rights to the benefits.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Continued)**

E. Assets, Liabilities, and Equity (Continued)

Compensated Absences (Continued):

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's Policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

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

Unearned Revenue:

Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlement received before the eligibility requirements are met are also recorded as Unearned Revenue.

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 are 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. However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

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 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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Continued)**

E. Assets, Liabilities, and Equity (Continued)

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.

Revenues - Exchange and Nonexchange Transactions:

Revenue resulting from Exchange Transactions, in which each party gives and receives essentially equal value, is recorded on the actual 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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. **Summary of Significant Accounting Policies (Continued)**

E. Assets, Liabilities, and Equity (Continued)

Revenues - Exchange and Nonexchange Transactions (Continued):

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income 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 income taxes is recognized in the period in which the income is earned. 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 District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

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

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 royalties. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Allocation of Indirect Expenses:

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Equity (Continued)

Extraordinary and Special Items:

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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.

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

G. 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.

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

G. GASB Pronouncements (Continued)

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of Significant Accounting Policies (Continued)

G. GASB Pronouncements (Continued)

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. Capital Reserve Account

A Capital Reserve Account was established by the Sea Girt School 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 approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes 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 additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

2. Capital Reserve Account (Continued)

The activity of the Capital Reserve for the July 01, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 01, 2020	\$ 1,927,785
Add:	
Increase per Resolution	850,000
Interest earnings	550
Less:	
Withdrawals	<u>(447,330)</u>
Ending Balance, June 30, 2021	\$ <u>2,331,005</u>

3. Maintenance Reserve Account

A maintenance Reserve Account was established by the Sea Girt School District by inclusion of \$200,000 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 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-14.2(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 activity of the Maintenance Reserve for the July 01, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 01, 2020	\$ 200,000
Add:	
Interest Earned	-
Less:	
Withdrawals	<u>-</u>
Ending Balance, June 30, 2021	\$ <u>200,000</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

4. Tuition Reserve Account

A Tuition Reserve Account was established by the Sea Girt School District for the accumulation of funds in accordance with N.J.A.C. 6A:23A-14.4(a)(3). The Tuition Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Tuition Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Tuition Reserve for the July 01, 2020 to June 30, 2021 fiscal year is as follows:

Balance, July 01, 2020	\$ 76,000
Less:	
Withdrawals	<u>(76,000)</u>
Balance, June 30, 2021	<u>\$ -</u>

5. Deposits and Investments

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances at June 30, 2021 are insured up to \$250,000 in aggregate by the FDIC for each bank. At June 30, 2021, the value of the Board's deposits were \$4,690,221.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that 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 funds 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, bail funds, or 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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

5. Deposits and Investments (Continued)

At June 30, 2021, the Board's bank balances of \$4,690,221 were exposed to Custodial Credit Risk as follows:

	2021
Insured	\$ 4,616,978
Uninsured and Uncollateralized	<u>73,243</u>
	<u>\$ 4,690,221</u>

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

New Jersey Asset and Rebate Management Program - The Program has been established as a joint investment trust, (the "Trust"), by local governmental units in the State of New Jersey, (the "State"), consistent with the Interlocal Services Act, constituting Chapter 208 of the Pamphlet Laws of 1973 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:8A-1 et seq.), (the "Interlocal Services Act"), to make available to counties, municipalities, school districts, authorities, or other political subdivisions of the State, and where applicable, any bond trustee acting on behalf of such local government, a convenient method for investing and accounting for surplus cash and tax-exempt debt proceeds. The Program seeks to invest tax-exempt bond and note proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Code of 1986, as amended. The Program also provides for record keeping, depository and arbitrage rebate calculation.

As of June 30, 2021, the District had \$1,109,949 on deposit with the New Jersey Asset and Rebate Management Program.

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 New Jersey Cash Management Fund (NJCMF), is less than one year.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

5. Deposits and Investments (Continued)

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District has an investment policy that further limits its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

6. Receivables

Receivables at June 30, 2021, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State aid	\$ 118,337	\$ 118,337
Federal aid	-	-
Other	-	-
Interfunds	-	-
	<u>118,337</u>	<u>118,337</u>
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total receivables, net	<u>\$ 118,337</u>	<u>\$ 118,337</u>

7. Interfund Receivables and Payables

As of June 30, 2021 there were no interfund balances.

8. Capital Assets

The District did not have its Fixed Assets appraised by an independent appraiser as of June 30, 2021. The valuation was not properly updated and did not include all the District's Capital Assets. As such, materially accurate asset valuation totals, accumulated depreciation expense and depreciation expense amounts were not ascertainable.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

8. Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 916,364	\$ -	\$ -	\$ 916,364
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>916,364</u>	<u>-</u>	<u>-</u>	<u>916,364</u>
Capital assets being depreciated				
Building and building improvements	4,740,492	-	-	4,740,492
Land improvements	832,902	5,259	-	838,161
Machinery and equipment	<u>355,762</u>	<u>6,248</u>	<u>-</u>	<u>362,010</u>
Totals at historical cost	<u>5,929,156</u>	<u>11,507</u>	<u>-</u>	<u>5,940,663</u>
Less accumulated depreciation for:				
Building and building improvements	(2,029,211)	(94,810)	-	(2,124,021)
Land improvements	(418,524)	(41,908)	-	(460,432)
Machinery and equipment	<u>(340,104)</u>	<u>(21,906)</u>	<u>-</u>	<u>(362,010)</u>
Total accumulated depreciation	<u>(2,787,839)</u>	<u>(158,624)</u>	<u>-</u>	<u>(2,946,463)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>3,141,317</u>	<u>(147,117)</u>	<u>-</u>	<u>2,994,200</u>
Government activity capital assets, net	<u>\$ 4,057,681</u>	<u>\$ (147,117)</u>	<u>\$ -</u>	<u>\$ 3,910,564</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Technology center	\$ 1,081,267	\$ -	\$ -	\$ 1,081,267
Machinery and equipment	106,378	46,899	-	153,277
Construction in progress	-	-	-	-
Less Accumulated Depreciation	<u>(336,647)</u>	<u>(41,036)</u>	<u>-</u>	<u>(377,683)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 850,998</u>	<u>\$ 5,863</u>	<u>\$ -</u>	<u>\$ 856,861</u>

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.

Depreciation expense was charged to functions as follows:

Operation and maintenance	\$ <u>158,624</u>
Total	\$ <u>158,624</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

9. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2021, are as follows:

	<u>Balance</u> <u>July 01, 2020</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated				
Absences Payable	\$ 87,745	\$ 8,848	\$ 96,593	\$ -
Pension Liability - PERS	<u>474,624</u>	<u>(50,001)</u>	<u>424,623</u>	<u>-</u>
	<u>\$ 562,369</u>	<u>\$ (41,153)</u>	<u>\$ 521,216</u>	<u>\$ -</u>

For governmental activities, compensated absences payable and pension liability - PERS are liquidated by the general fund.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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

There are no serial bonds outstanding at June 30, 2021.

As of June 30, 2021, the Board had no bonds authorized.

10. Operating Leases

As of June 30, 2021, the District had no operating leases.

11. Pension Plans

A. Public Employees' Retirement System (PERS)

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

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 \$424,623 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 .0026038678%, which was a decrease of .00003023% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$(17,874) in the government-wide financial statements consisting of employer contributions of \$28,485 and non-employer contributions of \$(46,359). 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 Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,732	\$ 1,502
Changes of assumptions	13,775	177,794
Net difference between projected and actual earnings on pension plan investments	14,514	-
Changes in proportion and differences between District contributions and proportionate share of contributions	27,253	124,459
District contributions subsequent to the measurement date	38,293	-
Total	<u>\$ 101,567</u>	<u>\$ 303,755</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

\$38,293 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	\$ (89,432)
2022	(81,535)
2023	(46,596)
2024	(18,842)
2025	(4,076)
Thereafter	-
Total	\$ <u>(240,481)</u>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. 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 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 PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 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	538,732	424,623	333,970

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	.0026038678%	.0026340965%

B. Teachers' Pension and Annuity (TPAF)

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$8,949,572. 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 .0135910944%, which was a decrease of .0010134856% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized a pension expense in the amount of \$446,664 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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	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 %

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Pension Plans (cont'd)

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

Discount Rate - The discount rate used to measure the total pension liability was 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	10,535,421	8,949,572	7,668,787

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 at June 30, 2021 and June 30, 2020

	<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	.0135910944%	.0125776088%

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. 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 \$5,278. There was no liability for unpaid contributions at June 30, 2021.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the School District.

12. 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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Post-Retirement Benefits (cont'd)

General Information about the OPEB Plan (cont'd)

Plan description and benefits provided (cont'd)

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.

Employees covered by benefit terms

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

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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Post-Retirement Benefits (cont'd)

General Information about the OPEB Plan (cont'd)

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other imputes

The total OPEB liability in the June 30, 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	2.5%
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

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

12. 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 experience	11,544,750,637
Changes of 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>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Post-Retirement Benefits (cont'd)

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.

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	\$11,399,504	\$9,455,841	\$7,936,083

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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Post-Retirement Benefits (cont'd)

Sensitivity of the total OPEB liability to changes in the health care cost trend rates (cont'd)

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$54,738,488,540	\$67,809,962,608	\$83,375,182,975
Total OPEB Liability of the State Associated with the School District for School Retirees	\$7,633,074	\$9,455,841	\$11,626,352

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 \$139,977 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 Sea Girt 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$10,295,318,750.00	\$ (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	TBD	-
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>

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

13. Risk Management

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

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of the 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 the previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020 / 2021	\$ -	\$ 4,373	\$ (2,655)	\$ 46,301
2019 / 2020	-	455	-	44,583
2018 / 2019	-	669	-	44,128

14. Contingent Liabilities

Grant Programs

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

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

15. Fund Balance

General Fund - of the \$3,961,032 General Fund balance at June 30, 2021, \$90,960 of encumbrances is assigned to other purposes, \$2,331,005 is restricted for capital reserve, \$200,000 is restricted for maintenance reserve, \$- is restricted for tuition reserve, \$453,880 is restricted for excess surplus, \$483,088 is restricted for excess surplus for subsequent year expenditures, \$46,301 is restricted for unemployment compensation, \$- has been classified as assigned fund balance designated for subsequent year expenditures, and \$355,798 is unassigned.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

16. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$453,880.

17. 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 New Jersey. The school district has no open year prior to June 30, 2018.

18. Subsequent Events

Management has evaluated subsequent events through January 28, 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.

19. 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.

20. 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.

Sea Girt School District

Notes to Financial Statements

For the Year Ended June 30, 2021

21. 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
- The Payroll Agency Fund is included in the General Fund

The Unemployment Compensation Fund had a fund balance of \$44,583 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 \$3,527,727.

The Student Activity Fund had a fund balance of \$22,534 at June 30, 2020. The balance of \$22,534 is shown as a prior period adjustment to the Special Revenue Fund's beginning fund balance. The restated beginning fund balance is \$22,534.

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

SEA GIRT 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	4,759,655	-	4,759,655	4,759,655	-
Tuition - residents	-	-	-	-	-
Tuition - non-residents	98,500	-	98,500	97,236	(1,264)
Interest	-	-	-	-	-
Interest earned on emergency reserve	-	-	-	-	-
Interest earned on maintenance reserve	5	(5)	-	-	-
Interest earned on capital reserve funds	150	(150)	-	550	550
Interest earned on unemployment - restricted	-	-	-	16 *	16
Transportation fees	-	-	-	-	-
Miscellaneous	10,000	-	10,000	3,157	(6,843)
Total - local sources	4,868,310	(155)	4,868,155	4,860,614	(7,541)
State Sources:					
Transportation aid	13,842	-	13,842	13,842	-
Special education aid	110,984	-	110,984	108,087	(2,897)
Extraordinary aid	-	89,764	89,764	118,337	28,573
Categorical Security	11,412	-	11,412	11,412	-
TPAF LTDI (on-behalf - Non-budgeted)	-	-	-	242	242
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	139,977	139,977
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	446,664	446,664
TPAF social security (reimbursed - Non-budgeted)	-	-	-	139,179	139,179
Total state sources	136,238	89,764	226,002	977,740	751,738
Total Revenues	5,004,548	89,609	5,094,157	5,838,354	744,197
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	170,984	48,421	219,405	209,823	9,582
Grades 1-5 - Salaries of teachers	553,595	(5,080)	548,515	525,765	22,750
Grades 6-8 - Salaries of teachers	524,665	41,177	565,842	540,123	25,719
Regular Programs - Home Instruction:					
Salaries of teachers	5,000	(2,500)	2,500	-	2,500
Regular Programs - Undistributed Instruction					
Purchased professional-educational services	-	500	500	500	-
Other purchased services (400-500 series)	10,000	3,000	13,000	11,751	1,249
General supplies	55,500	105,146	160,646	87,710	72,936
Textbooks	60,000	(15,595)	44,405	43,305	1,100
Other objects - misc. exp.	7,500	(1,000)	6,500	6,216	284
Total Regular Programs - Instruction	1,387,244	174,069	1,561,313	1,425,193	136,120
Special Education - Instruction					
Resource Room/Resource Center:					
Salaries of teachers	351,939	56,828	408,767	408,288	479
Other salaries for instruction	10,000	-	10,000	8,428	1,572
Other purchased services (400-500 series)	3,131	(3,131)	-	-	-
General supplies	-	1,031	1,031	139	892
Total Resource Room/Resource Center	365,070	54,728	419,798	416,855	2,943
Total Special Education - Instruction	365,070	54,728	419,798	416,855	2,943
Basic Skills/Remedial - Instruction					
Salaries of teachers	40,251	1,184	41,435	41,435	-
General supplies	3,000	(1,184)	1,816	-	1,816
Total Basic Skills/Remedial - Instruction	43,251	-	43,251	41,435	1,816
School Sponsored CoCurricular Act.-Instruction					
Salaries	55,000	-	55,000	21,228	33,772
Supplies and Materials	5,000	-	5,000	320	4,680
Other objects	-	-	-	-	-
Total School Sponsored Cocurricular Act-Instruction	60,000	-	60,000	21,548	38,452
School Sponsored Athletics-Instruction					
Salaries	45,000	-	45,000	14,354	30,646
Purchased Services (300-500) Series	-	-	-	-	-
Supplies and Materials	7,500	(1,379)	6,121	4,658	1,463
Other Objects	2,500	-	2,500	1,200	1,300
Total School Sponsored Athletics-Instruction	55,000	(1,379)	53,621	20,212	33,409
Total Instruction	1,910,565	227,418	2,137,983	1,925,243	212,740

SEA GIRT 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
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	365,619	(6,000)	359,619	357,310	2,309
Tuition to other LEAs within the state - special	48,615	6,860	55,475	55,475	-
Tuition to County Voc. School Dist-regular	54,000	-	54,000	39,750	14,250
Tuition to private schools for the disabled - Within state	425,549	(90,132)	335,417	40,090	295,327
Total Undistributed Expenditures - Instruction:	893,783	(89,272)	804,511	492,625	311,886
Undist. Expend. - Attendance and social work services					
Salaries	19,684	1,985	21,669	21,194	475
Total Undist. Expend.- Attendance and social work services	19,684	1,985	21,669	21,194	475
Undist. Expend. - Health Services					
Salaries	71,985	(800)	71,185	69,732	1,453
Purchased professional and technical services	-	37,986	37,986	37,986	-
Supplies and materials	4,500	(2,186)	2,314	2,176	138
Total Undistributed Expenditures - Health Services	76,485	35,000	111,485	109,894	1,591
Undist. Expend. - Other Support Services - Students-Related Srvc					
Purchased professional - educational services	208,273	-	208,273	50,857	157,416
Total Undist. Expend.-Other Support Srvc-Students-Related Srvc	208,273	-	208,273	50,857	157,416
Undist. Expend.- Other Support Services -Students-Extraordinary Srvc					
Salaries	95,331	-	95,331	41,836	53,495
Supplies and materials	3,000	(380)	2,620	850	1,770
Total Undist. Expend.-Othr Sprt Srvc Students-Extraordinary Srvc	98,331	(380)	97,951	42,686	55,265
Undist. Expend.- Other Support Services Students-Regular					
Salaries of other professional staff	65,601	(6,434)	59,167	59,167	-
Salaries of secretarial and clerical assistants	7,453	4,868	12,321	12,320	1
Purchased professional - educational services	15,000	2,100	17,100	500	16,600
Supplies and materials	4,000	-	4,000	822	3,178
Total Undist. Expend. - Other Support Services - Students-Regular	92,054	534	92,588	72,809	19,779
Undist. Expend. - Other Support Services - Students-Special					
Salaries of other professional staff	148,239	(7,266)	140,973	140,972	1
Salaries of secretarial and clerical assistants	-	9,408	9,408	7,899	1,509
Purchased professional - educational services	40,000	(5,580)	34,420	6,210	28,210
Total Undist. Expend. - Other Support Services - Students-Special	188,239	(3,438)	184,801	155,081	29,720
Undist. Expend. - Improvement of Instr. Serv / other supp serv - inst staff					
Salaries Superv. Of Instr.	54,033	736	54,769	54,769	-
Sal Sec. & Clerical Asst	12,420	(123)	12,297	12,297	-
Other salaries	15,000	(2,797)	12,203	-	12,203
Purchased Prof - Educational services	10,000	(4,260)	5,740	229	5,511
Total Undst. Expend.-Imprvmt of Instr.-Srv/other supp srv-inst staff	91,453	(2,184)	85,009	67,295	12,203
Undist. Expend. - Educational Media Services/School Library					
Salaries	26,846	(27)	26,819	-	26,819
Salaries of Technology Coordinators	8,745	27	8,772	8,694	78
Purchased professional and technical services	2,000	-	2,000	-	2,000
Supplies and materials	10,000	1,623	11,623	-	11,623
Total Undist. Expend. - Educational Media Services/School Library	47,591	1,623	49,214	8,694	40,520
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	15,000	-	15,000	10,790	4,210
Other purchased services (400-500 series)	2,000	-	2,000	-	2,000
Supplies and materials	2,000	-	2,000	-	2,000
Other objects	4,000	-	4,000	-	4,000
Total Undist. Expend. - Instruction Staff Training Services	23,000	-	23,000	10,790	12,210
Undist. Expend. - Support Service - General Administration					
Salaries	69,930	10,271	80,201	80,201	-
Legal services	28,000	27,995	55,995	53,495	2,500
Audit fees	15,500	(1,650)	13,850	13,850	-
Communications/Telephone - Bus	7,500	(1,443)	6,057	6,057	-
BOE other purchased prof. svc.	3,000	(2,176)	824	824	-
Other purchased services (400-500 series)	11,874	1,021	12,895	12,895	-
General supplies	2,500	771	3,271	3,262	9
Miscellaneous expenditures - Board of Ed	3,000	(3,000)	-	-	-
Membership Dues and Fees	5,000	(5,000)	-	-	-
Total Undist. Expend. - Support Service - General Administration	146,304	26,789	173,093	170,584	2,509
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	48,538	(27)	48,511	48,511	-
Salaries of secretarial and clerical assistants	12,240	9,144	21,384	20,120	1,264
Other purchased services (400-500 series)	4,500	(2,482)	2,018	600	1,418
Supplies and materials	2,000	141	2,141	2,141	-
Other objects	1,000	(42)	958	883	75
Total Undist. Expend. - Support Service - School Administration	68,278	6,734	75,012	72,255	2,757

SEA GIRT 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. - Central Services					
Salaries	52,267	4,479	56,746	56,746	-
Purchased professional services	12,500	3,003	15,503	15,503	-
Misc. Pur Serv (400-500 series)	500	(137)	363	363	-
Supplies and materials	1,000	694	1,694	1,694	-
Misc Expenditures	2,750	(2,525)	225	225	-
Total Undist. Expend. - Central Services	<u>69,017</u>	<u>5,514</u>	<u>74,531</u>	<u>74,531</u>	<u>-</u>
Undist. Expend. - Admin. Info. Technology					
Salaries	4,372	1,824	6,196	6,196	-
Total Undist. Expend - Admin. Info. Technology	<u>4,372</u>	<u>1,824</u>	<u>6,196</u>	<u>6,196</u>	<u>-</u>
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	208,000	(67,613)	140,387	83,235	57,152
General supplies	16,000	4,091	20,091	15,159	4,932
Total Undist. Expend. - Allowed Maintenance for School Facilities	<u>224,000</u>	<u>(63,522)</u>	<u>160,478</u>	<u>98,394</u>	<u>62,084</u>
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - Custodians	155,150	21,168	176,318	173,198	3,120
Salaries - Café./Playground Aides	46,525	(2,368)	44,157	44,157	-
Cleaning, repair and maintenance services - up keep	20,000	32,646	52,646	41,496	11,150
Other purchased property services	15,000	(3,546)	11,454	11,299	155
Insurance	33,939	(7,100)	26,839	25,876	963
Travel	-	250	250	-	250
Miscellaneous purchased services	750	(250)	500	-	500
General supplies	20,000	(12,980)	7,020	3,070	3,950
Energy (Heat and Electricity)	44,450	-	44,450	32,442	12,008
Energy (Natural Gas)	12,600	3,000	15,600	14,151	1,449
Total Undist. Expend. - Other Operation & Maintenance Of Plant	<u>348,414</u>	<u>30,820</u>	<u>379,234</u>	<u>345,689</u>	<u>33,545</u>
Undist. Expend. - Security					
Purchased professional services	15,000	-	15,000	-	15,000
Cleaning, repair, and maintenance services	10,000	-	10,000	-	10,000
Total Undist. Expend. - Security	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Undist. Expend. - Student Transportation Services					
Salaries for pupil trans. (other than between home and school)	20,000	6,455	26,455	26,455	-
Contract services (other than between home & school) - Vendors	25,000	(2,062)	22,938	280	22,658
Contract services-(special education students)-ESC's & CTSA's	125,000	35,607	160,607	3,774	156,833
Contract services-(regular students)ESC's & CTSA's	50,000	15,000	65,000	30,950	34,050
Total Undist. Expend. - Student Transportation Services	<u>220,000</u>	<u>55,000</u>	<u>275,000</u>	<u>61,459</u>	<u>213,541</u>
Unallocated Employee Benefits					
Social security contributions	77,243	-	77,243	60,023	17,220
Other retirement contributions - regular	14,300	(14,300)	-	-	-
P.E.R.S. Contribution	36,985	14,300	51,285	38,293	12,992
Unemployment Compensation	-	-	-	-	-
Workmen's compensation	28,264	-	28,264	25,894	2,370
Health benefits	497,678	(35,988)	461,690	402,248	59,442
Tuition reimbursement	17,000	3,888	20,888	5,832	15,056
Other employee benefits	-	-	-	-	-
Total Unallocated Employee Benefits	<u>671,470</u>	<u>(32,100)</u>	<u>639,370</u>	<u>532,290</u>	<u>107,080</u>
On-behalf TPAF LTDI (non-budgeted)	-	-	-	242	(242)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	139,977	(139,977)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	446,664	(446,664)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	139,179	(139,179)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>726,062</u>	<u>(726,062)</u>
Total Personal Services - Employee Benefits	<u>671,470</u>	<u>(32,100)</u>	<u>639,370</u>	<u>1,258,352</u>	<u>(618,982)</u>
Total Undistributed Expenditures	<u>3,515,748</u>	<u>(29,333)</u>	<u>3,486,415</u>	<u>3,119,385</u>	<u>367,030</u>
Transfer to Cover Deficit (enterprise fund)	-	-	-	-	-
Total General Current Expenditures	<u>5,426,313</u>	<u>198,085</u>	<u>5,624,398</u>	<u>5,044,628</u>	<u>579,770</u>

SEA GIRT 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
Capital Outlay					
Interest	150	(150)	-	-	-
Facilities Acquisition and Construction Services					
Current capital outlay transfer - Capital projects	-	-	-	-	-
Building and grounds equipment	-	27,078	27,078	15,618	11,460
Architectural/Engineering Services	-	37,800	37,800	30,600	7,200
Construction Services	439,378	(64,878)	374,500	305,356	69,144
Debt Service Assessment	7,952	-	7,952	7,952	-
Other objects	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>447,330</u>	<u>-</u>	<u>447,330</u>	<u>359,526</u>	<u>76,344</u>
Capital reserve - Transfer to	-	-	-	-	-
Total Capital Outlay	<u>447,480</u>	<u>(150)</u>	<u>447,330</u>	<u>359,526</u>	<u>76,344</u>
Total Expenditures	<u>5,873,793</u>	<u>197,935</u>	<u>6,071,728</u>	<u>5,404,154</u>	<u>656,114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(869,245)</u>	<u>(108,326)</u>	<u>(977,571)</u>	<u>434,200</u>	<u>88,083</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(869,245)</u>	<u>(108,326)</u>	<u>(977,571)</u>	<u>434,200</u>	<u>88,083</u>
Fund Balance, July 1	<u>3,494,788</u>	<u>-</u>	<u>3,494,788</u>	<u>3,494,788</u>	<u>-</u>
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,583</u>	<u>44,583</u>
Fund Balance, July 1 Restated	<u>3,494,788</u>	<u>-</u>	<u>3,494,788</u>	<u>3,539,371</u>	<u>44,583</u>
Fund Balance, June 30	<u>2,625,543</u>	<u>(108,326)</u>	<u>2,517,217</u>	<u>3,973,571</u>	<u>132,666</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				2,331,005	
Maintenance reserve				200,000	
Tuition reserve				-	
Unemployment compensation				46,301	
Excess surplus - Designated for subsequent year's expenditures				483,088	
Excess surplus - Current year				453,880	
Assigned Fund Balance:					
Year-end encumbrances				90,960	
Designated for subsequent year's expenditures				-	
Unassigned Fund Balance				<u>368,337</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				3,973,571	
Last state aid payment not recognized on GAAP basis				<u>(12,539)</u> **	
Fund balance per governmental funds (GAAP) - B-1				<u>3,961,032</u>	
Restricted fund balances				3,605,234	
Unrestricted fund balances				<u>355,798</u>	
Fund balance per governmental funds (GAAP) - B-1				<u>3,961,032</u>	

* Include interest earnings on the unemployment compensation bank account
 ** Represents unemployment fund net position as of June 30, 2020

SEA GIRT 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	\$ -	\$ 2,441	\$ 2,441	\$ 53,340	50,899
State sources	-	-	-	-	-
Federal sources	43,458	14,102	57,560	57,560	-
Total Revenues	<u>43,458</u>	<u>16,543</u>	<u>60,001</u>	<u>110,900</u>	<u>50,899</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries for instruction	-	-	-	-	-
Purchased professional services	32,546	9,582	42,128	42,128	-
General supplies	-	5,074	5,074	5,074	-
Tuition	-	-	-	-	-
Total instruction	<u>32,546</u>	<u>14,656</u>	<u>47,202</u>	<u>47,202</u>	<u>-</u>
Support services:					
Salaries of program director	-	-	-	-	-
Personal services	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	10,912	(8,272)	2,640	2,640	-
Travel	-	-	-	-	-
Employee Benefits	-	-	-	-	-
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	2,441	2,441	2,441	-
Supplies & materials	-	7,718	7,718	7,718	-
Student activities	-	-	-	50,676	(50,676) Note 1
Total support services	<u>10,912</u>	<u>1,887</u>	<u>12,799</u>	<u>63,475</u>	<u>(50,676)</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>43,458</u>	<u>16,543</u>	<u>60,001</u>	<u>110,677</u>	<u>(50,676)</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>43,458</u>	<u>16,543</u>	<u>60,001</u>	<u>110,677</u>	<u>(50,676)</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>223</u>	<u>223</u>
Fund Balance, July 1				\$ -	
Prior Period Adjustment				<u>22,534</u>	
Fund Balance, July 1 (Restated)				<u>22,534</u>	
Fund Balance, June 30				<u>\$ 22,757</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 22,757	
Total Fund Balance				<u>\$ 22,757</u>	

Note 1 - Not required to budget for these funds.

**SEA GIRT 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]	\$ 5,838,354	[C-2]	\$ 110,900
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(446,664)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(12,539)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		11,644		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 5,390,795	[B-2]	\$ 110,900
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 5,404,154	[C-2]	\$ 110,677
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(446,664)		-
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 4,957,490	[B-2]	\$ 110,677

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SEA GIRT 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>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	0.0034715477%	0.0039267853%	0.0028697318%	0.0030405853%	0.0026340965%	0.0026038678%
District's proportionate share of the net pension liability	\$ 814,178	\$ 1,163,001	\$ 668,028	\$ 598,676	\$ 474,624	\$ 424,623
District's covered-employee payroll	\$ -	\$ 233,589	\$ 184,703	\$ 187,187	\$ 188,427	\$ 193,606
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	497.88%	361.68%	319.83%	251.89%	219.32%
Plan fiduciary net position as a percentage of the total pension liability	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.

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

Last 10 Fiscal Years*

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contributions	\$ 29,846	\$ 35,427	\$ 26,866	\$ 30,578	\$ 25,822	\$ 28,485
Contributions in relation to the contractually required contribution	<u>29,846</u>	<u>35,427</u>	<u>25,977</u>	<u>30,578</u>	<u>12,000</u>	<u>38,293</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 889</u>	<u>\$ -</u>	<u>\$ 13,822</u>	<u>\$ (9,808)</u>
District's covered-employee payroll	\$ 233,589	\$ 184,703	\$ 187,187	\$ 188,427	\$ 193,606	\$ 189,481
Contributions as a percentage of covered-employee payroll	12.78%	19.18%	14.55%	16.23%	13.34%	15.03%

* 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.

SEA GIRT 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>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	0.0143399466%	0.0147099986%	0.0148587264%	0.0144563599%	0.0125776088%	0.0135910944%
State's proportionate share of the net pension liability associated with the District	\$ 9,063,459	\$ 11,571,821	\$ 10,018,289	\$ 9,196,826	\$ 7,718,997	\$ 8,949,572
District's covered-employee payroll	1,875,503	1,409,893	1,390,618	1,627,201	1,575,427	1,895,981
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	483.25%	820.76%	720.42%	565.19%	489.96%	472.03%
Plan fiduciary net position as a percentage of the total pension liability	27.81%	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.

SEA GIRT 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	\$ 322,579	\$ 267,826	\$ 221,647	\$ 212,131
Interest cost	268,090	309,694	268,804	211,014
Differences between expected and actual experiences	-	(1,278,890)	(1,317,941)	1,569,108
Changes in assumptions	(1,109,633)	(781,615)	87,909	1,727,257
Member contributions	7,224	6,295	5,365	4,990
Gross benefit payments	<u>(196,183)</u>	<u>(182,128)</u>	<u>(180,988)</u>	<u>(164,618)</u>
Net change in total OPEB liability	(707,923)	(1,658,818)	(915,204)	3,559,882
Total State's OPEB liability - beginning	<u>9,177,904</u>	<u>8,469,981</u>	<u>6,811,163</u>	<u>5,895,959</u>
Total State's OPEB liability - ending	<u>\$ 8,469,981</u>	<u>\$ 6,811,163</u>	<u>\$ 5,895,959</u>	<u>\$ 9,455,841</u>
District's covered employee payroll	<u>\$ 2,342,002</u>	<u>\$ 2,441,082</u>	<u>\$ 2,507,913</u>	<u>\$ 2,715,056</u>
Total State's OPEB liability as a percentage of covered employee payroll	362%	279%	235%	348%

* 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.

Sea Girt 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

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

	IDEA Preschool 20/21	IDEA Basic 20/21	Title II 20/21	Safety Grant 20/21	CARES Act 20/21	Coronavirus Relief Fund 20/21	Student Activity 20/21	TOTAL
Revenues:								
Local sources	\$ -	\$ -	\$ -	\$ 2,441	\$ -	\$ -	\$ 50,899	\$ 53,340
State sources	-	-	-	-	-	-	-	-
Federal sources	3,241	40,373	2,640	-	7,718	3,588	-	57,560
Total revenues	<u>3,241</u>	<u>40,373</u>	<u>2,640</u>	<u>2,441</u>	<u>7,718</u>	<u>3,588</u>	<u>50,899</u>	<u>110,900</u>
Expenditures:								
Instruction:								
Salaries of teachers	-	-	-	-	-	-	-	-
Other salaries/instruction	-	-	-	-	-	-	-	-
Purchased professional services	3,128	39,000	-	-	-	-	-	42,128
General supplies	113	1,373	-	-	-	3,588	-	5,074
Tuition	-	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-	-
Total instruction	<u>3,241</u>	<u>40,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,588</u>	<u>-</u>	<u>47,202</u>
Support services:								
Other support services - students - special:								
Other professional staff salaries	-	-	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	-	-	-
Purchased technical services	-	-	2,640	-	-	-	-	2,640
Employee benefits	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
General supplies	-	-	-	-	7,718	-	-	7,718
Student activities	-	-	-	-	-	-	50,676	50,676
Miscellaneous expenses	-	-	-	2,441	-	-	-	2,441
Total other support services - students - special	<u>-</u>	<u>-</u>	<u>2,640</u>	<u>2,441</u>	<u>7,718</u>	<u>-</u>	<u>50,676</u>	<u>63,475</u>
Total support services	<u>-</u>	<u>-</u>	<u>2,640</u>	<u>2,441</u>	<u>7,718</u>	<u>-</u>	<u>50,676</u>	<u>63,475</u>
Equipment:								
Regular programs instruction	-	-	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 3,241</u>	<u>\$ 40,373</u>	<u>\$ 2,640</u>	<u>\$ 2,441</u>	<u>\$ 7,718</u>	<u>\$ 3,588</u>	<u>\$ 50,676</u>	<u>\$ 110,677</u>
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-	-	223	223
Fund Balance, July 1	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	22,534	22,534
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,534</u>	<u>22,534</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,757</u>	<u>\$ 22,757</u>

F. Capital Projects Fund
Not Applicable

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

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt
Not Applicable

STATISTICAL SECTION

**Sea Girt Board of Education
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>	97-101
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	102-105
<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>	106-109
<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>	110-111
<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>	112-116

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

SEA GIRT 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 capital assets	\$ 3,536,657	\$ 3,422,237	\$ 3,304,876	\$ 3,187,515	\$ 3,116,252	\$ 3,001,013	\$ 3,032,998	\$ 3,107,996	\$ 4,057,681	\$ 3,910,564
Restricted	609,483	703,620	974,286	1,331,660	1,711,585	2,343,610	2,941,786	3,460,483	3,007,613	3,537,031
Unrestricted	218,594	203,807	198,400	(664,419)	(648,488)	(656,677)	(612,057)	(598,327)	(340,161)	(276,646)
Total governmental activities net position	<u>\$ 4,364,734</u>	<u>\$ 4,329,664</u>	<u>\$ 4,477,562</u>	<u>\$ 3,854,756</u>	<u>\$ 4,179,349</u>	<u>\$ 4,687,946</u>	<u>\$ 5,362,727</u>	<u>\$ 5,970,152</u>	<u>\$ 6,725,133</u>	<u>\$ 7,170,949</u>
Business-type activities										
Net capital assets	\$ 1,023,860	\$ 998,028	\$ 972,196	\$ 946,364	\$ 993,334	\$ 966,155	\$ 926,956	\$ 888,907	\$ 850,998	\$ 856,861
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	347,752	352,044	440,326	535,839	544,004	616,493	706,984	714,005	712,020	698,663
Total business-type activities net position	<u>\$ 1,371,612</u>	<u>\$ 1,350,072</u>	<u>\$ 1,412,522</u>	<u>\$ 1,482,203</u>	<u>\$ 1,537,338</u>	<u>\$ 1,582,648</u>	<u>\$ 1,633,940</u>	<u>\$ 1,602,912</u>	<u>\$ 1,563,018</u>	<u>\$ 1,555,524</u>
District-wide										
Net capital assets	\$ 4,560,517	\$ 4,420,265	\$ 4,277,072	\$ 4,133,879	\$ 4,109,586	\$ 3,967,168	\$ 3,959,954	\$ 3,996,903	\$ 4,908,679	\$ 4,767,425
Restricted	609,483	703,620	974,286	1,331,660	1,711,585	2,343,610	2,941,786	3,460,483	3,007,613	3,537,031
Unrestricted	566,346	555,851	638,726	(128,580)	(104,484)	(40,184)	94,927	115,678	371,859	422,017
Total district net position	<u>\$ 5,736,346</u>	<u>\$ 5,679,736</u>	<u>\$ 5,890,084</u>	<u>\$ 5,336,959</u>	<u>\$ 5,716,687</u>	<u>\$ 6,270,594</u>	<u>\$ 6,996,667</u>	<u>\$ 7,573,064</u>	<u>\$ 8,288,151</u>	<u>\$ 8,726,473</u>

Source: CAFR Schedule A-1 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.

SEA GIRT 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	\$ 1,268,103	\$ 1,225,160	\$ 1,224,045	\$ 1,242,744	\$ 1,363,674	\$ 1,278,279	\$ 1,255,802	\$ 1,265,531	\$ 1,274,043	\$ 1,421,496
Special education	393,262	306,228	210,930	239,888	251,642	244,471	242,475	295,425	312,295	416,855
Other special education	102,281	122,798	77,474	141,887	136,720	76,327	127,133	139,240	130,347	83,195
Support Services:										
Instruction	691,863	886,691	760,979	733,725	830,911	772,404	748,673	768,325	620,114	492,625
Attendance and social work	12,872	15,771	16,087	20,301	600	30,883	34,169	24,277	25,881	21,194
Health services	65,843	56,396	55,960	24,405	62,908	51,477	65,735	58,042	60,433	109,894
Improvement of instr. services	74,344	62,311	63,556	72,563	97,488	83,915	56,719	75,813	84,183	67,295
Educational media services	47,951	26,272	47,622	61,526	61,902	30,667	38,790	48,745	60,447	8,694
Instruction staff training	7,013	4,088	6,888	18,987	11,774	4,038	13,745	16,276	9,070	10,790
School Administrative services	78,339	73,385	70,471	75,282	75,321	81,175	79,535	40,524	36,168	72,255
General administration	133,846	128,399	135,421	132,600	106,870	139,387	120,340	76,824	98,934	170,584
Central Services	68,584	78,454	69,662	86,758	67,360	79,675	58,524	72,835	80,960	74,531
Plant operations and maintenance	410,104	402,545	454,900	513,593	429,801	474,178	400,644	487,957	576,289	950,726
Administrative information technology	2,615	3,186	350	3,217	3,414	3,500	2,997	3,288	3,379	6,196
Pupil transportation	114,042	138,189	101,806	90,718	90,316	75,919	156,297	154,068	84,296	61,459
Other support services	298,351	312,466	383,622	295,243	269,061	334,675	351,956	425,556	479,140	384,908
Interest on long-term debt	3,280	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	470,213	474,693	513,049	364,146	399,590	447,205	382,805	411,171	450,677	440,002
Total governmental activities expenses	<u>4,242,906</u>	<u>4,317,032</u>	<u>4,192,822</u>	<u>4,117,583</u>	<u>4,259,352</u>	<u>4,208,175</u>	<u>4,136,339</u>	<u>4,363,897</u>	<u>4,386,656</u>	<u>4,792,699</u>
Business-type activities:										
Enterprise fund	(70,916)	21,802	(62,450)	(69,522)	(54,976)	(45,151)	(51,133)	31,188	46,513	17,937
Total business-type activities expense	<u>(70,916)</u>	<u>21,802</u>	<u>(62,450)</u>	<u>(69,522)</u>	<u>(54,976)</u>	<u>(45,151)</u>	<u>(51,133)</u>	<u>31,188</u>	<u>46,513</u>	<u>17,937</u>
Total district expenses	<u>\$ 4,171,990</u>	<u>\$ 4,338,834</u>	<u>\$ 4,130,372</u>	<u>\$ 4,048,061</u>	<u>\$ 4,204,376</u>	<u>\$ 4,163,024</u>	<u>\$ 4,085,206</u>	<u>\$ 4,395,085</u>	<u>\$ 4,433,169</u>	<u>\$ 4,810,636</u>
Net (Expense)/Revenue										
Governmental activities	(4,242,906)	(4,317,032)	(4,192,822)	(4,117,583)	(4,259,352)	(4,208,175)	(4,136,339)	(4,363,897)	(4,386,656)	(4,792,699)
Business-type activities	70,916	(21,802)	62,450	69,522	54,976	45,151	51,133	(31,188)	(46,513)	(17,937)
Total district-wide net expense	<u>\$ (4,171,990)</u>	<u>\$ (4,338,834)</u>	<u>\$ (4,130,372)</u>	<u>\$ (4,048,061)</u>	<u>\$ (4,204,376)</u>	<u>\$ (4,163,024)</u>	<u>\$ (4,085,206)</u>	<u>\$ (4,395,085)</u>	<u>\$ (4,433,169)</u>	<u>\$ (4,810,636)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,939,365	\$ 4,012,243	\$ 4,092,488	\$ 4,214,209	\$ 4,338,065	\$ 4,424,826	\$ 4,513,322	\$ 4,603,588	\$ 4,666,328	\$ 4,759,655
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	81,716	103,951	101,864	26,093	104,878	172,299	213,947	209,996	273,842	308,343
State aid - restricted	78,837	53,999	52,263	52,629	66,520	-	-	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	40	49	54	224	897	2,651	11,414	17,131	550
Interest - restricted	-	-	-	-	-	-	-	-	-	16
Miscellaneous income	149,253	111,729	94,056	64,625	74,258	118,750	81,200	146,324	190,795	102,834
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>4,249,171</u>	<u>4,281,962</u>	<u>4,340,720</u>	<u>4,357,610</u>	<u>4,583,945</u>	<u>4,716,772</u>	<u>4,811,120</u>	<u>4,971,322</u>	<u>5,148,096</u>	<u>5,171,398</u>
Business-type activities:										
Investment earnings	310	262	-	159	159	159	159	160	160	160
Miscellaneous income	-	-	-	-	-	-	-	-	-	10,283
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>310</u>	<u>262</u>	<u>-</u>	<u>159</u>	<u>159</u>	<u>159</u>	<u>159</u>	<u>160</u>	<u>160</u>	<u>10,443</u>
Total district-wide	<u>\$ 4,249,481</u>	<u>\$ 4,282,224</u>	<u>\$ 4,340,720</u>	<u>\$ 4,357,769</u>	<u>\$ 4,584,104</u>	<u>\$ 4,716,931</u>	<u>\$ 4,811,279</u>	<u>\$ 4,971,482</u>	<u>\$ 5,148,256</u>	<u>\$ 5,181,841</u>
Change in Net Position										
Governmental activities	6,265	(35,070)	147,898	240,027	324,593	508,597	674,781	607,425	761,440	378,699
Business-type activities	71,226	(21,540)	62,450	69,681	55,135	45,310	51,292	(31,028)	(46,353)	(7,494)
Total district	<u>\$ 77,491</u>	<u>\$ (56,610)</u>	<u>\$ 210,348</u>	<u>\$ 309,708</u>	<u>\$ 379,728</u>	<u>\$ 553,907</u>	<u>\$ 726,073</u>	<u>\$ 576,397</u>	<u>\$ 715,087</u>	<u>\$ 371,205</u>

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.

SEA GIRT 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										
Reserved	\$ 609,483	\$ 703,620	\$ 974,286	\$ 1,331,660	\$ 1,711,585	\$ 2,343,610	\$ 2,941,786	\$ 3,460,483	\$ 3,032,793	\$ 3,605,234
Unreserved	245,565	242,559	242,422	241,214	241,264	239,845	287,326	264,005	328,120	355,798
Total general fund	<u>\$ 855,048</u>	<u>\$ 946,179</u>	<u>\$ 1,216,708</u>	<u>\$ 1,572,874</u>	<u>\$ 1,952,849</u>	<u>\$ 2,583,455</u>	<u>\$ 3,229,112</u>	<u>\$ 3,724,488</u>	<u>\$ 3,360,913</u>	<u>\$ 3,961,032</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,757
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,757</u>

Source: CAFR Schedule B-1 and District records.

SEA GIRT 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	\$ 3,939,365	\$ 4,012,243	\$ 4,092,488	\$ 4,214,209	\$ 4,338,065	\$ 4,424,826	\$ 4,513,322	\$ 4,603,588	\$ 4,666,328	\$ 4,759,655
Tuition charges	144,117	107,743	93,714	59,871	57,130	77,529	73,900	134,442	151,309	97,236
Interest earnings	-	40	49	54	224	897	2,651	11,414	17,131	566
Miscellaneous	5,136	3,986	342	4,754	17,128	41,221	7,300	11,882	33,027	56,497
State sources	363,281	445,603	389,108	336,467	354,438	360,134	406,391	388,017	448,795	530,181
Federal sources	78,837	53,999	52,263	52,629	66,520	63,459	53,648	56,306	52,555	57,560
Total revenue	4,530,736	4,623,614	4,627,964	4,667,984	4,833,505	4,968,066	5,057,212	5,205,649	5,369,145	5,501,695
Expenditures										
Instruction										
Regular Instruction	1,268,103	1,225,160	1,224,045	1,242,744	1,363,674	1,278,279	1,255,802	1,265,531	1,274,043	1,472,395
Special education instruction	393,262	306,228	210,930	239,888	251,642	244,471	242,475	295,425	312,295	416,855
Other special instruction	102,281	122,798	77,474	141,887	136,720	76,327	127,133	139,240	130,347	83,195
Support Services:										
Tuition	691,863	886,691	760,979	733,725	830,911	772,404	748,673	768,325	620,114	492,625
Student & inst. related services	208,023	164,838	190,113	197,782	234,672	200,980	209,158	223,153	240,014	217,867
General administration	133,846	128,399	135,421	132,600	106,870	139,387	120,340	76,824	98,934	170,584
School administrative services	78,339	73,385	70,471	75,282	75,321	81,175	79,535	40,524	36,168	72,255
Central services	68,584	78,454	69,662	86,758	67,350	79,675	58,524	72,835	80,960	74,531
Admin. information technology	2,615	3,186	350	3,217	3,414	3,500	2,997	3,288	3,379	6,196
Plant operations and maintenance	274,311	280,173	329,587	379,905	321,601	345,647	410,911	478,966	398,025	444,083
Pupil transportation	114,042	138,189	101,806	90,718	90,316	75,919	156,297	154,068	84,296	61,459
Other Support Services	298,351	312,466	383,622	295,243	269,061	334,675	351,956	425,556	479,140	384,908
Employee benefits	755,253	804,564	795,023	675,742	665,031	691,729	626,036	682,549	724,825	811,688
Special Schools	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	82,000	-	-	-	-	-	-	-	-	-
Interest and other charges	3,280	-	-	-	-	-	-	-	-	-
Capital outlay	12,794	7,952	7,952	16,327	36,937	13,292	21,718	83,989	1,127,949	359,526
Total expenditures	4,486,947	4,532,483	4,357,435	4,311,818	4,453,530	4,337,460	4,411,555	4,710,273	5,610,489	5,068,167
Excess (Deficiency) of revenues over (under) expenditures	43,789	91,131	270,529	356,166	379,975	630,606	645,657	495,376	(241,344)	433,528
Other Financing sources (uses)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 43,789	\$ 91,131	\$ 270,529	\$ 356,166	\$ 379,975	\$ 630,606	\$ 645,657	\$ 495,376	\$ (241,344)	\$ 433,528
Debt service as a percentage of noncapital expenditures	0.021	0.002	0.002	0.004	0.008	0.003	0.005	0.018	0.201	0.0%

Source: CAFR Schedule B-2 and District records.

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

Fiscal Year Ending June 30,	Sale of Capital Assets	Donations	Rentals	Prior Year Refunds	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2012	-	-	-	-	-	5,136	5,136
2013	-	-	-	-	-	3,986	3,986
2014	-	-	-	-	-	342	342
2015	-	-	-	-	-	4,754	4,754
2016	-	-	-	-	-	17,128	17,128
2017	-	-	-	-	-	41,221	41,221
2018	-	-	-	-	-	7,300	7,300
2019	-	-	-	-	-	11,882	11,882
2020	-	-	-	-	-	33,027	33,027
2021	-	-	-	-	-	3,157	3,157

Source: District records

SEA GIRT SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2012	56,532,400	1,891,060,100	-	-	36,816,900	-	-	1,984,409,400	303,100,800	287,426	1,681,596,026	1,965,358,422	0.202
2013	51,417,900	1,901,528,500	-	-	36,816,900	-	-	1,989,763,300	305,555,800	-	1,684,207,500	2,015,046,881	0.206
2014	48,119,000	1,926,382,300	-	-	37,697,600	-	-	2,012,198,900	305,756,600	-	1,706,442,300	2,099,101,711	0.211
2015	33,999,900	2,143,598,300	-	-	40,740,900	-	-	2,218,339,100	370,904,200	250,000	1,847,684,900	2,177,227,802	0.195
2016	39,816,300	2,209,488,700	-	-	40,259,800	-	-	2,289,564,800	372,903,100	-	1,916,661,700	2,295,763,361	0.193
2017	67,150,100	2,269,408,000	-	-	39,491,400	-	-	2,376,049,500	376,817,100	-	1,999,232,400	2,294,413,051	0.190
2018	76,089,500	2,335,155,800	-	-	39,953,500	-	-	2,451,198,800	377,144,000	-	2,074,054,800	2,451,198,800	0.188
2019	66,392,100	-	-	-	-	-	-	2,472,523,900	376,342,800	-	2,096,181,100	2,589,334,892	0.189
2020	65,011,000	2,505,371,100	-	-	41,528,900	-	-	2,611,911,000	385,896,200	-	2,226,014,800	2,646,977,600	0.182
2021	58,722,000	2,546,929,800	-	-	41,325,000	-	-	2,646,976,800	386,737,700	-	2,260,239,100	2,483,675,358	0.180

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Sea Girt School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipal	Monmouth County	
2012	0.202	0.202	0.202	0.262	0.288	0.752
2013	0.206	0.206	0.206	0.261	0.308	0.775
2014	0.211	0.211	0.211	0.255	0.323	0.789
2015	0.195	0.195	0.195	0.228	0.301	0.724
2016	0.193	0.193	0.193	0.220	0.296	0.709
2017	0.190	0.190	0.190	0.212	0.279	0.681
2018	0.188	0.188	0.188	0.204	0.285	0.677
2019	0.189	0.189	0.189	0.202	0.297	0.688
2020	0.182	0.182	0.182	0.191	0.291	0.664
2021	0.182	-	0.180	0.215	0.241	0.636

Source: Municipal Tax Collector

R = Reevaluation

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

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

	2021			2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	\$ 8,033,600		0.30%	6,592,300		0.36%
Taxpayer 2	7,302,300		0.28%	6,513,500		0.35%
Taxpayer 3	7,234,900		0.27%	6,123,900		0.31%
Taxpayer 4	7,206,600		0.27%	5,522,500		0.30%
Taxpayer 5	6,995,000		0.26%	5,335,200		0.30%
Taxpayer 6	6,566,800		0.25%	5,177,300		0.30%
Taxpayer 7	6,435,700		0.24%	5,156,800		0.29%
Taxpayer 8	6,332,900		0.24%	5,107,000		0.29%
Taxpayer 9	6,329,000		0.24%	5,024,300		0.29%
Taxpayer 10	6,312,400		0.24%	4,928,000		0.29%
Total	\$ 68,749,200		2.59%	\$ 55,480,800		3.08%

Source: Municipal Tax Assessor

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

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	14,809,838	14,753,094	99.62%	-
2013	15,505,949	15,235,783	98.26%	-
2014	15,859,336	15,432,143	97.31%	-
2015	16,153,929	16,007,333	99.09%	-
2016	16,322,079	16,143,372	98.90%	-
2017	16,356,455	16,190,884	98.91%	-
2018	16,775,476	16,626,566	99.11%	-
2019	17,341,858	17,111,211	98.67%	-
2020	16,814,675	16,705,380	99.35%	-
2021	-	-	0.00%	-

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

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

Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2012	82,000	-	-	-	-	82,000	0.08%	45
2013	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-

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

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

SEA GIRT SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2012	82,000	-	82,000	-	45
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-

- Notes:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.
a See Exhibit NJ J-6 for property tax data.
b Population data can be found in Exhibit NJ J-14.

|Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Sea Girt Borough's Share (100%)	\$ -	0.000%	\$ -
County of Monmouth - Borough's Share (1.62%)	N/A	0.000%	
Other debt			
			-
Subtotal, overlapping debt			
			-
Sea Girt School District Direct Debt			
			-
Total direct and overlapping debt			
			<u>\$ -</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation. Debt outstanding data provided by each governmental unit.

**SEA GIRT SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years
UNAUDITED**

	Equalized valuation basis	
	2021	2,483,675,358
	2020	2,707,558,185
	2019	<u>2,177,227,802</u>
	[A]	<u><u>7,368,461,345</u></u>
ge equalized valuation of taxable property	[A/3]	\$ 2,456,153,782
limit (4 % of average equalization value)	[B]	98,246,151
Total Net Debt Applicable to Limit	[C]	<u>-</u>
Legal debt margin	[B-C]	<u><u>\$ 98,246,151</u></u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 78,848,027	\$ 52,736,813	\$ 81,060,094	\$ 83,885,019	\$ 87,627,905	\$ 57,017,727	\$ 57,017,727	\$ 91,542,192	\$ 57,017,727	\$ 98,246,151
Total net debt applicable to limit	<u>82,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 78,766,027</u></u>	<u><u>\$ 52,736,813</u></u>	<u><u>\$ 81,060,094</u></u>	<u><u>\$ 83,885,019</u></u>	<u><u>\$ 87,627,905</u></u>	<u><u>\$ 57,017,727</u></u>	<u><u>\$ 57,017,727</u></u>	<u><u>\$ 91,542,192</u></u>	<u><u>\$ 57,017,727</u></u>	<u><u>\$ 98,246,151</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

SEA GIRT SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2012	1,816	104,874,000	57,750	4.5%
2013	1,801	113,082,989	62,789	6.4%
2014	1,799	113,329,804	62,996	4.0%
2015	1,803	114,715,875	63,625	0.0%
2016	1,805	120,481,945	66,749	0.0%
2017	1,785	123,896,850	69,410	3.0%
2018	1,762	128,402,226	72,873	0.0%
2019	1,769	134,022,978	75,762	0.0%
2020	1,765	141,161,170	79,978	2.3%
2021	1,771	146,197,821	82,551	7.2%

Source:

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

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

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

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

**SEA GIRT SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
UNAUDITED**

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Sea Girt Borough	Information	Information	Information	Information	Information	Information
Sea Girt Board of Education	not	not	not	not	not	not
Rod's Tavern	available	available	available	available	available	available
Harrigan's						
Fratello's						
Wells Fargo						
Sitar Realty						
Ocean Pointe Associates						
Greg's Auto Care						
Dr. John Little						
	-		0.00%	-		0.00%

Source:

SEA GIRT 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	17.1	17.2	17.0	17.0	17.0	17.6	18.6	19.1	18.5	20.0
Special education	5.2	6.3	3.6	4.0	3.5	3.5	3.5	3.5	4.5	5.5
Support Services:										
Student & instruction related services	4.7	4.7	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.5
Other administrative services		2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.0	2.0
Central services	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Information Technology	1.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance	0.0	0.0	0.0	0.0	2.1	1.6	1.6	1.6	1.6	1.6
Total	33.0	36.2	32.6	34.0	35.6	35.2	36.2	36.7	37.1	39.6

Source: District Personnel Records

**SEA GIRT SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2012	234	4,329,364	18,502	0.00%	22.43	10.4:1		179.9	171.6	-4.26%	95.39%
2013	209	4,478,484	21,428	0.00%	23.47	7.3:1		171.2	161.0	-4.84%	94.04%
2014	212	4,305,172	20,307	0.00%	20.60	8.4:1		170.7	163.7	-0.29%	95.90%
2015	205	4,336,716	21,155	0.00%	21.00	7.7:1		160.8	153.9	-5.80%	95.71%
2016	198	4,137,450	20,896	0.00%	20.10	7.6:1		153.7	146.9	-4.42%	95.58%
2017	185	4,022,707	21,744	0.00%	21.10	8.8:1		148.0	137.6	3.71%	92.97%
2018	184	4,111,815	22,347	0.00%	22.10	8.3:1		146.0	136.2	1.35%	93.26%
2019	177	4,626,284	26,137	0.00%	22.61	7.8:1		147.0	139.2	68.00%	94.66%
2020	154	4,482,540	29,107	11.36%	23.00	6.7:0		154.4	150.0	5.03%	97.13%
2021	150	4,708,641	31,391	10.18%	22.60	6.7:0		148.0	143.8	-4.14%	97.15%

Sources: District records

SEA GIRT SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
UNAUDITED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
District Building										
<u>Elementary</u>										
Sea Girt Elementary										
Square Feet	35,151	35,151	35,151	35,151	35,151	35,151	35,151	35,151	35,151	35,151
Capacity (students)	240	240	240	240	240	240	240	240	240	240
Enrollment	179	171	173	161	154	147	141	145	154	150
<u>Other</u>										
N/A										

Source: District Facilities Office

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

** School Facilities Project # (s)	Sea Girt Elementary School	Total
2012	\$ 44,834	\$ 44,834
2013	66,168	66,168
2014	91,555	91,555
2015	105,748	105,748
2016	122,342	122,342
2017	98,129	98,129
2018	153,360	153,360
2019	193,493	193,493
2020	130,149	130,149
2021	98,394	98,394
Total School Facilities	\$ 1,178,824	\$ 1,178,824

** School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

SEA GIRT SCHOOL DISTRICT
Insurance Schedule
June 30, 2021
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School package policy -		
Property-blanket building & contents	\$ 11,425,449	1,000
Blanket Extra expense	50,000,000	1,000
Blanket Valuable papers	10,000,000	1,000
Blanket Hardware/Software	350,000	1,000
Comprehensive General liability	11,000,000	-
Automobile	11,000,000	-
Medical coverage (per accident)	10,000	100
Flood	50,000,000	10,000
Earthquake	50,000,000	-
Terrorism	1,000,000	1,000
Boiler & Machinery:Eqp Breakdown/Business Interruption	100,000,000	1,000
Personal injury & Advertising liability	11,000,000	-
Employee benefits liability	10,000,000	1,000
Demolition/Increased Cost of Construction	25,000,000	1,000
Forgery and alteration	250,000	1,000
Money and securities	50,000	1,000
Public employee dishonesty - per employee	250,000	1,000
Student Accident	1,000,000 max benefit	-
Umbrella liability -		
Umbrella policy	11,000,000	-
School board legal liability		
Cov A - Limit of Liability	11,000,000	10,000
Cov B - Limit of Liability	\$100k ea claim/\$300 pol per	10,000
Public employee's faithful performance blanket:		
Business Administrator - NJSIG	175,000	-
Board secretary - Selective Insurance Co.	N/A	-
Treasurer - Selective Insurance Co.	155,000	-
Worker's compensation policy	3,000,000	
Bodily Injury by Accident	3,000,000	-
Bodily Injury by Disease	3,000,000	-
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
Sea Girt School District
County of Monmouth
Sea Girt, New Jersey 07760

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements 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 Sea Girt 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 Sea Girt School District basic financial statements, and have issued our report thereon dated January 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sea Girt 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 Sea Girt 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 Sea Girt School District 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 Sea Girt 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 entity'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, LLP
Toms River, New Jersey



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

January 28, 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
Sea Girt School District
County of Monmouth
Sea Girt, New Jersey 07760

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Sea Girt 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 Sea Girt School District's major federal programs for the year ended June 30, 2021. Sea Girt School District's major federal 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 Sea Girt 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 Sea Girt 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 Sea Girt School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Sea Girt 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 Sea Girt 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 Sea Girt 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 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 Sea Girt 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.

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 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

A handwritten signature in black ink, appearing to read "Kathy Perry".

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

January 28, 2022

SEA GIRT 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	Program or Award Amount	Grant Period		Balance at June 30, 2020	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2021		
			From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education													
Passed-through State Department of Education													
Title II, Part A	84.367	2,640	7/1/20	6/30/21	-	-	2,640	(2,640)	-	-	-	-	-
CARES Act Education Stabilization Fund	84.425D	7,718	7/1/20	6/30/21	-	-	7,718	(7,718)	-	-	-	-	-
Coronavirus Relief Fund (CRF)	84.425D	3,588	7/1/20	6/30/21	-	-	3,588	(3,588)	-	-	-	-	-
Special Education Cluster:													
I.D.E.A. Part B, Basic Regular	84.027	40,373	7/1/20	6/30/21	-	-	40,373	(40,373)	-	-	-	-	-
IDEA Preschool	84.173	3,241	7/1/20	6/30/21	-	-	3,241	(3,241)	-	-	-	-	-
Subtotal of Special Education Cluster					-	-	43,614	(43,614)	-	-	-	-	-
Total U.S. Department of Education					-	-	57,560	(57,560)	-	-	-	-	-
Total Expenditures of Federal Awards					-	-	57,560	(57,560)	-	-	-	-	-

See accompanying notes to schedules of expenditures.

SEA GIRT 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			Balance at June 30, 2021			MEMO			
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	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	13,842	7/1/20	6/30/21	\$ -	\$ -	\$ -	\$ 13,842	\$ (13,842)	\$ -	\$ -	\$ -	\$ -	\$ 13,842
Special Education Aid	21-495-034-5120-089	108,087	7/1/20	6/30/21	-	-	-	95,548	(108,087)	-	-	-	(12,539)	108,087
Extraordinary Aid	21-495-034-5120-044	118,337	7/1/20	6/30/21	-	-	-	-	(118,337)	(118,337)	-	-	-	-
Extraordinary Aid	20-495-034-5120-044	89,764	7/1/19	6/30/20	(89,764)	-	-	89,764	-	-	-	-	-	-
Security Aid	21-495-034-5120-084	11,412	7/1/20	6/30/21	-	-	-	11,412	(11,412)	-	-	-	-	11,412
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	114,749	7/1/19	6/30/20	(11,689)	-	-	11,689	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	139,179	7/1/20	6/30/21	-	-	-	139,179	(139,179)	-	-	-	-	139,179
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	446,664	7/1/20	6/30/21	-	-	-	446,664	(446,664)	-	-	-	-	446,664
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	139,977	7/1/20	6/30/21	-	-	-	139,977	(139,977)	-	-	-	-	139,977
On-Behalf TPAF Long-Term Disability Insu	21-100-034-5095-004	242	7/1/20	6/30/21	-	-	-	242	(242)	-	-	-	-	242
Total Expenditures of State Awards					\$ (101,453)	\$ -	\$ -	\$ 948,317	\$ (977,740)	\$ (118,337)	\$ -	\$ -	\$ (12,539)	\$ 859,403
State Financial Assistance Not Subject to Single Audit Determination														
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	446,664	7/1/20	6/30/21	-	-	-	446,664	(446,664)	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	139,977	7/1/20	6/30/21	-	-	-	139,977	(139,977)	-	-	-	-	-
On-Behalf TPAF Long-Term Disability Insu	21-100-034-5095-004	242	7/1/20	6/30/21	-	-	-	242	(242)	-	-	-	-	-
Total State Financial Assistance Not Subject to Single Audit Determination					\$ -	\$ -	\$ -	\$ 586,883	\$ (586,883)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures of State Awards Subject to Single Audit Determination					\$ (101,453)	\$ -	\$ -	\$ 361,434	\$ (390,857)	\$ (118,337)	\$ -	\$ -	\$ (12,539)	\$ 859,403

See accompanying notes to schedules of expenditures.

Sea Girt 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, Sea Girt 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 General Purpose Financial Statements

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.

Sea Girt School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2021

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(447,559) for the general fund and \$- 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 below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 530,181	530,181
Special Revenue Fund	57,560	-	57,560
Debt Service Fund	-	-	-
Enterprise Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	\$ <u>57,560</u>	\$ <u>530,181</u>	\$ <u>587,741</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.

Sea Girt 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 Opinion

Internal control over financial reporting:

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

Noncompliance material to general-purpose
financial statements noted? yes noFederal 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 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: N/A

Auditee qualified as low-risk auditee? yes no

Sea Girt School District

Schedule of Findings and Questioned Costs (continued)

June 30, 2021

Section I - Summary of Auditor's Results (continued)

State Awards Section

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

Auditee qualified as low-risk auditee? X 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 X no

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

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

Identification of major programs:

GMIS Number(s)	Name of State Program
State Aid Cluster 495-034-5120-089 495-034-5120-084	Special Education Aid Security Aid
495-034-5094-003	Reimbursed TPAF

Sea Girt School District
Schedule of Findings and Questioned Costs (Continued)
June 30, 2021

Section II - Financial Statements Findings - N/A

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

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

Summary Schedule of Prior Audit Findings - N/A