

**SCHOOL DISTRICT**

**OF**

**TUCKERTON**



**TUCKERTON BOARD OF EDUCATION  
TUCKERTON, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**OF THE**

**TUCKERTON BOARD OF EDUCATION**

**TUCKERTON, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**PREPARED BY**

**TUCKERTON BOARD OF EDUCATION  
FINANCE DEPARTMENT**

# TUCKERTON SCHOOL DISTRICT

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## **INTRODUCTORY SECTION**



**BOARD OF EDUCATION  
TUCKERTON BOROUGH SCHOOL DISTRICT  
MARINE STREET  
TUCKERTON, NEW JERSEY**

February 11, 2022

Honorable President and  
Members of the Board of Education  
Tuckerton Borough School District  
Ocean County, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Tuckerton School District for the fiscal year ending June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Tuckerton Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. "C.F.R., Part 200", "Audits of State and Local Governments", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1. Reporting Entity and its Services:** Tuckerton 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 Tuckerton Borough Board of Education constitutes the District's report entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular, as well as special education for special needs children. The District completed the 2020-2021 fiscal year with an enrollment of 326 students. The following details the changes in the student enrollment over the past ten years.

AVERAGE DAILY ENROLLMENT

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2020-2021          | 305                       | (6.44%)               |
| 2019-2020          | 326                       | 15.7%                 |
| 2018-2019          | 285                       | 1.00%                 |
| 2017-2018          | 282                       | ( 2.19%)              |
| 2016-2017          | 288                       | (12.59%)              |
| 2015-2016          | 329                       | (1.5%)                |
| 2014-2015          | 334                       | 2.09%                 |
| 2013-2014          | 327                       | (1.2%)                |
| 2012-2013          | 331                       | (1.78%)               |
| 2011-2012          | 337                       | 4.3%                  |
| 2010-2011          | 323                       | 5.5%                  |

2. **Economic Condition and Outlook:** Based upon the school district's Master Plan which was completed by University Associates in May of 1995, and the Long-Range Facilities Plan which was completed during the 2005-2006 school year, Tuckerton Borough is looked upon as one of the more desirable places to live in New Jersey. As a result, the Borough will continue to show some growth potential as a residential area. Local businesses may also prosper with the continued development of the Tuckerton Seaport. This project continues to evolve and should brighten the overall economic outlook of this area.

3. **Major Initiatives:** The Tuckerton Elementary School District continues to develop comprehensive learning experiences which include Arts Integration in 2015 and STEAM in 2017. In 2017 the district began a construction project aimed to repurpose office and instructional space to create a STEAM lab, Technology lab, and a newly designed Media Center. Highlights from the project also included: redesigning our parking lot to create a dedicated safe drop off/pick lane for students and a new age appropriate playground. With a new secure access to the interior of the building equipped with a new handicapped lift, there is equitable access to the main office areas. The new elevator in the media center also provides equitable access to all areas of the school building including the gymnasium. The district most recently installed swipe mechanisms on all interior doors replacing individual door locks with the capability of securing a single swipe lock-down for the building.

The district continuously evaluates its Information Technology assets and proactively upgrades or replaces obsolete items. In addition to end-user devices, the district invests in its network and cloud infrastructure and Internet access and security to provide access to online learning platforms and assessments such as the Measure of Academic Progress (MAP). The district provides 1:1 chromebooks for students in grades 2-6 and 1:1 ipads for students in grades Prek-1st

During the 2019-2020 school year, TES received Preschool Expansion funding from the New Jersey Department of Education's Division of Early Childhood Education. With this funding, our preschool program is now able to serve up to sixty 3 and 4

years in the Tuckerton Community within 4 classrooms moving well beyond the previous one classroom capacity of an AM/PM preschool program. The preschool program meets high -quality standards with the implementation of a research based curriculum.

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 judgements by management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including the 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

6. **Accounting System and Reports:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Boards (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.

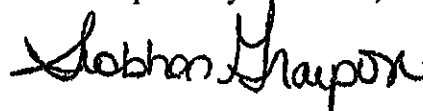
7. **Cash Management:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under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

8. **Risk Management:** The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.

9. **Other Information: Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPA, was selected by the Board. In addition to meeting the requirements of Title 2 U.S. "C.F.R., Part 200" and State Treasury circular letter 15-08 OMB, the auditor's report on the general purpose financial statements and the combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



Siobhan Grayson  
Superintendent/Principal

SG/ms

TUCKERTON BOROUGH BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2021

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|--|---------------------|
| Trisha Horner, President                 | 2022                |
| Jennifer Quintenz, Vice President        | 2021                |
| David Colapietro                         | 2023                |
| Deborah McMunn                           | 2022                |
| Justin Way                               | 2022                |
| Renee Gioiello                           | 2021                |

Other Officials:

Janet Gangemi, Superintendent/SBA

Louis J. Greco, Solicitor

Mary Seidenfaden, Board Secretary

**TUCKERTON BOROUGH BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Robert A. Hulsart & Co.  
2807 Hurley Pond Road  
Wall, NJ 07719

**ATTORNEY**

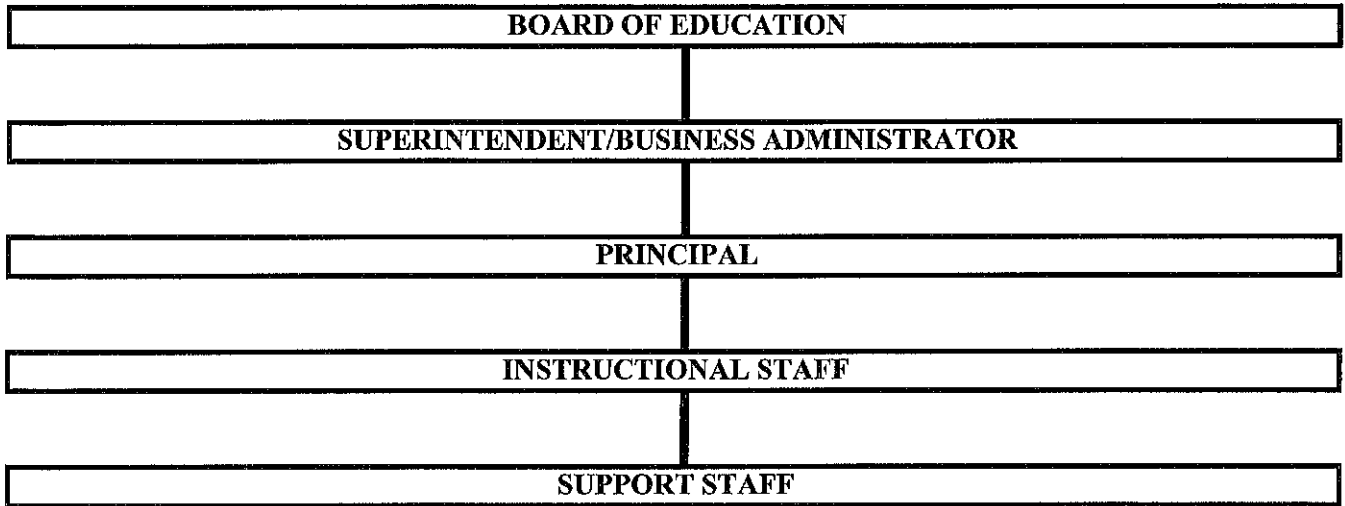
Louis Greco  
642 Bay Avenue  
Somers Point, NJ 08244

**DEPOSITORY**

Ocean First Bank  
975 Hooper Avenue  
Tuckerton, NJ 08753

TUCKERTON BOROUGH BOARD OF EDUCATION

ORGANIZATIONAL CHART  
(UNIT CONTROL)



## **FINANCIAL SECTION**



# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
 ROBERT A. HULSART, JR., C.P.A., P.S.A.

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2807 Hurley Pond Road • Suite 100  
 P.O. Box 1409  
 Wall, New Jersey 07719-1409  
 (732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
 of the Board of Education  
 Tuckerton School District  
 County of Ocean  
 Tuckerton, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Tuckerton School District, in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors Responsibility*

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

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

We believe 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, each major fund, and the aggregate remaining fund information of the Board of Education of the Tuckerton School District, in the County of Ocean, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tuckerton School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Requirements* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of federal awards and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

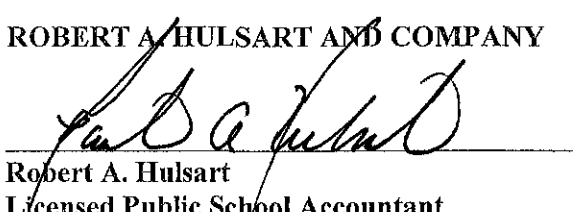
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2022 on our consideration of the Tuckerton's Board of Education internal control over financial reporting and 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 the Tuckerton Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**



Robert A. Hulsart  
 Licensed Public School Accountant  
 No. 322  
 Robert A. Hulsart and Company  
 Wall Township, New Jersey

February 11, 2022

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**TUCKERTON SCHOOL DISTRICT**  
**BOROUGH OF TUCKERTON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**UNAUDITED**

The discussion and analysis of Tuckerton School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

**Financial Highlights**

Key Financial highlights for the 2020-2021 fiscal year are as follows:

- General revenues accounted for \$6,624,491 in revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$960,858.
- Total net position decreased by \$174,216.
- The School District had \$7,411,133 in expenses; only \$960,858 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$6,624,491 were adequate to provide for these programs.

**Using this Annual Comprehensive Financial Report (ACFR)**

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

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Tuckerton School District, the General Fund is the most significant fund, with the Special Revenue Fund and Capital Project's Fund also having significance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

## **Reporting the School District as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 2020-2021 fiscal year?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

- **Governmental activities** – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

## **Reporting the School District’s Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District’s major (all) funds begins on exhibit A-1. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### **Governmental Funds**

The School District’s activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. The Governmental Fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

## Enterprise Fund

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

## The School District as a Whole

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

**Table 1**  
**Net Position**

|   | <u>2021</u>           | <u>2020</u>        |
|---|-----------------------|--------------------|
| <b><u>Assets</u></b>                        |                       |                    |
| Current and Other Assets                    | \$ 2,623,534          | 2,087,309          |
| Capital Assets, Net                         | <u>1,436,096</u>      | <u>1,598,755</u>   |
| Total Assets                                | <u>\$ 4,059,630</u>   | <u>3,686,064</u>   |
| <b><u>Deferred Outflow of Resources</u></b> |                       |                    |
| Contribution to Pension Plan                | <u>\$ 379,396</u>     | <u>400,869</u>     |
| <b><u>Deferred Inflow of Resources</u></b>  |                       |                    |
| Pension Deferrals                           | <u>\$ 617,645</u>     | <u>620,846</u>     |
| <b><u>Liabilities</u></b>                   |                       |                    |
| Other Liabilities                           | \$ 1,031,287          | 578,899            |
| Long-Term Liabilities                       | <u>4,510,915</u>      | <u>4,811,904</u>   |
| Total Liabilities                           | <u>\$ 5,542,202</u>   | <u>5,390,803</u>   |
| <b><u>Net Position</u></b>                  |                       |                    |
| Invested in Capital Assets, Net of Debt     | \$ 48,744             | 48,923             |
| Restricted                                  | 1,870,418             | 1,793,528          |
| Unrestricted                                | <u>(3,639,983)</u>    | <u>(3,767,167)</u> |
| Total Net Position                          | <u>\$ (1,720,821)</u> | <u>(1,924,716)</u> |

Table 2 shows the changes in net position for fiscal years ended 2021 and 2020.

**Table 2**  
**Changes in Net Position**

|  | <u>2021</u>       | <u>2020</u>      |
|--|-------------------|------------------|
| <b><u>Revenues</u></b>                                     |                   |                  |
| Program Revenues   |                   |                  |
| Charges for Services                                       | \$                | 27,514           |
| Operating Grants and Contributions                         | 960,858           | 794,518          |
| General Revenues   |                   |                  |
| Property Taxes   | 3,190,807         | 3,128,073        |
| Grants and Entitlements                                    | 3,316,249         | 3,073,560        |
| Other  | <u>117,435</u>    | <u>30,024</u>    |
| Total Revenues   | <u>7,585,349</u>  | <u>7,053,689</u> |
| <b><u>Program Expenses</u></b>                             |                   |                  |
| Instruction  | 2,703,628         | 2,523,495        |
| Support Services   |                   |                  |
| Pupils and Instructional Staff                             | 1,080,035         | 927,262          |
| General Administration, School Administration,<br>Business | 2,855,755         | 2,747,388        |
| Operations and Maintenance of Facilities                   | 540,339           | 585,388          |
| Pupil Transportation                                       | 107,744           | 130,062          |
| Interest on Debt   | 123,453           | 128,812          |
| Proprietary Funds  | <u>179</u>        | <u>21,758</u>    |
| Total Expenses   | <u>7,411,133</u>  | <u>7,064,165</u> |
| Change in Net Position                                     | <u>\$ 174,216</u> | <u>(10,476)</u>  |

### **Business-Type Activities**

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



## **Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

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

Other includes unallocated depreciation and amortization.

## **School Board 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 Tuckerton's taxpayer's and other entities, including the State of New Jersey and the Federal Government. 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 net position balance of \$(1,720,821). The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

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.

## Capital Assets

At June 30, 2021, the School Board had approximately \$4,886,487 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2021 fiscal year.

|   | <u>Governmental<br/>Activities</u> | <u>Business Type<br/>Activities</u> |
|---|------------------------------------|-------------------------------------|
| Table II<br>Capital Assets at June 30, 2021 |                                    |                                     |
| Land  | \$ 43,440                          |                                     |
| Buildings                                   | 1,203,773                          |                                     |
| Machinery and Equipment                     | <u>183,579</u>                     | <u>5,304</u>                        |
| Total                                       | <u>\$ 1,430,792</u>                | <u>5,304</u>                        |

## Debt Administration

At June 30, 2021, the School District had \$4,799,998 as outstanding debt. Of this amount \$99,500 is for compensated absences, and the balance \$3,325,000 for bonds for school construction, \$40,592 for a community disaster loan and \$1,134,906 for pension liability.

## Economic Factors and Next Year's Budget

The Borough of Tuckerton is primarily a residential community, with few ratables. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections.

In conclusion, the Tuckerton School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

## Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Marian Smith, School Business Administrator at Tuckerton Board of Education, Marine Street, Tuckerton, NJ 08087.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**TUCKERTON SCHOOL DISTRICT****STATEMENT OF NET POSITION**

Exhibit A-1

**JUNE 30, 2021**

|   | <b><u>Governmental<br/>Activities</u></b> | <b><u>Business-Type<br/>Activities</u></b> | <b><u>Total</u></b> |
|---|---|--|---------------------|
| <b><u>Assets</u></b>                            |   |  |                     |
| Cash and Cash Equivalents                       | \$ -                                      | 31,026                                     | 31,026              |
| Receivables, Net                                | 521,291                                   |  | 521,291             |
| Restricted Assets:                              |   |  |                     |
| Cash and Cash Equivalents                       | 2,071,217                                 |  | 2,071,217           |
| Capital Assets-Non Depreciable                  | 43,440                                    |  | 43,440              |
| Capital Assets, Net                             | 1,387,352                                 | 5,304                                      | 1,392,656           |
| Total Assets                                    | <u>4,023,300</u>                          | <u>36,330</u>                              | <u>4,059,630</u>    |
| <b><u>Deferred Outflow of Resources</u></b>     |   |  |                     |
| Contribution to Pension Plan                    | <u>379,396</u>                            |  | <u>379,396</u>      |
| <b><u>Deferred Inflow of Resources</u></b>      |   |  |                     |
| Pension Deferrals                               | <u>617,645</u>                            |  | <u>617,645</u>      |
| <b><u>Liabilities</u></b>                       |   |  |                     |
| Accounts Payable/Accrued Interest               | 646,989                                   |  | 646,989             |
| Deferred Revenue                                | 95,215                                    |  | 95,215              |
| Noncurrent Liabilities:                         |   |  |                     |
| Due Within One Year                             | 289,083                                   |  | 289,083             |
| Due Beyond One Year                             | 4,510,915                                 |  | 4,510,915           |
| Total Liabilities                               | <u>5,542,202</u>                          | <u>-</u>                                   | <u>5,542,202</u>    |
| <b><u>Net Position</u></b>                      |   |  |                     |
| Invested in Capital Assets, Net of Related Debt | 43,440                                    | 5,304                                      | 48,744              |
| Restricted For:                                 |   |  |                     |
| Debt Service                                    | 75  |  | 75                  |
| Capital Projects                                | 26,431                                    |  | 26,431              |
| Special Revenue                                 | (61,365)                                  |  | (61,365)            |
| General Fund                                    | 1,905,277                                 |  | 1,905,277           |
| Unrestricted                                    | <u>(3,671,009)</u>                        | <u>31,026</u>                              | <u>(3,639,983)</u>  |
| Total Net Position                              | <u>\$ (1,757,151)</u>                     | <u>36,330</u>                              | <u>(1,720,821)</u>  |

The accompanying notes to financial statements are an integral part of this statement.

**TUCKERTON SCHOOL DISTRICT**

Exhibit A-2

Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2021**

|  | <u>Expenses</u>  | <u>Program Revenues</u>         |   | <u>Net (Expense) Revenue and<br/>Changes in Net Position</u> |                                     |                    |
|--|------------------|---------------------------------|---|--|-------------------------------------|--------------------|
|  |                  | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Governmental<br/>Activities</u>                           | <u>Business-Type<br/>Activities</u> | <u>Total</u>       |
| <b><u>Functions/Programs</u></b>       |                  |                                 |   |  |                                     |                    |
| Governmental Activities:               |                  |                                 |   |  |                                     |                    |
| Instruction:                           |                  |                                 |   |  |                                     |                    |
| Regular                                | \$ 1,243,757     |                                 |   | (1,243,757)  |                                     | (1,243,757)        |
| Special Education                      | 1,220,821        |                                 | 537,021   | (683,800)  |                                     | (683,800)          |
| Other Special Instruction              | 239,050          |                                 |   | (239,050)  |                                     | (239,050)          |
| Support Services:                      |                  |                                 |   |  |                                     |                    |
| Tuition                                | 98,800           |                                 |   | (98,800)   |                                     | (98,800)           |
| Student & Instruction Related Services | 981,235          |                                 | 423,837   | (557,398)  |                                     | (557,398)          |
| School Administrative Services         | 220,143          |                                 |   | (220,143)  |                                     | (220,143)          |
| Other Support Services                 | 85,807           |                                 |   | (85,807)   |                                     | (85,807)           |
| Plant Operations and Maintenance       | 540,339          |                                 |   | (540,339)  |                                     | (540,339)          |
| Pupil Transportation                   | 107,744          |                                 |   | (107,744)  |                                     | (107,744)          |
| Unallocated Benefits                   | 2,077,610        |                                 |   | (2,077,610)  |                                     | (2,077,610)        |
| Interest on Long-Term Debt             | 123,453          |                                 |   | (123,453)  |                                     | (123,453)          |
| Capital Outlay                         | 309,715          |                                 |   | (309,715)  |                                     | (309,715)          |
| Unallocated Depreciation               | 162,480          |                                 |   | (162,480)  |                                     | (162,480)          |
| Total Government Activities            | <u>7,410,954</u> | <u>-</u>                        | <u>960,858</u>                                    | <u>(6,450,096)</u>   | <u>-</u>                            | <u>(6,450,096)</u> |
| Business-Type Activities:              |                  |                                 |   |  |                                     |                    |
| Food Service & Aftercare Program       | 179              |                                 |   |  | (179)                               | (179)              |
| Total Business-Type Activities         | <u>179</u>       | <u>-</u>                        | <u>-</u>  | <u>-</u>   | <u>(179)</u>                        | <u>(179)</u>       |
| Total Primary Government               | <u>7,411,133</u> | <u>-</u>                        | <u>960,858</u>                                    | <u>(6,450,096)</u>   | <u>(179)</u>                        | <u>(6,450,275)</u> |

**TUCKERTON SCHOOL DISTRICT**

**Exhibit A-2**

**Sheet 2 of 2**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2021**

|   | <b>Net (Expense) Revenue and<br/>Changes in Net Position</b> |                                     |                    |
|---|--|-------------------------------------|--------------------|
|   | <b>Governmental<br/>Activities</b>                           | <b>Business-Type<br/>Activities</b> | <b>Total</b>       |
| General Revenues:   |  |                                     |                    |
| Taxes:  |  |                                     |                    |
| Property Taxes, Levied for General Purpose, Net                             | 2,863,387  |                                     | 2,863,387          |
| Property Taxes for Debt Service   | 327,420  |                                     | 327,420            |
| Federal and State Aid Not Restricted  | 3,316,249  |                                     | 3,316,249          |
| Miscellaneous Income  | 117,307  | 128                                 | 117,435            |
| Total General Revenues, Special Items,<br>Extraordinary Items and Transfers | <u>6,624,363</u>   | <u>128</u>                          | <u>6,624,491</u>   |
| Change in Net Position  | 174,267  | (51)                                | 174,216            |
| Prior Period Adjustment   | 29,679   |                                     | 29,679             |
| Net Position - Beginning  | <u>(1,961,097)</u>   | <u>36,381</u>                       | <u>(1,924,716)</u> |
| Net Position - Ending   | <u>\$ (1,757,151)</u>  | <u>36,330</u>                       | <u>(1,720,821)</u> |

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

**FUND FINANCIAL STATEMENTS – B**



TUCKERTON SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2021

|  | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| <b><u>Assets</u></b>   |                         |                                     |                                      |                                  |   |
| Cash and Cash Equivalents-Restricted   | \$ 2,008,668            | 36,043                              | 26,473                               | 33                               | 2,071,217                               |
| Interfund Receivable   |                         |                                     |                                      | 42                               | 42                                      |
| Receivable - Net   | 499,384                 | 21,865                              |                                      |                                  | 521,249                                 |
| Total Assets   | <u>\$ 2,508,052</u>     | <u>57,908</u>                       | <u>26,473</u>                        | <u>75</u>                        | <u>2,592,508</u>                        |
| <b><u>Liabilities and Fund Balance</u></b>                                       |                         |                                     |                                      |                                  |   |
| Liabilities:   |                         |                                     |                                      |                                  |   |
| Interfund Payable  | \$ -                    |                                     | 42                                   |                                  | 42                                      |
| Deferred Revenue   |                         | 95,215                              |                                      |                                  | 95,215                                  |
| Payroll Deductions and Withholdings  | 277,088                 |                                     |                                      |                                  | 277,088                                 |
| Accounts Payable   | 291,537                 | 24,058                              |                                      |                                  | 315,595                                 |
| Total Liabilities  | <u>568,625</u>          | <u>119,273</u>                      | <u>42</u>                            | <u>-</u>                         | <u>687,940</u>                          |
| Fund Balance:  |                         |                                     |                                      |                                  |   |
| Restricted To:   |                         |                                     |                                      |                                  |   |
| Designated for Subsequent Years Expenditures -<br>Excess Surplus                 | 169,480                 |                                     |                                      |                                  | 169,480                                 |
| Designated for Subsequent Years Expenditures -<br>Maintenance Reserve Withdrawal | 105,000                 |                                     |                                      |                                  | 105,000                                 |
| Excess Surplus   | 159,043                 |                                     |                                      |                                  | 159,043                                 |
| Committed To:  |                         |                                     |                                      |                                  |   |
| Capital Reserve  | 731,176                 |                                     |                                      |                                  | 731,176                                 |
| Maintenance Reserve  | 416,804                 |                                     |                                      |                                  | 416,804                                 |
| Unemployment Compensation  | 19,260                  |                                     |                                      |                                  | 19,260                                  |
| Other Purposes   | 304,514                 |                                     |                                      |                                  | 304,514                                 |
| Assigned To:   |                         |                                     |                                      |                                  |   |
| Special Revenue  |                         | (61,365)                            |                                      |                                  | (61,365)                                |
| Capital Projects   |                         |                                     | 26,431                               |                                  | 26,431                                  |
| Debt Service   |                         |                                     |                                      | 75                               | 75                                      |
| Unassigned   | 34,150                  |                                     |                                      |                                  | 34,150                                  |
| Total Fund Balances  | <u>1,939,427</u>        | <u>(61,365)</u>                     | <u>26,431</u>                        | <u>75</u>                        | <u>1,904,568</u>                        |
| Total Liabilities and Fund Balance   | <u>\$ 2,508,052</u>     | <u>57,908</u>                       | <u>26,473</u>                        | <u>75</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 \$4,886,487 and the accumulated depreciation is \$3,455,695.

1,430,792

Accrued Interest

(54,264)

Deferred outflow of resources - contributions to pension plan

379,396

Deferred inflow of resources - acquisition of assets applicable to future reporting periods

(617,645)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(4,799,998)

Net position of governmental activities

\$ (1,757,151)

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

**TUCKERTON SCHOOL DISTRICT**

Exhibit B-2  
Sheet 1 of 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2021**

|   | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| <b><u>Revenues</u></b>                    |                         |                                     |                                      |                                  |   |
| Local Sources:                            |                         |                                     |                                      |                                  |   |
| Local Tax Levy                            | \$ 2,863,387            |                                     |                                      | 327,420                          | 3,190,807                               |
| Miscellaneous                             | <u>111,364</u>          | <u>5,926</u>                        | <u>16</u>                            |                                  | <u>117,306</u>                          |
| Total Local Sources                       | 2,974,751               | 5,926                               | 16                                   | 327,420                          | 3,308,113                               |
| State Sources                             | 3,231,370               | 658,548                             |                                      | 84,879                           | 3,974,797                               |
| Federal Sources                           |                         | <u>302,310</u>                      |                                      |                                  | <u>302,310</u>                          |
| Total Revenues                            | <u>6,206,121</u>        | <u>966,784</u>                      | <u>16</u>                            | <u>412,299</u>                   | <u>7,585,220</u>                        |
| <b><u>Expenditures</u></b>                |                         |                                     |                                      |                                  |   |
| Current:                                  |                         |                                     |                                      |                                  |   |
| Regular Instruction                       | 1,236,207               |                                     |                                      |                                  | 1,236,207                               |
| Special Education Instruction             | 683,800                 | 537,021                             |                                      |                                  | 1,220,821                               |
| Other Special Instruction                 | 239,050                 |                                     |                                      |                                  | 239,050                                 |
| Support Services and Undistributed Costs: |                         |                                     |                                      |                                  |   |
| Tuition                                   | 98,800                  |                                     |                                      |                                  | 98,800                                  |
| Students and Instruction Related Services | 624,626                 | 356,609                             |                                      |                                  | 981,235                                 |
| School Administrative Services            | 220,143                 |                                     |                                      |                                  | 220,143                                 |
| Other Support Services                    | 85,807                  |                                     |                                      |                                  | 85,807                                  |
| Plant Operations and Maintenance          | 540,339                 |                                     |                                      |                                  | 540,339                                 |
| Pupil Transportation                      | 107,744                 |                                     |                                      |                                  | 107,744                                 |
| Unallocated Benefits                      | 2,079,502               |                                     |                                      |                                  | 2,079,502                               |
| Debt Service:                             |                         |                                     |                                      |                                  |   |
| Principal                                 |                         |                                     |                                      | 284,263                          | 284,263                                 |
| Interest and Other Charges                |                         |                                     |                                      | 128,036                          | 128,036                                 |
| Capital Outlay                            | <u>166,918</u>          | <u>70,889</u>                       | <u>71,908</u>                        |                                  | <u>309,715</u>                          |
| Total Expenditures                        | <u>6,082,936</u>        | <u>964,519</u>                      | <u>71,908</u>                        | <u>412,299</u>                   | <u>7,531,662</u>                        |

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

TUCKERTON SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

|   | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| Excess (Deficiency) of Revenues Over Expenditures | <u>123,185</u>          | <u>2,265</u>                        | <u>(71,892)</u>                      | <u>-</u>                         | <u>53,558</u>                           |
| Other Financing Sources/(Uses):                   |                         |                                     |                                      |                                  |   |
| Transfer from Capital Projects to Debt Service    | <u>-</u>                | <u>-</u>                            | <u>(16)</u>                          | <u>16</u>                        | <u>-</u>                                |
| Total Other Financing Sources/(Uses)              | <u>-</u>                | <u>-</u>                            | <u>(16)</u>                          | <u>16</u>                        | <u>-</u>                                |
| Net Change in Fund Balances                       | 123,185                 | 2,265                               | (71,908)                             | 16                               | 53,558                                  |
| Prior Period Adjustmennt                          | 19,231                  | 10,448                              |                                      |                                  | 29,679                                  |
| Fund Balance - July 1                             | <u>1,797,011</u>        | <u>(74,078)</u>                     | <u>98,339</u>                        | <u>59</u>                        | <u>1,821,331</u>                        |
| Fund Balance - June 30                            | <u>\$ 1,939,427</u>     | <u>(61,365)</u>                     | <u>26,431</u>                        | <u>75</u>                        | <u>1,904,568</u>                        |

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

TUCKERTON SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

Exhibit B-3

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2021

|  |                   |
|--|-------------------|
| Total Net Change in Fund Balances - Governmental Funds (From B-2)  | \$ 53,558         |
| 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   | (162,480)         |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.  | 284,263           |
| Change in net pension liability  | 20,164            |
| In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.  | 4,584             |
| Contributions to pension plan in the current fiscal year are deferred outflows of resources on the statement of net position   | (21,473)          |
| Pension related deferrals  | 3,201             |
| In the statement of activities, certain operating expenses as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported when paid.  | <u>(7,550)</u>    |
| Change in Net Position of Governmental Activities  | <u>\$ 174,267</u> |

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

TUCKERTON SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2021

|                                 | <u>Enterprise<br/>Fund</u> |
|---------------------------------|----------------------------|
| <b><u>Assets:</u></b>           |                            |
| Current Assets:                 |                            |
| Cash                            | \$ 31,026                  |
| Total Current Assets            | <u>31,026</u>              |
| Noncurrent Assets:              |                            |
| Equipment                       | 72,105                     |
| Less: Accumulated Depreciation  | <u>(66,801)</u>            |
| Total Noncurrent Assets         | <u>5,304</u>               |
| Total Assets                    | <u>\$ 36,330</u>           |
| <br><b><u>Net Position:</u></b> |                            |
| Investment in Capital Assets    | \$ 5,304                   |
| Unrestricted                    | <u>31,026</u>              |
| Total Net Position              | <u>\$ 36,330</u>           |

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

TUCKERTON SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2021

|                             | <u>Enterprise<br/>Fund</u> |
|-----------------------------|----------------------------|
| Operating Revenues:         |                            |
| Local Sources:              |                            |
| Fees                        | \$ 128                     |
| Total Operating Revenue     | <u>128</u>                 |
| <br>Operating Expenses:     |                            |
| Depreciation                | <u>179</u>                 |
| Total Operating Expenses    | <u>179</u>                 |
| <br>Operating (Loss)/Profit | (51)                       |
| <br>Change in Net Position  | (51)                       |
| <br>Net Position, July 1    | <u>36,381</u>              |
| <br>Net Position, June 30   | <u>\$ 36,330</u>           |

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

**TUCKERTON SCHOOL DISTRICT**

**STATEMENT OF CASH FLOWS**

**Exhibit B-6**

**PROPRIETARY FUNDS**

**JUNE 30, 2021**

|   | <b><u>Enterprise<br/>Funds</u></b> |
|---|------------------------------------|
| Cash Flows from Operating Activities:   |                                    |
| Receipts from Miscellaneous and Fees  | \$ -                               |
| Payments to Employees   |                                    |
| Net Cash Used by Operating Activities   | <u>-</u>                           |
| Cash Flows from Investing Activities:   |                                    |
| Interest  | <u>128</u>                         |
| Net Increase/(Decrease) in Cash and Cash Equivalents  | 128                                |
| Cash and Cash Equivalents July 1  | <u>30,898</u>                      |
| Cash and Cash Equivalents June 30   | <u><u>\$ 31,026</u></u>            |
| Cash Flows from Operating Activities:   |                                    |
| Operating (Loss)/Profit   | \$ (179)                           |
| Adjustments to Reconcile Operating Loss to Cash<br>Provided (Used) by Operating Activities: |                                    |
| Depreciation  | <u>179</u>                         |
| Net Cash Used by Operating Activities   | <u><u>\$ -</u></u>                 |

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

## **NOTES TO FINANCIAL STATEMENTS**



**BOARD OF EDUCATION**  
**TUCKERTON SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**NOTE 1: Summary of Significant Accounting Policies**

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

**A. Reporting Entity:**

The Tuckerton School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Tuckerton School District had an approximate enrollment at June 30, 2021 of 326 students.

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

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

**B. Government-Wide Financial Statements**

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**D. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

**Governmental Fund Types**

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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).

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.

**Proprietary Fund Type**

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Fiduciary Fund Types**

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Expendable Trust Fund: An expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. Expendable trust funds include Unemployment Compensation Insurance.

**E. Basis of Accounting:**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both 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 recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****F. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2021 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

**G. Encumbrances:**

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

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

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

**H. Short-Term Interfund Receivables/Payables:**

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)****I. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

**J. Capital Assets and Depreciation**

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2020-2021 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2021, fiscal year 2021 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

|                            |         |
|----------------------------|---------|
| Buildings and Improvements | 20 – 50 |
| Equipment and Vehicles     | 5 – 20  |
| Furniture and Fixtures     | 5 – 20  |

The District is currently in the process of obtaining and installing software that will maintain proper capital asset and depreciation records.

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

NOTE 1: Summary of Significant Accounting Policies (Continued)J. Capital Assets and Depreciation (Continued)

|  | <u>Balance</u><br><u>July 1, 2020</u> | <u>Adjustments</u> | <u>Additions</u> | <u>Balance</u><br><u>June 30, 2021</u> |
|--|---------------------------------------|--------------------|------------------|--|
| Governmental Activities:                       |                                       |                    |                  |  |
| Capital Assets That are Not Being Depreciated: |                                       |                    |                  |  |
| Land   | \$ 43,440                             | _____              | _____            | 43,440                                 |
| Total Capital Assets Not Being Depreciated     | <u>43,440</u>                         | _____              | _____            | <u>43,440</u>                          |
| Depreciable Assets:                            |                                       |                    |                  |  |
| Buildings & Sites                              | 3,967,724                             |                    |                  | 3,967,724                              |
| Machinery & Equipment                          | <u>875,323</u>                        | _____              | _____            | <u>875,323</u>                         |
| Total  | <u>4,843,047</u>                      | _____              | _____            | <u>4,843,047</u>                       |
| Less: Accumulated Depreciation for:            |                                       |                    |                  |  |
| Buildings and Sites                            | (2,640,689)                           |                    | (123,262)        | (2,763,951)                            |
| Machinery & Equipment                          | <u>(652,526)</u>                      | _____              | <u>(39,218)</u>  | <u>(691,744)</u>                       |
| Total Accumulated Depreciation                 | <u>(3,293,215)</u>                    | _____              | <u>(162,480)</u> | <u>(3,455,695)</u>                     |
| Net Depreciable Assets                         | <u>1,549,832</u>                      | _____              | <u>(162,480)</u> | <u>1,387,352</u>                       |
| Governmental Activities Capital Assets, Net    | <u>\$ 1,593,272</u>                   | _____              | <u>(162,480)</u> | <u>1,430,792</u>                       |

Depreciation expense was charged to governmental functions as follows:

|             |                   |
|-------------|-------------------|
| Unallocated | <u>\$ 162,480</u> |
|-------------|-------------------|

|                                     | <u>Balance</u><br><u>July 1, 2020</u> | <u>Adjustments</u> | <u>Additions</u> | <u>Balance</u><br><u>June 30, 2021</u> |
|-------------------------------------|---------------------------------------|--------------------|------------------|--|
| Business-Type Activities:           |                                       |                    |                  |  |
| Equipment                           | \$ 72,105                             |                    |                  | 72,105                                 |
| Less: Accumulated Depreciation for: |                                       |                    |                  |  |
| Equipment                           | <u>(66,622)</u>                       | _____              | <u>(179)</u>     | <u>(66,801)</u>                        |
|                                     | <u>\$ 5,483</u>                       | _____              | <u>(179)</u>     | <u>5,304</u>                           |

**NOTE 1: Summary of Significant Accounting Policies (Continued)****K. Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". 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 employee is accrued as employees earn the rights to the benefits.

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.

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

**L. Deferred Revenue**

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

**M. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

**N. Fund Equity**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Grants, entitlements, or shared revenues which are restricted for the acquisition or construction of capital assets are also recorded as contributed capital. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**O. Tuition Receivable**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**P. Tuition Payable**

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



**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Q. Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

*Net Investment in Capital Assets* – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

*Restricted* – Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

*Unrestricted* – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

*Restricted* – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

*Committed* – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) if employed to previously commit those amounts.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

*Assigned* – The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

*Unassigned* – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

**NOTE 2: Cash and Cash Equivalents and Investments**

Cash and cash equivalents for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

**Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)**

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments**

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank of Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

|       | <u>2021</u>         |
|-------|---------------------|
| FDIC  | \$ 250,000          |
| GUPDA | <u>2,009,060</u>    |
|       | <u>\$ 2,259,060</u> |

As of June 30, 2021, cash and cash equivalents and investments of the District consisted of the following:

|                                    | <b>Cash and Cash<br/><u>Equivalents</u></b> |
|------------------------------------|---|
| Interest Bearing Checking Accounts | <u>\$ 2,102,243</u>                         |
| Total                              | <u>\$ 2,102,243</u>                         |

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2021 was \$2,102,243 and the bank balance was \$2,259,060. Of the bank balance \$250,000 was covered by federal depository insurance and \$2,009,060 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

**NOTE 3: General Long-Term Debt**

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the general long-term debt account group:

|                   | <u>Balance</u><br><u>July 1, 2020</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>June 30, 2021</u> | <u>Due Within</u><br><u>One Year</u> | <u>Long-Term</u><br><u>Portion</u> |
|-------------------|---------------------------------------|------------------|------------------|--|--------------------------------------|------------------------------------|
| Compensated       |                                       |                  |                  |  |                                      |                                    |
| Absences Payable  | \$ 91,950                             | 7,550            |                  | 99,500                                 |                                      | 99,500                             |
| Pension Liability | 1,155,070                             |                  | (20,164)         | 1,134,906                              |                                      | 1,134,906                          |
| Loans Payable     | 49,855                                |                  | (9,263)          | 40,592                                 | 9,083                                | 31,509                             |
| Bonds Payable     | <u>3,800,000</u>                      | <u>      </u>    | <u>(275,000)</u> | <u>3,525,000</u>                       | <u>280,000</u>                       | <u>3,245,000</u>                   |
|                   | <u>\$ 5,096,875</u>                   | <u>7,550</u>     | <u>(304,427)</u> | <u>4,799,998</u>                       | <u>289,083</u>                       | <u>4,510,915</u>                   |

**A. Bonds Payable**

|                      | <u>Principal</u>    | <u>Interest</u> | <u>Total</u>     |
|----------------------|---------------------|-----------------|------------------|
| Year Ending June 30, |                     |                 |                  |
| 2022                 | \$ 280,000          | 113,235         | 393,235          |
| 2023                 | 285,000             | 102,800         | 387,800          |
| 2024                 | 290,000             | 92,125          | 382,125          |
| 2025                 | 295,000             | 81,066          | 376,066          |
| 2026                 | 160,000             | 72,906          | 232,906          |
| 2025-2029            | 890,000             | 284,532         | 1,174,532        |
| 2030-2034            | 1,080,000           | 130,837         | 1,210,837        |
| 2035-2037            | <u>245,000</u>      | <u>4,134</u>    | <u>249,134</u>   |
|                      | <u>\$ 3,525,000</u> | <u>881,635</u>  | <u>4,406,635</u> |

Bonds issued 10/1/92 for \$2,443,000 at 4.0% thru 4.62% interest, maturing 7/15/24 with a balance of \$560,000 at June 30, 2021.

Bonds issued 2/9/17 for \$3,386,000 at 2.75% thru 3.375% interest maturing 7/15/36 with a balance of \$2,965,000 at June 30, 2021.

**NOTE 4: Pension Plans**

**Description of Plans** – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

**Vesting and Benefit Provisions** – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**NOTE 4: Pension Plans – (Continued)**

**Significant Legislation** - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**Contribution Requirements** – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

**Three-Year Trend Information for PERS**

| <b>Year</b>           | <b>Annual Pension Cost (APC)</b> | <b>Percentage of APC Contributed</b> | <b>Net Pension Obligation</b> |
|-----------------------|----------------------------------|--------------------------------------|-------------------------------|
| <b><u>Funding</u></b> |                                  |                                      |                               |
| 6/30/21               | \$ 76,133                        | 100%                                 | 0                             |
| 6/30/20               | 62,677                           | 100%                                 | 0                             |
| 6/30/19               | 74,246                           | 100%                                 | 0                             |

**Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

| <b>Year</b>           | <b>Annual Pension Cost (APC)</b> | <b>Percentage of APC Contributed</b> | <b>Net Pension Obligation</b> |
|-----------------------|----------------------------------|--------------------------------------|-------------------------------|
| <b><u>Funding</u></b> |                                  |                                      |                               |
| 6/30/21               | \$ 833,266                       | 100%                                 | 0                             |
| 6/30/20               | 619,147                          | 100%                                 | 0                             |
| 6/30/19               | 529,051                          | 100%                                 | 0                             |

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$833,266 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$205,185 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

**NOTE 4: Pension Plans – (Continued)****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).

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

The following represents the membership tiers for PERS:

| <b><u>Tier</u></b> | <b><u>Definition</u></b>   |
|--------------------|--|
| 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  $1/55^{\text{th}}$  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  $1/60^{\text{th}}$  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.

**Basis of Presentation**

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS 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.

**NOTE 4: Pension Plans – (Continued)****Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2020 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2020.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by Local employers under Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. The June 30, 2020 State special funding situation net pension liability amount of \$128.2 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$11 million, for the fiscal year ending June 30, 2020, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2020. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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.



**NOTE 4: Pension Plans – (Continued)**

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 any 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.

For the year ended June 30, 2021, the District recognized pension expense of \$76,133. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|  | <b><u>Deferred<br/>Outflows<br/>of Resources</u></b> | <b><u>Deferred<br/>Inflows<br/>of Resources</u></b> |
|--|--|---|
| Difference Between Expected and Actual Experience  | \$ 20,665  | 4,014   |
| Changes of Assumptions   | 36,818   | 475,196   |
| Net Difference Between Projected and Actual Earnings<br>on Pension Plan Investments                              | 38,792   |   |
| Changes in Proportion and Differences Between District<br>Contributions and Proportionate Share of Contributions | 206,988  | 138,435   |
| District Contributions Subsequent to the Measurement<br>Date   | <u>76,133</u>  | <u>          </u>                                   |
| <b>Total</b>   | <b><u>\$ 379,396</u></b>                             | <b><u>617,645</u></b>                               |

\$76,133 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ending****June 30,**

|      |                            |
|------|----------------------------|
| 2021 | \$ (141,398)               |
| 2022 | (128,912)                  |
| 2023 | (73,670)                   |
| 2024 | (29,791)                   |
| 2025 | <u>(6,443)</u>             |
|      | <b><u>\$ (380,214)</u></b> |

**NOTE 4: Pension Plans – (Continued)****Additional Information**

Collective balances at December 31, 2020 and 2019 are as follows:

|   | <b><u>Dec. 31, 2020</u></b> | <b><u>Dec. 31, 2019</u></b> |
|---|-----------------------------|-----------------------------|
| Collective Deferred Outflows of Resources | \$ 379,396                  | 400,869                     |
| Collective Deferred Inflows of Resources  | 617,645                     | 620,840                     |
| Collective Net Pension Liability          | 1,134,906                   | 1,155,070                   |
| District's Proportion                     | .00691%                     | .00637%                     |

**Components of Net Pension Liability**

The components of the collective net pension liability of the participating employers as of June 30, 2020 were as follows:

|  | <b><u>2020</u></b>              |                              |                              |
|--|---------------------------------|------------------------------|------------------------------|
|  | <b><u>State</u></b>             | <b><u>Local</u></b>          | <b><u>Total</u></b>          |
| Total Pension Liability  | \$ 28,272,160,382               | 39,432,792,871               | 67,704,953,253               |
| Plan Fiduciary Net Position  | <u>6,048,192,857</u>            | <u>22,997,176,445</u>        | <u>29,045,369,302</u>        |
| Net Pension Liability  | <b><u>\$ 22,223,967,525</u></b> | <b><u>16,435,616,426</u></b> | <b><u>38,659,583,951</u></b> |
| Plan Fiduciary Net Position<br>as a Percentage of the Total<br>Pension Liability | 21.39%                          | 58.32%                       | 42.90%                       |

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 actuarial 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%                     |

**NOTE 4: Pension Plans – (Continued)**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Medial 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 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:

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

**NOTE 4: Pension Plans – (Continued)****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.

**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:

|   | <u>2020</u>                       |   |                                   |
|---|-----------------------------------|---|-----------------------------------|
|   | <u>At 1%<br/>Decrease (6.00%)</u> | <u>At Current<br/>Discount<br/>Rate (7.00%)</u> | <u>At 1%<br/>Increase (8.00%)</u> |
| School District's Proportionate Share<br>Of the Net Pension Liability | <u>\$ 1,428,657</u>               | <u>1,134,906</u>                                | <u>885,650</u>                    |

**Teachers Pensions and Annuity Fund (TPAF)****Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, 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).

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

**NOTE 4: Pension Plans – (Continued)**

The following represents the membership tiers for TPAF:

| <b>Tier</b> | <b>Definition</b>  |
|-------------|--|
| 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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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. 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.

**Basis of Presentation**

The Schedule of employers and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF 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.

**Allocation Methodology**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

**NOTE 4: Pension Plans – (Continued)**

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

**Special Funding Situation**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are 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 local participating employers do 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 local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2020 and 2019 are as follows:

|  | <u>2020</u>              | <u>2019</u>           |
|--|--------------------------|-----------------------|
| Total Pension Liability  | \$ 87,522,678,686        | 84,215,846,719        |
| Plan Fiduciary Net Position  | <u>21,529,179,998</u>    | <u>22,696,734,276</u> |
| Net Pension Liability  | <u>\$ 65,993,498,688</u> | <u>61,519,112,443</u> |
| Plan Fiduciary Net Position<br>as a Percentage of the Total<br>Pension Liability | 24.60%                   | 26.95%                |

**State Proportionate Share of Net Pension Liability Attributable to District**

|                       | <u>2020</u>          | <u>2019</u>       |
|-----------------------|----------------------|-------------------|
| District's Liability  | <u>\$ 13,310,579</u> | <u>11,115,465</u> |
| District's Proportion | .02017%              | .01807%           |

**NOTE 4: Pension Plans – (Continued)**

The 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 actuarial 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.

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

**NOTE 4: Pension Plans – (Continued)**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made 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.



**NOTE 4: Pension Plans – (Continued)****Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the State's 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:

|   | <b>2020</b>                       |   |                                   |
|---|-----------------------------------|---|-----------------------------------|
|   | <b>At 1%<br/>Decrease (4.40%)</b> | <b>At Current<br/>Discount<br/>Rate (5.40%)</b> | <b>At 1%<br/>Increase (6.40%)</b> |
| School District's Proportionate Share<br>Of the Net Pension Liability                   | \$ 0                              | 0   | 0                                 |
| State of New Jersey's Proportionate Share<br>Of the District's Net Pension<br>Liability | <u>15,634,834</u>                 | <u>13,310,579</u>                               | <u>11,380,675</u>                 |
|   | <u>\$ 15,634,834</u>              | <u>13,310,579</u>                               | <u>11,380,675</u>                 |

**NOTE 5: 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 Pension*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

**NOTE 5: Post-Retirement Benefits (Continued)**

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

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

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 20, 2019, with was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

|                                  |  |   |  |
|----------------------------------|--|---|--|
| Total Nonemployer OPEB Liability | \$67,809,962,608                       |   |  |
| Inflation rate                   | 2.50%                                  |   |  |
|                                  | <u>TPAF/ABP</u>                        | <u>PERS</u>                             | <u>PFRS</u>                              |
| Salary Increases:                |  |   |  |
| Through 2026                     | 1.55 – 4.45%<br>based on service years | 2.00% - 6.00%<br>based on service years | 3.25% - 15.25%<br>based on service years |
| Thereafter                       | 1.55 – 4.45%<br>based on service years | 3.00% - 7.00%<br>based on service years | Applied to all<br>future years           |

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.

***(a) 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%.

**NOTE 5: Post-Retirement Benefits (Continued)*****(b) Discount Rate***

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State of New Jersey's proportionate share of the total Non-Employer OPEB Liability associated with the School District:

|   | <b>Total<br/>OPEB Liability</b> |
|---|---------------------------------|
| Balances at June 30, 2019                         | \$ 10,458,080                   |
| Changes for the Year:                             |                                 |
| Service Cost                                      | 449,289                         |
| Interest  | 376,601                         |
| Difference Between Expected and Actual Experience | 3,404,809                       |
| Changes in Assumptions or Other Inputs            | 3,216,356                       |
| Benefit Payments                                  | (306,539)                       |
| Member Contributions                              | <u>9,291</u>                    |
| Balance at June 30, 2020                          | <u>\$ 17,607,887</u>            |

There were no changes in benefit terms between the June 30, 2019 measurement date and the June 30, 2020 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% percent in 2019 to 2.21% percent in 2020.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

|  | <b>1% Decrease<br/>(1.21%)</b> | <b>Discount Rate<br/>(2.21%)</b> | <b>1% Increase<br/>(3.21%)</b> |
|--|--------------------------------|----------------------------------|--------------------------------|
| State of New Jersey's Proportionate Share<br>Of the Total Non-Employer OPEB Liability<br>Associated with the School District | <u>\$ 21,227,217</u>           | <u>17,607,887</u>                | <u>14,777,920</u>              |

**NOTE 5: Post-Retirement Benefits (Continued)**

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|  | <u>1% Decrease</u>   | <u>Healthcare<br/>Cost Trend<br/>Rates</u> | <u>1% Increase</u> |
|--|----------------------|--|--------------------|
| State of New Jersey's Proportionate Share<br>Of the Total Non-Employer OPEB Liability<br>Associated with the School District | <u>\$ 14,213,680</u> | <u>17,607,887</u>                          | <u>21,649,633</u>  |

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2020, the Board of Education recognized OPEB expense of \$1,082,063 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 GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Tuckerton Board of Education 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 or resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

|   | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|---|---|--|
| Difference Between Expected and Actual Experience | \$ 2,673,336                                  | 2,381,313                                    |
| Changes in Proportion                             | 1,670,267                                     | 2,001  |
| Changes of Assumptions or Other Inputs            | <u>2,995,044</u>                              | <u>2,009,160</u>                             |
| Total   | <u>\$ 7,338,647</u>                           | <u>4,392,474</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: |                     |
| 2022                | \$ 346,609          |
| 2023                | 346,609             |
| 2024                | 346,609             |
| 2025                | 346,609             |
| 2026                | 346,609             |
| Thereafter          | <u>1,213,128</u>    |
|                     | <u>\$ 2,946,173</u> |

**NOTE 6: Contingent Liabilities**

It is the opinion of the school board officials that there is no litigation threatened or pending that would materially affect the financial position of the school district.

**NOTE 7: Equity Balance**

At June 30, 2021, the General Fund equity balance was as follows:

|   |                     |
|---|---------------------|
| Excess Surplus  | \$ 159,043          |
| Unassigned Fund Balance                                       | 250,870             |
| Capital Reserve   | 731,176             |
| Reserved for Encumbrances                                     | 304,514             |
| Maintenance Reserve   | 416,804             |
| Unemployment Compensation                                     | 19,260              |
| Designated for Subsequent Years Expenditures – Excess Surplus | 169,480             |
| Designated for Subsequent Years Expenditures – Maintenance    |                     |
| Reserve Withdrawal  | <u>105,000</u>      |
|   | <u>\$ 2,156,147</u> |

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget.

**4% Calculation of Excess Surplus**

|   |                     |
|---|---------------------|
| 2020-21 Total General Fund Expenditures Per the ACFR          | \$ 6,082,936        |
| Decreased by:   |                     |
| On-Behalf TPAF Pension & Social Security                      | <u>(1,038,451)</u>  |
| Adjusted 2020-21 General Fund Expenditures                    | <u>\$ 5,044,485</u> |
| 4% of Adjusted 2020-21 General Fund Expenditures              | <u>\$ 201,779</u>   |
| Minimum Allowed   | \$ 250,000          |
| Increased by Allowable Adjustment                             | <u>870</u>          |
| Maximum Unassigned Fund Balance                               | <u>\$ 250,870</u>   |
| Total General Fund – Fund Balance @ 6-30-21                   | \$ 2,156,147        |
| Decreased by:   |                     |
| Reserved for Encumbrances                                     | 304,514             |
| Unemployment Compensation                                     | 19,260              |
| Designated for Subsequent Years Expenditures – Excess Surplus | 169,480             |
| Designated for Subsequent Years Expenditures – Maintenance    |                     |
| Reserve Withdrawal  | 105,000             |
| Reserves  | <u>1,147,980</u>    |
| Total Unassigned Fund Balance                                 | <u>\$ 409,913</u>   |

**NOTE 7: Equity Balance**

|                                 |                   |
|---------------------------------|-------------------|
| Maximum Unassigned Fund Balance | <u>\$ 250,870</u> |
|---------------------------------|-------------------|

|   |                   |
|---|-------------------|
| Reserved Fund Balance -- Excess Surplus | <u>\$ 159,043</u> |
|---|-------------------|

**Recapitulation of Excess Surplus as of June 30, 2021**

|   |            |
|---|------------|
| Reserved Fund Balance -- Excess Surplus | \$ 159,043 |
|---|------------|

|  |                |
|--|----------------|
| Designated for Subsequent Years Expenditures -- Excess Surplus | <u>169,480</u> |
|--|----------------|

|  |                   |
|--|-------------------|
|  | <u>\$ 328,523</u> |
|--|-------------------|

**Detail of Reserves**

|                 |            |
|-----------------|------------|
| Capital Reserve | \$ 731,176 |
|-----------------|------------|

|                     |                |
|---------------------|----------------|
| Maintenance Reserve | <u>416,804</u> |
|---------------------|----------------|

|  |                     |
|--|---------------------|
|  | <u>\$ 1,147,980</u> |
|--|---------------------|

**Detail of Allowable Adjustments**

|                               |               |
|-------------------------------|---------------|
| Non-Public Transportation Aid | <u>\$ 870</u> |
|-------------------------------|---------------|

**NOTE 8: Risk Management**

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

**Property and Liability Insurance** -- The District maintains commercial insurance coverage for property, liability, student accident and surety bonds.

**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 the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current year:

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Employee Contributions</u> | <u>Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-------------------------------|-------------------------------|-------------------|-----------------------|
| 2018-2019          | \$ 61                         | 0                             | 0                 | 19,175                |
| 2019-2020          | 56                            | 0                             | 0                 | 19,231                |
| 2020-2021          | 29                            | 0                             | 0                 | 19,260                |

**NOTE 9: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances existed at June 30, 2021.

|                       | <u>Due To</u> | <u>Due From</u> |
|-----------------------|---------------|-----------------|
| Capital Projects Fund | \$            | 42              |
| Debt Service Fund     | <u>42</u>     | —               |
|                       | <u>\$ 42</u>  | <u>42</u>       |

**NOTE 10: FAIR VALUES OF FINANCIAL INSTRUMENTS**

The following methods and assumptions were used by the Tuckerton Board of Education in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

**NOTE 11: FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$2,156,147 General Fund fund balance at June 30, 2021, \$304,514 is reserve for encumbrances; \$731,176 is Capital Reserve; \$416,804 is in Maintenance Reserve; \$274,480 is Designated for Subsequent Years Expenditures; \$159,043 is excess surplus; \$250,870 is unassigned; and \$19,260 is for unemployment compensation.

**NOTE 12: ECONOMIC DEPENDENCY**

The 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, may have an effect on the District's programs and activities.

**NOTE 13: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$61,365 in the Special Revenue Fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school year budget. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need or corrective action. The District deficit in the GAAP fund statements of \$61,365 is due to the last state aid payment.

**NOTE 14: COVID-19**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China and has since spread to other countries, including the United States, and to each state within the United States, including New Jersey, has been declared a Public Health Emergency of International Concern by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State has likewise declared a state of emergency. While the potential impact on the State cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the finances of the State and the Board of Education (collectively, the "Affected Entities").

The degree of any such impact to the Affected Entities' respective operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Affected Entities and their respective economies.

**NOTE 15: Prior Period Adjustment/Restatement of Fund Balance and Net Position**

Net position as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

|   |                       |
|---|-----------------------|
| Net Position as Previously Reported<br>At June 30, 2020 | \$ (1,924,716)        |
| Prior Period Adjustment –<br>Implementation of GASB 84: |                       |
| Restricted Fund Balance – Unemployment                  | 19,231                |
| Restricted Fund Balance – Student Activities            | <u>10,448</u>         |
| Total Prior Period Adjustment                           | <u>29,679</u>         |
| Net Position as Restated, July 1, 2020                  | <u>\$ (1,895,037)</u> |

Fund Balance in the General Fund and the Special Revenue Fund as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

|   | <u>General Fund</u> | <u>Special<br/>Revenue Fund</u> |
|---|---------------------|---------------------------------|
| Fund Balance as Previously Reported<br>at June 30, 2020 | \$ 1,797,011        | (74,078)                        |
| Prior Period Adjustments:                               |                     |                                 |
| Implementations of GASB 84:                             |                     |                                 |
| Restricted Fund Balance - Unemployment                  | 19,231              |                                 |
| Restricted Fund Balance – Student Activities            | <u>10,448</u>       | <u>10,448</u>                   |
| Total Prior Period Adjustment                           | <u>19,231</u>       | <u>10,448</u>                   |
| Fund Balance as Restated, July 1, 2020                  | <u>\$ 1,816,242</u> | <u>(63,630)</u>                 |



**NOTE 16: Subsequent Events**

Subsequent events have been evaluated through February 11, 2022, which is the date the financial statements were available to be issued.

On October 8, 2021, the District's FEMA Community Disaster Loan of \$40,592 was forgiven by the Federal Government. No obligations are now due for Tuckerton Board of Education.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 1 of 10

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|   | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Final to<br/>Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|------------------|---|
| Revenues:   |                            |                             |                         |                  |   |
| Local Sources:  |                            |                             |                         |                  |   |
| Local Tax Levy  | \$ 2,863,387               |                             | 2,863,387               | 2,863,387        | -                                       |
| Tuition - Individuals   | 6,000                      |                             | 6,000                   | -                | (6,000)                                 |
| Interest Earned on Capital Reserve  | 100                        |                             | 100                     | 1,516            | 1,416                                   |
| Interest Earned on Maintenance Reserve  | 100                        |                             | 100                     | 1,144            | 1,044                                   |
| Miscellaneous   | 24,000                     |                             | 24,000                  | 108,675          | 84,675                                  |
| Other Restricted Miscellaneous Revenues   |                            |                             | -                       | 29               | 29                                      |
| Total Local Sources   | <u>2,893,587</u>           | <u>-</u>                    | <u>2,893,587</u>        | <u>2,974,751</u> | <u>81,135</u>                           |
| State Sources:  |                            |                             |                         |                  |   |
| Equalization Aid  | 1,244,469                  |                             | 1,244,469               | 1,244,469        | -                                       |
| Special Education Aid   | 207,010                    |                             | 207,010                 | 207,010          | -                                       |
| Security Aid  | 51,045                     |                             | 51,045                  | 51,045           | -                                       |
| School Choice   | 420,680                    |                             | 420,680                 | 420,680          | -                                       |
| Transportation Aid  | 35,403                     |                             | 35,403                  | 35,403           | -                                       |
| Adjustment Aid  | 227,965                    |                             | 227,965                 | 227,965          | -                                       |
| Non Public Transportation Aid   |                            |                             |                         | 870              | 870                                     |
| On-Behalf T.P.A.F Pension Contributions -<br>Post Retirement Medical (Non-Budgeted) |                            |                             | -                       | 198,739          | 198,739                                 |
| On-Behalf T.P.A.F Pension Contributions -<br>Normal Cost (Non-Budgeted)             |                            |                             | -                       | 58,085           | 58,085                                  |
| On-Behalf T.P.A.F Non-Contributory Insurance  |                            |                             | -                       | 576,086          | 576,086                                 |
| On-Behalf T.P.A.F Pension Contributions -<br>Long-Term Disability                   |                            |                             | -                       | 356              | 356                                     |
| TPAF Social Security (Reimbursed - Non-Budgeted)                                    |                            |                             | -                       | 205,185          | 205,185                                 |
| Total State Sources   | <u>2,186,572</u>           | <u>-</u>                    | <u>2,186,572</u>        | <u>3,225,893</u> | <u>1,039,321</u>                        |
| Total Revenues  | <u>5,080,159</u>           | <u>-</u>                    | <u>5,080,159</u>        | <u>6,200,644</u> | <u>1,120,456</u>                        |

**TUCKERTON SCHOOL DISTRICT**

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Final to<br/>Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|------------------|---|
| <b><u>Expenditures:</u></b>                          |                            |                             |                         |                  |   |
| <b>Current Expense:</b>                              |                            |                             |                         |                  |   |
| <b>Regular Programs - Instruction:</b>               |                            |                             |                         |                  |   |
| Local Contribution - Transfer to Special Revenue     | 16,838                     |                             | 16,838                  |                  | 16,838                                  |
| Kindergarten-Salaries                                | 141,349                    | (1,300)                     | 140,049                 | 139,633          | 416                                     |
| Grades 1-5 - Salaries of Teachers                    | 943,093                    | (31,400)                    | 911,693                 | 911,672          | 21                                      |
| Grades 6-8 - Salaries of Teachers                    | 130,499                    | (1,750)                     | 128,749                 | 128,730          | 19                                      |
| <b>Regular Programs - Undistributed Instruction:</b> |                            |                             |                         |                  |   |
| Home Instruction - Salaries                          | 3,500                      | (3,100)                     | 400                     | 372              | 28                                      |
| General Supplies                                     | 33,000                     | 26,729                      | 59,729                  | 21,117           | 38,612                                  |
| Textbooks  | 43,000                     | 35,661                      | 78,661                  | 18,355           | 60,306                                  |
| Other Objects  | 18,000                     | (1,484)                     | 16,516                  | 16,328           | 188                                     |
| <b>Total Regular Programs - Instruction</b>          | <u>1,329,279</u>           | <u>23,356</u>               | <u>1,352,635</u>        | <u>1,236,207</u> | <u>116,428</u>                          |
| <br>   |                            |                             |                         |                  |   |
| <b>Resource Room/Resource Center:</b>                |                            |                             |                         |                  |   |
| Salaries of Teachers                                 | 380,947                    | 6,300                       | 387,247                 | 387,246          | 1                                       |
| Other Salaries for Instruction                       | 88,601                     | 5,565                       | 94,166                  | 94,166           | -                                       |
| General Supplies                                     | 1,500                      |                             | 1,500                   |                  | 1,500                                   |
| <b>Total Resource Room/Resource Center</b>           | <u>471,048</u>             | <u>11,865</u>               | <u>482,913</u>          | <u>481,412</u>   | <u>1,501</u>                            |
| <br>   |                            |                             |                         |                  |   |
| <b>Multiple Disabilities:</b>                        |                            |                             |                         |                  |   |
| Salaries of Teachers                                 | 54,287                     |                             | 54,287                  | 54,201           | 86                                      |
| Other Salaries For Instruction                       | 54,872                     | (38,044)                    | 16,828                  | 16,828           | -                                       |
| Other Objects  | 1,500                      |                             | 1,500                   |                  | 1,500                                   |
| <b>Total Multiple Disabilities</b>                   | <u>110,659</u>             | <u>(38,044)</u>             | <u>72,615</u>           | <u>71,029</u>    | <u>1,586</u>                            |
| <br>   |                            |                             |                         |                  |   |
| <b>Preschool Disabilities-Full-Time:</b>             |                            |                             |                         |                  |   |
| Salaries-Teachers                                    | 55,287                     |                             | 55,287                  | 55,201           | 86                                      |
| Other Salaries for Instruction                       | 100,992                    | (24,834)                    | 76,158                  | 76,158           | -                                       |
| General Supplies                                     | 1,500                      |                             | 1,500                   |                  | 1,500                                   |
| <b>Total Preschool Disabilities-Full-Time</b>        | <u>157,779</u>             | <u>(24,834)</u>             | <u>132,945</u>          | <u>131,359</u>   | <u>1,586</u>                            |

**TUCKERTON SCHOOL DISTRICT**

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Final to<br/>Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|------------------|---|
| Total Special Education - Instruction                    | <u>739,486</u>             | <u>(51,013)</u>             | <u>688,473</u>          | <u>683,800</u>   | <u>4,673</u>                            |
| Basic Skills/Remedial Instruction:                       |                            |                             |                         |                  |   |
| Salaries of Teachers                                     | <u>196,473</u>             | <u>(36,750)</u>             | <u>159,723</u>          | <u>159,392</u>   | <u>331</u>                              |
| Total Basic Skills/Remedial Instruction                  | <u>196,473</u>             | <u>(36,750)</u>             | <u>159,723</u>          | <u>159,392</u>   | <u>331</u>                              |
| School Sponsored Co-Curricular Activities - Instruction: |                            |                             |                         |                  |   |
| Salaries   | <u>38,000</u>              | <u>23,250</u>               | <u>61,250</u>           | <u>61,158</u>    | <u>92</u>                               |
| Total School Sponsored Co-Curricular                     | <u>38,000</u>              | <u>23,250</u>               | <u>61,250</u>           | <u>61,158</u>    | <u>92</u>                               |
| Summer School-Instruction                                |                            |                             |                         |                  |   |
| Salaries of Teachers                                     | <u>18,500</u>              | <u>(5,500)</u>              | <u>13,000</u>           | <u>12,785</u>    | <u>215</u>                              |
| Other Salaries for Instruction                           | <u>6,000</u>               | <u>33,399</u>               | <u>39,399</u>           | <u>5,715</u>     | <u>33,684</u>                           |
| Purchased Professional & Tech. Services                  | <u>1,500</u>               | <u>(1,241)</u>              | <u>259</u>              |                  | <u>259</u>                              |
| General Supplies   | <u>3,000</u>               | <u>(3,000)</u>              | <u>-</u>                |                  | <u>-</u>                                |
| Total Summer School                                      | <u>29,000</u>              | <u>23,658</u>               | <u>52,658</u>           | <u>18,500</u>    | <u>34,158</u>                           |
| Total Instruction  | <u>2,332,238</u>           | <u>(17,499)</u>             | <u>2,314,739</u>        | <u>2,159,057</u> | <u>155,682</u>                          |
| Undistributed Expenditures-Instruction:                  |                            |                             |                         |                  |   |
| Tuition to Other LEA's - Within State-Special            |                            | <u>121,713</u>              | <u>121,713</u>          | <u>98,800</u>    | <u>22,913</u>                           |
| Total Undistributed Expenditures-Instruction             | <u>-</u>                   | <u>121,713</u>              | <u>121,713</u>          | <u>98,800</u>    | <u>22,913</u>                           |
| Undistributed Expenditures-Health:                       |                            |                             |                         |                  |   |
| Salaries   | <u>60,471</u>              |                             | <u>60,471</u>           | <u>60,471</u>    | <u>-</u>                                |
| Purchased Professional Services                          | <u>2,500</u>               | <u>500</u>                  | <u>3,000</u>            | <u>2,899</u>     | <u>101</u>                              |
| Supplies and Materials                                   | <u>2,000</u>               | <u>(500)</u>                | <u>1,500</u>            | <u>220</u>       | <u>1,280</u>                            |
| Total Undistributed Expenditures-Health:                 | <u>64,971</u>              | <u>-</u>                    | <u>64,971</u>           | <u>63,590</u>    | <u>1,381</u>                            |

**TUCKERTON SCHOOL DISTRICT**

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Final to<br/>Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|----------------|---|
| Undistributed Expenditures-Other Sup. Serv.                        |                            |                             |                         |                |   |
| Students-Related Services  |                            |                             |                         |                |   |
| Salaries   | 56,287                     |                             | 56,287                  | 56,211         | 76                                      |
| Purchased Professional Educational Services                        | 35,000                     | (7,000)                     | 28,000                  | 24,508         | 3,492                                   |
| Supplies and Materials   | 4,108                      |                             | 4,108                   | 825            | 3,283                                   |
| Total Undistributed Expenditures-Other Sup. Serv.                  |                            |                             |                         |                |   |
| Students-Related Services  | <u>95,395</u>              | <u>(7,000)</u>              | <u>88,395</u>           | <u>81,544</u>  | <u>6,851</u>                            |
| Undistributed Expenditures-Child Study Teams                       |                            |                             |                         |                |   |
| Salaries of Other Professional Staff                               | 127,275                    |                             | 127,275                 | 127,275        | -                                       |
| Salaries of Secretarial & Clerical Assistants                      | 44,575                     |                             | 44,575                  | 36,325         | 8,250                                   |
| Purchased Prof./Educational Services                               | 22,750                     | (8,101)                     | 14,649                  | 6,031          | 8,618                                   |
| Supplies and Materials   | 3,000                      | 2,500                       | 5,500                   | 2,678          | 2,822                                   |
| Total Undistributed Expenditures-Other Supp. Serv.                 | <u>197,600</u>             | <u>(5,601)</u>              | <u>191,999</u>          | <u>172,309</u> | <u>19,690</u>                           |
| Undistributed Expenditures-Improvement of Inst. Serv.:             |                            |                             |                         |                |   |
| Salaries of Secretarial & Clerical Assistants                      | 32,965                     | (362)                       | 32,603                  | 32,603         | -                                       |
| Supplies and Materials   | 2,500                      | (2,500)                     | -                       | -              | -                                       |
| Total Undistributed Expenditures-Improvement of Inst. Serv.:       | <u>35,465</u>              | <u>(2,862)</u>              | <u>32,603</u>           | <u>32,603</u>  | <u>-</u>                                |
| Undistributed Expenditures - Edu. Media Serv./Sch. Library:        |                            |                             |                         |                |   |
| Salaries   |                            |                             | -                       | -              | -                                       |
| Salaries of Technology Coordinators                                | 72,772                     | 4,799                       | 77,571                  | 77,503         | 68                                      |
| Purchased Professional and Tech Services                           | 58,910                     | (21,951)                    | 36,959                  | 22,382         | 14,577                                  |
| Other Purchased Services   | 42,000                     | 104,392                     | 146,392                 | 131,263        | 15,129                                  |
| Supplies and Materials   | 32,000                     | (23,140)                    | 8,860                   | 8,282          | 578                                     |
| Other Objects  |                            |                             | -                       | -              | -                                       |
| Total Undistributed Expenditures - Edu. Media Serv./School Library | <u>205,682</u>             | <u>64,100</u>               | <u>269,782</u>          | <u>239,430</u> | <u>30,352</u>                           |

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 5 of 10

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Final to<br/>Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|----------------|---|
| Undistributed Expenditures - Instr. Staff Training Serv:                 |                            |                             |                         |                |   |
| Secretarial and Clerical-Salaries  | 35,363                     |                             | 35,363                  | 35,150         | 213                                     |
| Total Undistributed Expenditures - Instructional<br>Staff Training Serv. | <u>35,363</u>              | <u>-</u>                    | <u>35,363</u>           | <u>35,150</u>  | <u>213</u>                              |
| Undistributed Expenditures - Supp. Serv. - General<br>Administration:    |                            |                             |                         |                |   |
| Salaries   | 95,355                     | 6,155                       | 101,510                 | 101,510        | -                                       |
| Legal Services   | 10,000                     |                             | 10,000                  | 2,799          | 7,201                                   |
| Audit Fees   | 9,000                      |                             | 9,000                   | 8,500          | 500                                     |
| Other Purchased Professional Services                                    | 7,000                      |                             | 7,000                   | 2,149          | 4,851                                   |
| Communications/Telephone   | 10,000                     | 3,982                       | 13,982                  | 11,110         | 2,872                                   |
| BOE Other Purchased Services   | 4,500                      | (2,000)                     | 2,500                   | 825            | 1,675                                   |
| Other Purchased Services   | 4,100                      | 1,042                       | 5,142                   | 886            | 4,256                                   |
| Judgments  | 2,000                      |                             | 2,000                   |                | 2,000                                   |
| General Supplies   | 1,500                      | (1,000)                     | 500                     |                | 500                                     |
| BOE In-House Training/Meeting Supplies                                   | 684                        |                             | 684                     |                | 684                                     |
| BOE Dues and Fees  | 3,000                      | 1,000                       | 4,000                   | 990            | 3,010                                   |
| Total Undistributed Expenditures - Supp. Serv. - General Administration  | <u>147,139</u>             | <u>9,179</u>                | <u>156,318</u>          | <u>128,769</u> | <u>27,549</u>                           |
| Undistributed Expenditures - School Administration:                      |                            |                             |                         |                |   |
| Salaries of Principals/Assistant Principals                              | 91,142                     |                             | 91,142                  | 89,934         | 1,208                                   |
| Supplies and Materials   | 4,275                      | 135                         | 4,410                   | 1,440          | 2,970                                   |
| Total Undistributed Expenditures - School Administration                 | <u>95,417</u>              | <u>135</u>                  | <u>95,552</u>           | <u>91,374</u>  | <u>4,178</u>                            |



**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 6 of 10

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|   | <b><u>Original<br/>Budget</u></b> | <b><u>Budget<br/>Transfers</u></b> | <b><u>Final<br/>Budget</u></b> | <b><u>Actual</u></b> | <b><u>Variance<br/>Final to<br/>Actual</u></b> |
|---|-----------------------------------|------------------------------------|--------------------------------|----------------------|--|
| Undistributed Expenditures - Central Services                       |                                   |                                    |                                |                      |  |
| Salaries  | 83,326                            | (3,264)                            | 80,062                         | 79,441               | 621  |
| Purchased Professional Services                                     | 4,000                             | 507                                | 4,507                          | 2,330                | 2,177  |
| Supplies and Materials  | 6,691                             |                                    | 6,691                          | 4,036                | 2,655  |
| Total Undistributed Expenditures - Central Services                 | <u>94,017</u>                     | <u>(2,757)</u>                     | <u>91,260</u>                  | <u>85,807</u>        | <u>5,453</u>                                   |
| Undistributed Expenditures-Allow. Maint. School Facilities:         |                                   |                                    |                                |                      |  |
| Cleaning, Repair and Maintenance Services                           | 50,500                            | (40,416)                           | 10,084                         | 4,872                | 5,212  |
| General Supplies  | 46,500                            | (24,225)                           | 22,275                         | 17,823               | 4,452  |
| Total Undistributed Expenditures-Allow. Maint. School<br>Facilities | <u>97,000</u>                     | <u>(64,641)</u>                    | <u>32,359</u>                  | <u>22,695</u>        | <u>9,664</u>                                   |
| Undistributed Expenditures-Other Oper. & Maint. Of Plant:           |                                   |                                    |                                |                      |  |
| Salaries  | 230,054                           | (33,856)                           | 196,198                        | 192,187              | 4,011  |
| Purchased Professional & Tech. Services                             | 60,150                            | 32,951                             | 93,101                         | 88,267               | 4,834  |
| Other Purchased Property Services                                   | 12,500                            | (10,731)                           | 1,769                          | 1,096                | 673  |
| Insurance   | 74,632                            | 16,500                             | 91,132                         | 86,737               | 4,395  |
| Supplies  | 20,019                            | (9,915)                            | 10,104                         | 7,616                | 2,488  |
| Other Objects   | 5,000                             | 7,300                              | 12,300                         | 6,209                | 6,091  |
| Energy (Oil)  | 2,000                             |                                    | 2,000                          | 1,350                | 650  |
| Energy (Natural Gas)  | 15,000                            | (3,000)                            | 12,000                         | 11,684               | 316  |
| Energy (Electricity)  | 75,000                            | 35,049                             | 110,049                        | 95,959               | 14,090   |
| Total Undistributed Expenditures-Other Oper. & Maint. of Plant      | <u>494,355</u>                    | <u>34,298</u>                      | <u>528,653</u>                 | <u>491,105</u>       | <u>37,548</u>                                  |

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 7 of 10

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|   | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Final to<br/>Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------|---|
| Care and Upkeep of Grounds:   |                            |                             |                         |                |   |
| Cleaning Repair and Maintenance   | 3,500                      | 1,500                       | 5,000                   | 4,676          | 324                                     |
| Total Care and Upkeep of Grounds  | <u>3,500</u>               | <u>1,500</u>                | <u>5,000</u>            | <u>4,676</u>   | <u>324</u>                              |
| Security:   |                            |                             |                         |                |   |
| Purchased Professional and Tech Services  | 24,788                     |                             | 24,788                  | 21,863         | 2,925                                   |
| Other Objects   | 2,450                      |                             | 2,450                   |                | 2,450                                   |
| Total Security  | <u>27,238</u>              | <u>-</u>                    | <u>27,238</u>           | <u>21,863</u>  | <u>5,375</u>                            |
| Total Undistributed Expenditures - Operation &<br>Maintenance of Plant Services | <u>622,093</u>             | <u>(28,843)</u>             | <u>593,250</u>          | <u>540,339</u> | <u>52,911</u>                           |
| Undistributed Expenditures - Student Transportation Serv:                       |                            |                             |                         |                |   |
| Salaries for Transportation Aides   |                            |                             | -                       |                | -                                       |
| Salaries for Transportation   | 19,262                     | (100)                       | 19,162                  | 18,937         | 225                                     |
| Cleaning and Repairs  | 2,900                      | (2,500)                     | 400                     | 78             | 322                                     |
| Contr. Serv. - Aid in Lieu of Payments - NonPublic Schools                      | 7,500                      | (4,000)                     | 3,500                   | 3,200          | 300                                     |
| Contr. Serv. - Aid in Lieu of Payments - Choice Schools                         | 2,000                      | 2,666                       | 4,666                   | 4,000          | 666                                     |
| Contr. Serv. (Bet. Home & Sch.)-Vendors   | 7,500                      | (7,500)                     | -                       |                | -                                       |
| Contr. Serv. (Bet. Home & Sch.)-Joint Agreement                                 | 97,500                     | 6,600                       | 104,100                 | 79,429         | 24,671                                  |
| Contr. Serv. (Special Ed.)-Vendors  | 5,000                      | (5,000)                     | -                       |                | -                                       |
| General Supplies  | 8,000                      | (5,000)                     | 3,000                   | 2,100          | 900                                     |
| Transportation Supplies   | 2,500                      | (1,500)                     | 1,000                   |                | 1,000                                   |
| Total Undistributed Expenditures - Student Transportation Services              | <u>152,162</u>             | <u>(16,334)</u>             | <u>135,828</u>          | <u>107,744</u> | <u>28,084</u>                           |

**TUCKERTON SCHOOL DISTRICT**

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|   | <b><u>Original<br/>Budget</u></b> | <b><u>Budget<br/>Transfers</u></b> | <b><u>Final<br/>Budget</u></b> | <b><u>Actual</u></b>    | <b><u>Variance<br/>Final to<br/>Actual</u></b> |
|---|-----------------------------------|------------------------------------|--------------------------------|-------------------------|--|
| Unallocated Benefits:   |                                   |                                    |                                |                         |  |
| Social Security Contributions   | 115,000                           | 79,000                             | 194,000                        | 193,917                 | 83   |
| T.P.A.F. Contributions-ERIP   | 12,000                            | (12,000)                           | -                              | -                       | -  |
| Other Retirement Contributions- PERS  | 75,000                            | 1,150                              | 76,150                         | 76,133                  | 17   |
| Other Retirement Contributions- ERIP  |                                   | 4,000                              | 4,000                          | 3,901                   | 99   |
| Unemployment Compensation   | 4,000                             | 21                                 | 4,021                          | 3,696                   | 325  |
| Workmen's Compensation  | 2,500                             | (2,500)                            | -                              | -                       | -  |
| Health Benefits   | 880,000                           | (61,491)                           | 818,509                        | 733,870                 | 84,639   |
| Tuition Reimbursement   | 10,000                            |                                    | 10,000                         | 10,000                  | -  |
| Other Employee Benefits   | 5,000                             | 14,534                             | 19,534                         | 19,534                  | -  |
| <b>Total Unallocated Benefits</b>   | <b><u>1,103,500</u></b>           | <b><u>22,714</u></b>               | <b><u>1,126,214</u></b>        | <b><u>1,041,051</u></b> | <b><u>85,163</u></b>                           |
| On-Behalf T.P.A.F Pension Contributions -<br>Post Retirement Medical (Non-Budgeted) |                                   |                                    | -                              | 198,739                 | (198,739)                                      |
| On-Behalf T.P.A.F Pension Contributions -<br>Normal Cost (Non-Budgeted)             |                                   |                                    | -                              | 58,085                  | (58,085)                                       |
| On-Behalf T.P.A.F Non-Contributory Insurance  |                                   |                                    | -                              | 576,086                 | (576,086)                                      |
| On-Behalf T.P.A.F Pension Contributions -<br>Long-Term Disability                   |                                   |                                    | -                              | 356                     | (356)  |
| Reimbursed TPAF Social Security Contributions - (Non Budgeted)                      | -                                 | -                                  | -                              | 205,185                 | (205,185)                                      |
| <b>Total On-Behalf Contributions</b>  | <b><u>-</u></b>                   | <b><u>-</u></b>                    | <b><u>-</u></b>                | <b><u>1,038,451</u></b> | <b><u>(1,038,451)</u></b>                      |
| <b>Total Undistributed Expenditures</b>   | <b><u>2,848,804</u></b>           | <b><u>154,444</u></b>              | <b><u>3,003,248</u></b>        | <b><u>3,756,961</u></b> | <b><u>(753,713)</u></b>                        |
| <b>Total Current Expense</b>  | <b><u>5,181,042</u></b>           | <b><u>136,945</u></b>              | <b><u>5,317,987</u></b>        | <b><u>5,916,018</u></b> | <b><u>(598,031)</u></b>                        |

**TUCKERTON SCHOOL DISTRICT**

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

Exhibit C-1  
Sheet 9 of 10

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Variance<br/>Final to<br/>Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|----------------------|---|
| Capital Outlay:  |                            |                             |                         |                      |   |
| Interest Earned on Maintenance Reserve                           | 100                        |                             | 100                     |                      | 100                                     |
| Equipment:   |                            |                             |                         |                      |   |
| Non-Instructional Equipment                                      |                            | 75,318                      | 75,318                  | 74,342               | 976                                     |
| Facilities, Acquisition & Construction Services:                 |                            |                             |                         |                      |   |
| Construction Services  |                            | 75,000                      | 75,000                  | 73,605               | 1,395                                   |
| Assessment for Debt Service                                      | 18,971                     |                             | 18,971                  | 18,971               | -                                       |
| Increase on Deposit to Capital Reserve                           | 100                        |                             | 100                     |                      | 100                                     |
| Total Capital Outlay   | <u>19,171</u>              | <u>150,318</u>              | <u>169,489</u>          | <u>166,918</u>       | <u>2,571</u>                            |
| <br>Total Expenditures   | <br><u>5,200,213</u>       | <br><u>287,263</u>          | <br><u>5,487,476</u>    | <br><u>6,082,936</u> | <br><u>(595,460)</u>                    |
| <br>Excess/(Deficiency) of Revenues Over/(Under)<br>Expenditures | <br><u>(120,054)</u>       | <br><u>(287,263)</u>        | <br><u>(407,317)</u>    | <br><u>117,708</u>   | <br><u>524,996</u>                      |
| <br>Fund Balance, July 1   | <br>2,019,208              |                             | <br>2,019,208           | <br>2,019,208        | <br>-                                   |
| Prior Period Adjustment  |                            |                             | -                       | 19,231               | (19,231)                                |
| <br>Fund Balances, July 1, Restated                              | <br><u>2,019,208</u>       | <br><u>-</u>                | <br><u>2,019,208</u>    | <br><u>2,038,439</u> | <br><u>(19,231)</u>                     |
| <br>Fund Balance, June 30  | <br><u>\$ 1,899,154</u>    | <br><u>(287,263)</u>        | <br><u>1,611,891</u>    | <br><u>2,156,147</u> | <br><u>505,765</u>                      |

**TUCKERTON SCHOOL DISTRICT**

**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|   | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>              | <u>Variance<br/>Final to<br/>Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|----------------------------|---|
| Recapitulation:   |                            |                             |                         |                            |   |
| Committed Fund Balances   |                            |                             |                         |                            |   |
| Capital Reserve   |                            |                             |                         | \$ 731,176                 |   |
| Maintenance Reserve   |                            |                             |                         | 416,804                    |   |
| Unemployment Compensation   |                            |                             |                         | 19,260                     |   |
| Assigned Fund Balances:   |                            |                             |                         |                            |   |
| Year End Encumbrances   |                            |                             |                         | 304,514                    |   |
| Designated For Subsequent Years Expenditures - Excess Surplus               |                            |                             |                         | 169,480                    |   |
| Designated For Subsequent Years Expenditures - Maintance Reserve Withdrawal |                            |                             |                         | 105,000                    |   |
| Reserve for Excess Surplus  |                            |                             |                         | 159,043                    |   |
| Unassigned  |                            |                             |                         | <u>250,870</u>             |   |
|   |                            |                             |                         | 2,156,147                  |   |
| Reconciliation to Governmental Funds Statements (GAAP):                     |                            |                             |                         |                            |   |
| Final State Aid Payments not Recognized on GAAP Basis                       |                            |                             |                         | <u>(216,720)</u>           |   |
| Fund Balance Per Governmental Funds (GAAP)                                  |                            |                             |                         | <u><u>\$ 1,939,427</u></u> |   |

TUCKERTON SCHOOL DISTRICT

Exhibit C-2  
Sheet 1 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2021

|   | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Final to<br/>Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|---------------|---|
| Revenues:   |                            |                             |                         |               |   |
| Local Sources   | \$ -                       | 6,000                       | 6,000                   | 5,926         | 74                                      |
| State Sources   |                            |                             |                         |               |   |
| Preschool Education Aid                               | \$ 751,846                 |                             | 751,846                 | 656,631       | 95,215                                  |
| Federal Sources:                                      |                            |                             |                         |               |   |
| Title I, Part A                                       | 72,615                     |                             | 72,615                  | 72,615        | -                                       |
| Title IIA, Part A                                     | 10,598                     |                             | 10,598                  | 10,598        | -                                       |
| Title IV, Part A                                      | 10,000                     |                             | 10,000                  | 10,000        | -                                       |
| IDEA Part B, Basic                                    | 75,572                     |                             | 75,572                  | 75,572        | -                                       |
| IDEA Part B, Preschool                                | \$ 5,387                   |                             | 5,387                   | 5,387         | -                                       |
| Educational Stabilization Fund (ESSER Digital Divide) | 44,457                     |                             | 44,457                  | 44,457        | -                                       |
| Educational Stabilization Fund (CARES Act)            | 61,349                     |                             | 61,349                  | 61,349        | -                                       |
| CoronaVirus Relief Fund                               | 22,332                     |                             | 22,332                  | 22,332        | -                                       |
| Total Federal Sources                                 | 302,310                    | -                           | 302,310                 | 302,310       | -                                       |
| Total Revenues  | 1,054,156                  | 6,000                       | 1,060,156               | 964,867       | 95,289                                  |
| Expenditures:   |                            |                             |                         |               |   |
| Instruction:  |                            |                             |                         |               |   |
| Salaries of Teachers                                  | 313,813                    |                             | 313,813                 | 313,813       | -                                       |
| Other Salaries for Instruction                        | 79,956                     |                             | 79,956                  | 79,956        | -                                       |
| General Supplies                                      | 99,457                     |                             | 99,457                  | 51,695        | 47,762                                  |
| Other Purchased Services                              | 91,557                     |                             | 91,557                  | 91,557        | -                                       |
| Total Instruction                                     | 584,783                    | -                           | 584,783                 | 537,021       | 47,762                                  |

**TUCKERTON SCHOOL DISTRICT**

Exhibit C-2  
Sheet 2 of 2

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**JUNE 30, 2021**

|   | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Final to<br/>Actual</u> |
|---|----------------------------|-----------------------------|-------------------------|------------------|---|
| Support Services:   |                            |                             |                         |                  |   |
| Salaries of Supervisors of Instruction                    | 16,062                     | -                           | 16,062                  | 16,062           | -                                       |
| Salaries of Program Director                              | 9,703                      |                             | 9,703                   | 9,703            | -                                       |
| Salaries of Other Professional Staff                      | 19,621                     |                             | 19,621                  | 19,621           | -                                       |
| Salaries of Secreterial & Clerical                        | 3,622                      |                             | 3,622                   | 3,622            | -                                       |
| Other Salaries  | 103,208                    |                             | 103,208                 | 103,208          | -                                       |
| Salaries of Community Parent                              | 9,425                      |                             | 9,425                   | 9,425            | -                                       |
| Salaries of Master Teacher                                | 25,000                     |                             | 25,000                  | 19,754           | 5,246                                   |
| Employee Benefits   | 136,140                    |                             | 136,140                 | 136,140          | -                                       |
| Other Purchased Services                                  | 2,500                      |                             | 2,500                   | 2,500            | -                                       |
| Supplies and Materials                                    | 32,332                     |                             | 32,332                  | 30,996           | 1,336                                   |
| Other Objects   | 2,554                      |                             | 2,554                   | -                | 2,554                                   |
| Student Activities  | -                          | 6,000                       | 6,000                   | 5,578            | 422                                     |
| Total Support Services                                    | <u>360,167</u>             | <u>6,000</u>                | <u>366,167</u>          | <u>356,609</u>   | <u>9,558</u>                            |
| Facilities Acquisition and Construction Services:         |                            |                             |                         |                  |   |
| Instructional Equipment                                   | 70,000                     |                             | 70,000                  | 66,878           | 3,122                                   |
| Non-Instructional Equipment                               | 39,206                     |                             | 39,206                  | 4,011            | 35,195                                  |
| Total Facilities Acquisition and Construction Services    | <u>109,206</u>             | <u>-</u>                    | <u>109,206</u>          | <u>70,889</u>    | <u>38,317</u>                           |
| Total Expenditures  | <u>1,054,156</u>           | <u>6,000</u>                | <u>1,060,156</u>        | <u>964,519</u>   | <u>95,637</u>                           |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u>                   | <u>-</u>                    | <u>-</u>                | <u>348</u>       | <u>348</u>                              |
| Fund Balance, July 1                                      |                            |                             |                         | \$ -             |   |
| Prior Period Adjustment                                   |                            |                             |                         | 10,448           |   |
| Fund Balance, July 1 (Restated)                           |                            |                             |                         | <u>10,448</u>    |   |
| Fund Balance, June 30                                     |                            |                             |                         | <u>\$ 10,796</u> |   |
| Recapitulation:   |                            |                             |                         |                  |   |
| Restricted - Student Activities                           |                            |                             |                         | <u>\$ 10,796</u> |   |

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGET-TO-GAAP RECONCILIATION**

**NOTE TO RSI**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> |
|--|-------------------------|-------------------------------------|
| <b><u>Sources/Inflows of Resources</u></b>   |                         |                                     |
| Actual amounts (budgetary basis) "revenue"<br>from the budgetary comparison schedule   | \$ 6,200,644            | 964,867                             |
| Difference - Budget to GAAP:   |                         |                                     |
| Grant accounting budgetary basis differs from GAAP<br>in that encumbrances are recognized as expenditures<br>and the related revenue is recognized   |                         |                                     |
| State aid payment recognized for GAAP statements in the<br>the current year, previously recognized for budgetary<br>purposes.  |                         |                                     |
|  | 222,197                 | 74,078                              |
| The last state aid payment is recognized as revenue<br>for budgetary purposes and differs from GAAP<br>which does not recognize this revenue until the<br>subsequent year when the state recognizes the<br>related expense (GASB 33) |                         |                                     |
|  | <u>(216,720)</u>        | <u>(72,161)</u>                     |
| Total revenue as reported on the statement of revenues, expenditures<br>and changes in fund balances - governmental funds  | <u>\$ 6,206,121</u>     | <u>966,784</u>                      |
| <b><u>Uses/Outflows of Resources</u></b>   |                         |                                     |
| Actual amounts (budgetary basis) "total outflows" from the<br>budgetary comparison schedule  | \$ 6,082,936            | 964,519                             |
| Differences-Budget to GAAP:  |                         |                                     |
| Encumbrances for supplies and equipment ordered but<br>not received are reported in the year the order is placed<br>for budgetary purposes, but in the year the supplies are<br>received for financial reporting purposes.           |                         |                                     |
| Total expenditures as reported on the statement of revenues,<br>expenditures, and changes in fund balances - governmental funds  |                         |                                     |
|  | <u>\$ 6,082,936</u>     | <u>964,519</u>                      |

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR PENSIONS (GASB 68) – L**

**TUCKERTON SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

Exhibit L-1

**NET PENSION LIABILITY - PERS**

**LAST EIGHT FISCAL YEARS**

|  | <u>2020</u>         | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>    |
|--|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| District's Proportion of the Net Pension Liability (Asset)   | 100.00%             | 100.00%          | 100.00%          | 100.00%          | 100.00%          | 100.00%          | 100.00%          | 100.00%        |
| District's Proportionate Share of the Net Pension Liability (Asset)  | \$ 1,134,906        | 1,155,070        | 1,457,496        | 1,668,072        | 1,804,360        | 1,155,545        | 1,079,892        | 971,960        |
| State's Proportionate Share of the Net Pension Liability<br>(Asset) Associated with the District                       | -                   | -                | -                | -                | -                | -                | -                | -              |
| Total  | <u>\$ 1,134,906</u> | <u>1,155,070</u> | <u>1,457,496</u> | <u>1,668,072</u> | <u>1,804,360</u> | <u>1,155,545</u> | <u>1,079,892</u> | <u>971,960</u> |
| District's Covered-Employee Payroll  | \$ 509,580          | 548,030          | 453,696          | 515,164          | 467,238          | 385,920          | 336,444          | 380,029        |
| District's Proportionate Share of the Net Pension Liability<br>(Asset) as a percentage of its Covered-Employee Payroll | 44.90%              | 47.45%           | 31.13%           | 30.88%           | 25.89%           | 33.40%           | 31.16%           | 39.10%         |
| Plan Fiduciary Net Position as a Percentage of the Total<br>Pension Liability  | 42.90%              | 42.04%           | 40.45%           | 36.78%           | 31.20%           | 38.21%           | 42.74%           | 40.71%         |

**TUCKERTON SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**Exhibit L-2**

**LAST EIGHT FISCAL YEARS**

|  | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contribution                                  | \$ 62,677   | 74,246      | 68,078      | 54,273      | 62,154      | 40,670      | 44,300      | 42,015      |
| Contributions in Relation to the Contractually Required Contribution | 62,677      | 74,246      | 68,078      | 54,273      | 62,154      | 40,670      | 44,300      | 42,015      |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u> | <u>-</u>    | <u>-</u>    | <u>-</u>    | <u>-</u>    | <u>-</u>    | <u>-</u>    | <u>-</u>    |
| District's Covered-Employee Payroll                                  | \$ 509,580  | 548,030     | 453,696     | 515,164     | 467,238     | 385,920     | 336,444     | 380,029     |
| Contributions as a Percentage of Covered-Employee Payroll            | 12.30%      | 13.55%      | 15.01%      | 10.54%      | 13.30%      | 10.54%      | 13.17%      | 11.06%      |

**TUCKERTON SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - TPAF**

**LAST EIGHT FISCAL YEARS**

Exhibit L-3

|  | <u>2020</u>          | <u>2019</u>       | <u>2018</u>       | <u>2017</u>       | <u>2016</u>       | <u>2015</u>       | <u>2014</u>      | <u>2013</u>      |
|--|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| District's Proportion of the Net Pension Liability (Asset)   | 0.00%                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%            | 0.00%            |
| District's Proportionate Share of the Net Pension Liability (Asset)  | \$ -                 | -                 | -                 | -                 | -                 | -                 | -                | -                |
| State's Proportionate Share of the Net Pension Liability<br>(Asset) Associated with the District                       | <u>13,310,579</u>    | <u>11,115,465</u> | <u>11,402,069</u> | <u>11,941,401</u> | <u>14,467,586</u> | <u>12,498,424</u> | <u>9,969,695</u> | <u>9,511,755</u> |
| Total  | <u>\$ 13,310,579</u> | <u>11,115,465</u> | <u>11,402,069</u> | <u>11,941,401</u> | <u>14,467,586</u> | <u>12,498,424</u> | <u>9,969,695</u> | <u>9,511,755</u> |
| District's Covered-Employee Payroll  | \$ 2,542,754         | 2,434,902         | 2,144,600         | 2,011,728         | 1,850,172         | 1,777,801         | 1,832,479        | 1,972,505        |
| District's Proportionate Share of the Net Pension Liability<br>(Asset) as a percentage of its Covered-Employee Payroll | 19.10%               | 21.91%            | 18.81%            | 16.85%            | 12.79%            | 14.22%            | 18.38%           | 20.74%           |
| Plan Fiduciary Net Position as a Percentage of the Total<br>Pension Liability  | 24.60%               | 26.95%            | 26.49%            | 25.41%            | 22.33%            | 28.71%            | 33.64%           | 33.76%           |

**TUCKERTON SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS**  
**TEACHER'S PENSION AND ANNUITY FUND (TPAF)**  
**LAST TEN FISCAL YEARS**

L-4

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**TUCKERTON SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021****Public Employee's 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, in accordance with Paragraph 44 of GASB Statement No. 67.

**Teachers' Pension and Annuity Fund (TPAF)**

*Changes in Benefit Terms* – None

*Changes in Assumption* – The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020, in accordance with Paragraph 44 of GASB Statement No. 67.



**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR OPEB (GASB 75) - M**

**TUCKERTON SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

**LAST FIVE FISCAL YEARS**

**Exhibit M-1**

|  | <u>2020</u>                 | <u>2019</u>              | <u>2018</u>              | <u>2017</u>              | <u>2016</u>              |
|--|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b><u>State's OPEB Liability Attributable to the District</u></b>                                |                             |                          |                          |                          |                          |
| Service Cost   | \$ 449,289                  | 413,756                  | 455,006                  | 548,823                  | *                        |
| Interest   | 376,601                     | 437,012                  | 440,883                  | 380,732                  | *                        |
| Benefit Payments   | (306,539)                   | (321,032)                | (295,014)                | (277,976)                | *                        |
| Member Contributions   | 9,291                       | 9,516                    | 10,196                   | 10,236                   | *                        |
| Difference between Expected and Actual Experience  | 3,404,809                   | (1,269,931)              | (313,495)                |                          | *                        |
| Change of Assumptions or Other Inputs  | <u>3,216,356</u>            | <u>155,931</u>           | <u>(1,266,072)</u>       | <u>(1,603,620)</u>       | *                        |
| Net Change in Total OPEB Liability   | 7,149,807                   | (574,748)                | (968,496)                | (941,805)                | *                        |
| <br>   |                             |                          |                          |                          |                          |
| Total Attributable OPEB Liability - Beginning  | <u>10,458,080</u>           | <u>11,032,828</u>        | <u>12,001,324</u>        | <u>12,943,129</u>        | *                        |
| <br>   |                             |                          |                          |                          |                          |
| Total Attributable OPEB Liability - Ending   | <u><u>\$ 17,607,887</u></u> | <u><u>10,458,080</u></u> | <u><u>11,032,828</u></u> | <u><u>12,001,324</u></u> | <u><u>12,943,129</u></u> |
| <br>   |                             |                          |                          |                          |                          |
| District's Covered Payroll   | \$ 3,052,334                | 2,982,932                | 2,598,296                | 2,526,892                | 2,317,410                |
| <br>   |                             |                          |                          |                          |                          |
| District's Contribution  | None                        | None                     | None                     | None                     | None                     |
| <br>   |                             |                          |                          |                          |                          |
| State's Proportionate Share of OPEB Liability<br>as a Percentage of its Covered-Employee Payroll | 576.87%                     | 350.60%                  | 424.62%                  | 474.94%                  | 558.52%                  |

\* - Information not available

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

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.

TUCKERTON SCHOOL DISTRICTNOTES TO REQUIRED SUPPLEMENTARY INFORMATIONFOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit M-2

Change of Benefit Terms

None

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

N/A

**SPECIAL REVENUE FUND – E**

**TUCKERTON SCHOOL DISTRICT**

Exhibit E-1

**SPECIAL REVENUE FUND**

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | <u>Title I</u> | <u>Title II<br/>Part A</u> | <u>Title IV<br/>Part A</u> | <u>I.D.E.A.<br/>Pre-School</u> | <u>I.D.E.A.<br/>Basic</u> | <u>ESSER<br/>Digital<br/>Divide</u> | <u>CARES<br/>ACT</u> | <u>CoronaVirus<br/>Relief<br/>Fund</u> | <u>Preschool<br/>Education<br/>Aid</u> | <u>Student<br/>Activity</u> | <u>Totals<br/>2021</u> |
|--|----------------|----------------------------|----------------------------|--------------------------------|---------------------------|-------------------------------------|----------------------|--|--|-----------------------------|------------------------|
| <b>Revenues:</b>   |                |                            |                            |                                |                           |                                     |                      |  |  |                             |                        |
| Federal Sources  | \$ 72,615      | 10,598                     | 10,000                     | 5,387                          | 75,572                    | 44,457                              | 61,349               | 22,332                                 |  |                             | 302,310                |
| Local Sources  |                |                            |                            |                                |                           |                                     |                      |  |  | 5,926                       | 5,926                  |
| State Sources  |                |                            |                            |                                |                           |                                     |                      |  | 656,631                                |                             | 656,631                |
| <b>Total Revenue</b>   | <u>72,615</u>  | <u>10,598</u>              | <u>10,000</u>              | <u>5,387</u>                   | <u>75,572</u>             | <u>44,457</u>                       | <u>61,349</u>        | <u>22,332</u>                          | <u>656,631</u>                         | <u>5,926</u>                | <u>964,867</u>         |
| <b>Expenditures:</b>   |                |                            |                            |                                |                           |                                     |                      |  |  |                             |                        |
| <b>Instruction:</b>  |                |                            |                            |                                |                           |                                     |                      |  |  |                             |                        |
| Salaries of Teachers   | 72,615         |                            | 10,000                     |                                |                           |                                     |                      |  | 231,198                                |                             | 313,813                |
| Other Salaries for Instructors                                       |                |                            |                            |                                |                           |                                     |                      |  | 79,956                                 |                             | 79,956                 |
| General Supplies   |                |                            |                            |                                |                           | 44,457                              |                      |  | 7,238                                  |                             | 51,695                 |
| Other Purchased Services   |                | 10,598                     |                            | 5,387                          | 75,572                    |                                     |                      |  |  |                             | 91,557                 |
| <b>Total Instruction</b>   | <u>72,615</u>  | <u>10,598</u>              | <u>10,000</u>              | <u>5,387</u>                   | <u>75,572</u>             | <u>44,457</u>                       | <u>-</u>             | <u>-</u>                               | <u>318,392</u>                         | <u>-</u>                    | <u>537,021</u>         |
| <b>Support Services:</b>   |                |                            |                            |                                |                           |                                     |                      |  |  |                             |                        |
| Salaries of Supervisors of Instruction                               |                |                            |                            |                                |                           |                                     |                      |  | 16,062                                 |                             | 16,062                 |
| Salaries of Program Director   |                |                            |                            |                                |                           |                                     |                      |  | 9,703                                  |                             | 9,703                  |
| Salaries of Other Professional Staff                                 |                |                            |                            |                                |                           |                                     |                      |  | 19,621                                 |                             | 19,621                 |
| Salaries of Secretarial & Cleric Asst.                               |                |                            |                            |                                |                           |                                     |                      |  | 3,622                                  |                             | 3,622                  |
| Other Salaries   |                |                            |                            |                                |                           |                                     | 61,349               |  | 41,859                                 |                             | 103,208                |
| Salaries of Community Parent   |                |                            |                            |                                |                           |                                     |                      |  | 9,425                                  |                             | 9,425                  |
| Salaries of Master Teachers  |                |                            |                            |                                |                           |                                     |                      |  | 19,754                                 |                             | 19,754                 |
| Personal Services - Employee Benefits                                |                |                            |                            |                                |                           |                                     |                      |  | 136,140                                |                             | 136,140                |
| Other Purchased Services   |                |                            |                            |                                |                           |                                     |                      |  | 2,500                                  |                             | 2,500                  |
| Supplies and Materials   |                |                            |                            |                                |                           |                                     |                      | 22,332                                 | 8,664                                  |                             | 30,996                 |
| Student Activities   |                |                            |                            |                                |                           |                                     |                      |  |  | 5,578                       | 5,578                  |
| <b>Total Support Services</b>  | <u>-</u>       | <u>-</u>                   | <u>-</u>                   | <u>-</u>                       | <u>-</u>                  | <u>-</u>                            | <u>61,349</u>        | <u>22,332</u>                          | <u>267,350</u>                         | <u>5,578</u>                | <u>356,609</u>         |
| <b>Facilities, Acquisition and Construction Services:</b>            |                |                            |                            |                                |                           |                                     |                      |  |  |                             |                        |
| Instructional Equipment  |                |                            |                            |                                |                           |                                     |                      |  | 66,878                                 |                             | 66,878                 |
| Non Instructional Equipment  |                |                            |                            |                                |                           |                                     |                      |  | 4,011                                  |                             | 4,011                  |
| <b>Total Facilities, Acquisition and Construction Services</b>       | <u>-</u>       | <u>-</u>                   | <u>-</u>                   | <u>-</u>                       | <u>-</u>                  | <u>-</u>                            | <u>-</u>             | <u>-</u>                               | <u>70,889</u>                          | <u>-</u>                    | <u>70,889</u>          |
| <b>Total Expenditures</b>  | <u>72,615</u>  | <u>10,598</u>              | <u>10,000</u>              | <u>5,387</u>                   | <u>75,572</u>             | <u>44,457</u>                       | <u>61,349</u>        | <u>22,332</u>                          | <u>656,631</u>                         | <u>5,578</u>                | <u>964,519</u>         |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>-</u>       | <u>-</u>                   | <u>-</u>                   | <u>-</u>                       | <u>-</u>                  | <u>-</u>                            | <u>-</u>             | <u>-</u>                               | <u>-</u>                               | <u>348</u>                  | <u>348</u>             |
| <b>Fund Balance, July 1<br/>Prior Period Adjustment</b>              |                |                            |                            |                                |                           |                                     |                      |  |  | <u>10,448</u>               | <u>10,448</u>          |
| <b>Fund Balance, July 1 (Restated)</b>                               | <u>-</u>       | <u>-</u>                   | <u>-</u>                   | <u>-</u>                       | <u>-</u>                  | <u>-</u>                            | <u>-</u>             | <u>-</u>                               | <u>-</u>                               | <u>10,448</u>               | <u>10,448</u>          |
| <b>Fund Balance, June 30</b>   | <u>\$ -</u>    | <u>-</u>                   | <u>-</u>                   | <u>-</u>                       | <u>-</u>                  | <u>-</u>                            | <u>-</u>             | <u>-</u>                               | <u>-</u>                               | <u>10,796</u>               | <u>10,796</u>          |

\*Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

TUCKERTON SCHOOL DISTRICTSPECIAL REVENUE FUND

Exhibit E-2

PRESCHOOL EDUCATION AIDSCHEDULE OF EXPENDITURESBUDGETARY BASISFOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | <u>Budgeted</u>   | <u>Actual</u>  | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------|----------------|---|
| Expenditures:   |                   |                |   |
| Instruction:  |                   |                |   |
| Salaries of Teachers                                    | \$ 231,198        | 231,198        |   |
| Other Salaries for Instruction                          | 79,956            | 79,956         |   |
| General Supplies  | 55,000            | 7,238          | 47,762  |
| Total Instruction                                       | <u>366,154</u>    | <u>318,392</u> | <u>47,762</u>                                   |
| Support Services:                                       |                   |                |   |
| Salaries of Supervisors of Instruction                  | 16,062            | 16,062         |   |
| Salaries of Program Director                            | 9,703             | 9,703          |   |
| Salaries of Other Professional Staff                    | 19,621            | 19,621         |   |
| Salaries of Secreterial & Cleric Asst.                  | 3,622             | 3,622          |   |
| Other Salaries  | 41,859            | 41,859         |   |
| Salaries of Community Parent                            | 9,425             | 9,425          |   |
| Salaries of Master Teachers                             | 25,000            | 19,754         | 5,246   |
| Personal Services - Employee Benefits                   | 136,140           | 136,140        |   |
| Other Purchased Services                                | 2,500             | 2,500          |   |
| Supplies and Materials                                  | 10,000            | 8,664          | 1,336   |
| Other Objects   | 2,554             |                | 2,554   |
| Total Support Services                                  | <u>276,486</u>    | <u>267,350</u> | <u>9,136</u>                                    |
| Facilities, Acquisition and Construction Services:      |                   |                |   |
| Instructional Equipment                                 | 70,000            | 66,878         | 3,122   |
| Non Instructional Equipment                             | 39,206            | 4,011          | 35,195  |
| Total Facilities, Acquisition and Construction Services | <u>109,206</u>    | <u>70,889</u>  | <u>38,317</u>                                   |
| Total Expenditures                                      | <u>\$ 751,846</u> | <u>656,631</u> | <u>95,215</u>                                   |

Calculation of Budget and Carryover

|   |                  |
|---|------------------|
| Total 2020-2021 Preschool Education Aid Allocation  | \$ 728,056       |
| Add: Actual ECPA/PEA Carryover (June 30, 2020)  | 23,790           |
| Add: Budgeted Transfer from the General Fund 2020-21  | -                |
| Total Preschool Education Aid Funds Available for 2020-2021 Budget                          | <u>751,846</u>   |
| Less: 2020-2021 Budgeted Preschool Education Aid<br>(Including Prior Year Budget Carryover) | <u>751,846</u>   |
| Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2020                  |                  |
| Add: June 30, 2021 Unexpended Preschool Education Aid                                       | <u>95,215</u>    |
| 2020-2021 Carryover - Preschool Education Aid Programs                                      | <u>\$ 95,215</u> |
| 2020-2021 Preschool Education Aid Carryover Budgeted for Preschool<br>Programs 2021-2022    | <u>\$ 23,790</u> |



TUCKERTON SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF PROJECT EXPENDITURESFOR THE YEAR ENDED JUNE 30, 2021

|   |                         |
|---|-------------------------|
| Revenues:   |                         |
| Interest  | \$ 16                   |
| Total Revenues  | <u>16</u>               |
| Expenditures:   |                         |
| Construction Services   | <u>71,908</u>           |
| Revenues Over/(Under) Expenditures                                    | (71,892)                |
| Other Financing Sources/(Uses):                                       |                         |
| Transfer to Debt Service  | <u>(16)</u>             |
| Total Other Financing Sources/(Uses)                                  | <u>(16)</u>             |
| Revenues Over/(Under) Expenditures and Other Financing Sources/(Uses) | (71,908)                |
| Fund Balance - Beginning  | <u>98,339</u>           |
| Fund Balance - Ending   | <u><u>\$ 26,431</u></u> |

TUCKERTON SCHOOL DISTRICT

Exhibit F-2

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISADDITIONS & RENOVATIONS TO ELEMENTARY SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

|  | <u>Prior<br/>Periods</u> | <u>Current<br/>Year</u> | <u>Totals</u>    | <u>Revised<br/>Authorized<br/>Cost</u> |
|--|--------------------------|-------------------------|------------------|--|
| <b><u>Revenues and Other Financing Sources</u></b>           |                          |                         |                  |  |
| Bond Proceeds  | \$ 3,386,000             |                         | 3,386,000        |  |
| Capital Reserve  | 800,000                  |                         | 800,000          |  |
| Total Revenues   | <u>4,186,000</u>         | <u>-</u>                | <u>4,186,000</u> | <u>-</u>                               |
| <b><u>Expenditures and Other Financing Uses</u></b>          |                          |                         |                  |  |
| Construction Services  | 4,087,661                | 71,908                  | 4,159,569        |  |
| Total Expenditures   | <u>4,087,661</u>         | <u>71,908</u>           | <u>4,159,569</u> | <u>-</u>                               |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | <u>\$ 98,339</u>         | <u>(71,908)</u>         | <u>26,431</u>    | <u>-</u>                               |
| <b><u>Additional Project Information</u></b>                 |                          |                         |                  |  |
| Project Number   | N/A                      |                         |                  |  |
| Bonds Authorized   | 2/9/2017                 |                         |                  |  |
| Bonds Issued   | 3,386,000                |                         |                  |  |
| Original Authorized Cost                                     | \$ 3,636,000             |                         |                  |  |
| Additional Authorized Cost                                   | 550,000                  |                         |                  |  |
| Revised Authorized Cost                                      | <u>4,186,000</u>         |                         |                  |  |
| Percentage Completion  | 99%                      |                         |                  |  |
| Original Target Completion Date                              | 9/1/2017                 |                         |                  |  |
| Revised Target Completion Date                               | 8/31/2020                |                         |                  |  |

**PROPRIETARY FUNDS – G**

**TUCKERTON SCHOOL DISTRICT****SCHEDULE OF NET POSITION**

Exhibit G-1

**ENTERPRISE FUNDS****JUNE 30, 2021**

|                                | <b>Business - Type Activities</b> |                  | <b>Totals</b>   |
|--------------------------------|-----------------------------------|------------------|-----------------|
|                                | <b>Enterprise Funds</b>           |                  |                 |
|                                | <b>Food</b>                       | <b>Aftercare</b> |                 |
|                                | <b>Services</b>                   |                  |                 |
| <b><u>Assets:</u></b>          |                                   |                  |                 |
| Current Assets:                |                                   |                  |                 |
| Cash                           | \$ -                              | 31,026           | 31,026          |
| Total Current Assets           | <u>-</u>                          | <u>31,026</u>    | <u>31,026</u>   |
| Noncurrent Assets:             |                                   |                  |                 |
| Equipment                      | 72,105                            |                  | 72,105          |
| Less: Accumulated Depreciation | <u>(66,801)</u>                   |                  | <u>(66,801)</u> |
| Total Noncurrent Assets        | <u>5,304</u>                      | <u>-</u>         | <u>5,304</u>    |
| Total Assets                   | <u>\$ 5,304</u>                   | <u>31,026</u>    | <u>36,330</u>   |
| <b><u>Net Position:</u></b>    |                                   |                  |                 |
| Investment in Capital Assets   | \$ 5,304                          |                  | 5,304           |
| Unrestricted                   |                                   | <u>31,026</u>    | <u>31,026</u>   |
| Total Net Position             | <u>\$ 5,304</u>                   | <u>31,026</u>    | <u>36,330</u>   |

**TUCKERTON SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENSES AND CHANGES**

Exhibit G-2

**IN FUND NET POSITION****ENTERPRISE FUNDS****JUNE 30, 2021**

|  | <b>Business - Type Activities</b> |                              | <b>Totals</b> |
|--|-----------------------------------|------------------------------|---------------|
|  | <b>Enterprise Funds</b>           |                              |               |
|  | <b>Food<br/>Services</b>          | <b>Aftercare<br/>Program</b> |               |
| Operating Revenues:                          |                                   |                              |               |
| Local Sources:                               |                                   |                              |               |
| Fees   | \$ -                              | -                            | -             |
| Total Operating Revenue                      | -                                 | -                            | -             |
| Operating Expenses:                          |                                   |                              |               |
| Depreciation                                 | 179                               |                              | 179           |
| Total Operating Expenses                     | 179                               | -                            | 179           |
| Operating (Loss)/Profit                      | (179)                             | -                            | (179)         |
| Non-Operating Revenues:                      |                                   |                              |               |
| Interest Revenue                             | -                                 | 128                          | 128           |
| Total Non-Operating Revenues                 | -                                 | 128                          | 128           |
| Excess/(Deficiency) of Revenues Over/(Under) |                                   |                              |               |
| Expenditures                                 | (179)                             | 128                          | (51)          |
| Net Position, July 1                         | 5,483                             | 30,898                       | 36,381        |
| Net Position, June 30                        | \$ 5,304                          | 31,026                       | 36,330        |

**TUCKERTON SCHOOL DISTRICT****SCHEDULE OF CASH FLOWS**

Exhibit G-3

**ENTERPRISE FUNDS****JUNE 30, 2021**

|   | <b>Business - Type Activities</b> |                              | <b>Totals</b> |
|---|-----------------------------------|------------------------------|---------------|
|   | <b>Enterprise Funds</b>           |                              |               |
|   | <b>Food<br/>Services</b>          | <b>Aftercare<br/>Program</b> |               |
| Cash Flows from Operating Activities:   |                                   |                              |               |
| Receipts from Miscellaneous and Fees  | \$ -                              |                              | -             |
| Payments to Employees   |                                   |                              | -             |
| Net Cash Used by Operating Activities   | -                                 | -                            | -             |
| Cash Flows from Investing Activities:   |                                   |                              |               |
| Interest  |                                   | 128                          | 128           |
| Net Increase/(Decrease) in Cash and Cash Equivalents  | -                                 | 128                          | 128           |
| Cash and Cash Equivalents July 1  |                                   | 30,898                       | 30,898        |
| Cash and Cash Equivalents June 30   | \$ -                              | 31,026                       | 31,026        |
| Cash Flows from Operating Activities:   |                                   |                              |               |
| Operating (Loss)/Profit   | \$ (179)                          | -                            | (179)         |
| Adjustments to Reconcile Operating Loss to Cash<br>Provided (Used) by Operating Activities: |                                   |                              |               |
| Depreciation  | 179                               |                              | 179           |
| Net Cash Used by Operating Activities   | \$ -                              | -                            | -             |

**FIDUCIARY FUND – H**

**N/A**

## **LONG-TERM DEBT – I**



**TUCKERTON SCHOOL DISTRICT**

Exhibit I-1

**LONG-TERM DEBT**

**SCHEDULE OF SERIAL BONDS PAYABLE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| <u>Issue</u>                        | <u>Date of Issue</u> | <u>Amount Of Issue</u> | <u>Annual Maturities</u> |               | <u>Interest Rate</u> | <u>Balance July 1, 2020</u> | <u>Retired</u> | <u>Balance June 30, 2021</u> |
|-------------------------------------|----------------------|------------------------|--------------------------|---------------|----------------------|-----------------------------|----------------|------------------------------|
|                                     |                      |                        | <u>Date</u>              | <u>Amount</u> |                      |                             |                |                              |
| Renovations to<br>Elementary School | 7/14/2004            | \$ 2,443,000           | 7/15/2021                | \$ 140,000    | 4.30%                | \$ 700,000                  | 140,000        | 560,000                      |
|                                     |                      |                        | 7/15/22-23               | 140,000       | 4.50%                |                             |                |                              |
|                                     |                      |                        | 7/15/2024                | 140,000       | 4.62%                |                             |                |                              |
| Renovations to<br>Elementary School | 2/9/2017             | 3,386,000              | 7/15/2021                | 140,000       | 3.00%                | 3,100,000                   | 135,000        | 2,965,000                    |
|                                     |                      |                        | 7/15/2022                | 145,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2023                | 150,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2024                | 155,000       | 3.125%               |                             |                |                              |
|                                     |                      |                        | 7/15/2025                | 160,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2026                | 165,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2027                | 170,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2028                | 180,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2029                | 185,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2030                | 190,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2031                | 200,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2032                | 205,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2033                | 215,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2034                | 225,000       | 3.25%                |                             |                |                              |
|                                     |                      |                        | 7/15/2035                | 235,000       |                      |                             |                |                              |
|                                     |                      |                        | 7/15/2036                | 245,000       | 3.375%               |                             |                |                              |
| Community Disaster<br>Loan          | 2014/15              | 49,855                 | 7/18/2021                | 9,083         | 1.500%               | 49,855                      | 9,263          | 40,592                       |
|                                     |                      |                        | 7/18/2022                | 10,118        |                      |                             |                |                              |
|                                     |                      |                        | 7/18/2023                | 10,533        |                      |                             |                |                              |
|                                     |                      |                        | 7/18/2024                | 10,858        |                      |                             |                |                              |
|                                     |                      |                        |                          |               |                      | <u>\$ 3,849,855</u>         | <u>284,263</u> | <u>3,565,592</u>             |

**TUCKERTON SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**Exhibit I-3**

**DEBT SERVICE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Positive/<br/>(Negative)<br/>Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|----------------|--|
| Revenues:  |                            |                             |                         |                |  |
| Local Sources:   |                            |                             |                         |                |  |
| Local Tax Levy   | \$ 313,516                 |                             | 313,516                 | 313,516        |  |
| Local Tax Levy - CDL   | 13,904                     |                             | 13,904                  | 13,904         |  |
| State Aid  | 84,879                     | -                           | 84,879                  | 84,879         | -  |
| Total Revenues   | <u>412,299</u>             | <u>-</u>                    | <u>412,299</u>          | <u>412,299</u> | <u>-</u>   |
| Expenditures:  |                            |                             |                         |                |  |
| Community Disaster Loan:   |                            |                             |                         |                |  |
| Interest   | 4,641                      |                             | 4,641                   | 4,641          |  |
| Redemption of Principal  | 9,263                      |                             | 9,263                   | 9,263          |  |
| Regular Debt Service:  |                            |                             |                         |                |  |
| Interest   | 123,395                    | -                           | 123,395                 | 123,395        | -  |
| Redemption of Principal  | 275,000                    | -                           | 275,000                 | 275,000        | -  |
| Total Expenditures   | <u>412,299</u>             | <u>-</u>                    | <u>412,299</u>          | <u>412,299</u> | <u>-</u>   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures                                       | -                          | -                           | -                       | -              | -  |
| Other Financing Sources/(Uses):  |                            |                             |                         |                |  |
| Transfer from Capital Projects   |                            |                             |                         | 16             | 16   |
| Total Other Financing Sources/(Uses)   | <u>-</u>                   | <u>-</u>                    | <u>-</u>                | <u>16</u>      | <u>16</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures and Other<br>Financing Sources/(Uses) | -                          | -                           | -                       | 16             | 16   |
| Fund Balance July 1  | <u>59</u>                  | <u>-</u>                    | <u>59</u>               | <u>59</u>      |  |
| Fund Balance June 30   | <u>\$ 59</u>               | <u>-</u>                    | <u>59</u>               | <u>75</u>      | <u>16</u>  |

**STATISTICAL SECTION**

**(Unaudited)**

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-1

|  | <u>2021</u>           | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        | <u>2016</u>        | <u>2015</u>        | <u>2014</u>      | <u>2013</u>      | <u>2012</u>      |
|--|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|------------------|
| Governmental Activities                            |                       |                    |                    |                    |                    |                    |                    |                  |                  |                  |
| Invested in Capital Assets, net<br>of related Debt | \$ 43,440             | 43,440             | 43,440             | 43,440             | 260,298            | 245,372            | 236,459            | 405,596          | 2,191,828        | 2,096,684        |
| Restricted   | 1,870,418             | 1,793,528          | 1,867,141          | 1,630,195          | 4,560,060          | 1,783,257          | 1,576,360          | 1,186,006        | 1,086,289        | 1,142,358        |
| Unrestricted                                       | <u>(3,671,009)</u>    | <u>(3,798,065)</u> | <u>(3,858,889)</u> | <u>(3,889,948)</u> | <u>(4,671,739)</u> | <u>(1,095,474)</u> | <u>(1,031,887)</u> | <u>(70,545)</u>  | <u>(12,928)</u>  | <u>(273,419)</u> |
| Total Governmental Activities                      | <u>\$ (1,757,151)</u> | <u>(1,961,097)</u> | <u>(1,948,308)</u> | <u>(2,216,313)</u> | <u>148,619</u>     | <u>933,155</u>     | <u>780,932</u>     | <u>1,521,057</u> | <u>3,265,189</u> | <u>2,965,623</u> |
| Business Type Activities                           |                       |                    |                    |                    |                    |                    |                    |                  |                  |                  |
| Invested in Capital Assets, net<br>of related Debt | \$ 5,304              | 5,483              | 5,662              | 5,841              | 4,097              | 4,097              | 1,568              | 1,565            | 43,684           | 49,510           |
| Unrestricted                                       | <u>31,026</u>         | <u>30,898</u>      | <u>28,406</u>      | <u>34,858</u>      | <u>33,081</u>      | <u>16,166</u>      | <u>37,096</u>      | <u>38,200</u>    | <u>26,788</u>    | <u>(7,648)</u>   |
| Total Business Type Activities                     | <u>\$ 36,330</u>      | <u>36,381</u>      | <u>34,068</u>      | <u>40,699</u>      | <u>37,178</u>      | <u>20,263</u>      | <u>38,664</u>      | <u>39,765</u>    | <u>70,472</u>    | <u>41,862</u>    |
| District-wide                                      |                       |                    |                    |                    |                    |                    |                    |                  |                  |                  |
| Invested in Capital Assets, net<br>of related Debt | \$ 48,744             | 48,923             | 49,102             | 49,281             | 264,395            | 249,469            | 238,027            | 407,161          | 2,235,512        | 2,146,194        |
| Restricted   | 1,870,418             | 1,793,528          | 1,867,141          | 1,630,195          | 4,560,060          | 1,783,257          | 1,576,360          | 1,186,006        | 1,086,289        | 1,142,358        |
| Unrestricted                                       | <u>(3,639,983)</u>    | <u>(3,767,167)</u> | <u>(3,830,483)</u> | <u>(3,855,090)</u> | <u>(4,638,658)</u> | <u>(1,079,308)</u> | <u>(994,791)</u>   | <u>(32,345)</u>  | <u>13,860</u>    | <u>(281,067)</u> |
| Total District Net Position                        | <u>\$ (1,720,821)</u> | <u>(1,924,716)</u> | <u>(1,914,240)</u> | <u>(2,175,614)</u> | <u>185,797</u>     | <u>953,418</u>     | <u>819,596</u>     | <u>1,560,822</u> | <u>3,335,661</u> | <u>3,007,485</u> |

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-2

|   | <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        | <u>2016</u>        | <u>2015</u>        | <u>2014</u>        | <u>2013</u>        | <u>2012</u>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Expenses:   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental Activities                             | \$ 7,410,954       | 7,042,407          | 6,400,003          | 8,565,130          | 6,675,887          | 5,705,983          | 5,238,626          | 5,481,225          | 5,095,046          | 4,720,748          |
| Business Type Activities                            | 179                | 21,758             | 43,563             | 25,100             | 20,097             | 52,635             | 37,859             | 25,237             | 37,306             | 163,851            |
| Total District Expenses                             | <u>7,411,133</u>   | <u>7,064,165</u>   | <u>6,443,566</u>   | <u>8,590,230</u>   | <u>6,695,984</u>   | <u>5,758,618</u>   | <u>5,276,485</u>   | <u>5,506,462</u>   | <u>5,132,352</u>   | <u>4,884,599</u>   |
| Program Revenues:                                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental Activities                             | 960,858            | 798,175            | 211,736            | 199,595            | 194,698            | 243,665            | 201,549            | 204,988            | 261,575            | 340,080            |
| Business Type Activities                            |                    | 23,857             | 36,797             | 26,578             | 27,857             | 31,636             | 36,694             | 31,561             |                    | 176,727            |
| Total District Program Revenues                     | <u>960,858</u>     | <u>822,032</u>     | <u>248,533</u>     | <u>226,173</u>     | <u>222,555</u>     | <u>275,301</u>     | <u>238,243</u>     | <u>236,549</u>     | <u>261,575</u>     | <u>516,807</u>     |
| Net (Expense):                                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental Activities                             | (6,450,096)        | (6,244,232)        | (6,188,267)        | (8,365,535)        | (6,481,189)        | (5,462,318)        | (5,037,077)        | (5,276,237)        | (4,833,471)        | (4,380,668)        |
| Business Type Activities                            | (179)              | 2,099              | (6,766)            | 1,478              | 7,760              | (20,999)           | (1,165)            | 6,324              | (37,306)           | 12,876             |
| Total District-wide Net Expense                     | <u>(6,450,275)</u> | <u>(6,242,133)</u> | <u>(6,195,033)</u> | <u>(8,364,057)</u> | <u>(6,473,429)</u> | <u>(5,483,317)</u> | <u>(5,038,242)</u> | <u>(5,269,913)</u> | <u>(4,870,777)</u> | <u>(4,367,792)</u> |
| General Revenues and Other Changes in Net Position: |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental Activities                             | 6,624,363          | 6,231,443          | 6,456,272          | 6,000,603          | 5,696,653          | 5,614,541          | 5,549,811          | 5,395,084          | 5,133,037          | 4,368,592          |
| Business Type Activities                            | 128                | 214                | 135                | 120                | 9,155              | 2,598              | 64                 | 28                 | 65,916             | 6,022              |
| Total District-wide                                 | <u>6,624,491</u>   | <u>6,231,657</u>   | <u>6,456,407</u>   | <u>6,000,723</u>   | <u>5,705,808</u>   | <u>5,617,139</u>   | <u>5,549,875</u>   | <u>5,395,112</u>   | <u>5,198,953</u>   | <u>4,374,614</u>   |
| Change in Net Position:                             |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Governmental Activities                             | 174,267            | (12,789)           | 268,005            | (2,364,932)        | (784,536)          | 152,223            | 512,734            | 118,847            | 299,566            | (12,076)           |
| Business Type Activities                            | (51)               | 2,313              | (6,631)            | 1,598              | 16,915             | (18,401)           | (1,101)            | 6,352              | 28,610             | 18,898             |
| Total District                                      | <u>\$ 174,216</u>  | <u>(10,476)</u>    | <u>261,374</u>     | <u>(2,363,334)</u> | <u>(767,621)</u>   | <u>133,822</u>     | <u>511,633</u>     | <u>125,199</u>     | <u>328,176</u>     | <u>6,822</u>       |

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**FUND BALANCES, GOVERNMENT FUNDS**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-3

|                                  | <u>2021</u>        | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>    | <u>2012</u>    |
|----------------------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|
| General Fund:                    |                    |                  |                  |                  |                  |                  |                  |                  |                |                |
| Reserved                         | \$ 159,797         | 1,769,208        | 1,673,291        | 1,395,056        | 1,677,948        | 1,686,277        | 1,479,380        | 1,095,970        | 928,648        | 597,184        |
| Unreserved                       | 34,150             | 27,803           | 26,256           | 25,681           | 31,334           | 30,053           | 35,756           | 50,796           | 14,859         | (273,419)      |
| Total General Fund               | <u>\$ 193,947</u>  | <u>1,797,011</u> | <u>1,699,547</u> | <u>1,420,737</u> | <u>1,709,282</u> | <u>1,716,330</u> | <u>1,515,136</u> | <u>1,146,766</u> | <u>943,507</u> | <u>323,765</u> |
| All Other Governmental Funds:    |                    |                  |                  |                  |                  |                  |                  |                  |                |                |
| Unreserved, Reported in:         |                    |                  |                  |                  |                  |                  |                  |                  |                |                |
| Special Revenue Fund             | \$ (61,365)        | (74,078)         | (3,273)          | (2,725)          | (3,130)          | (3,711)          | (3,133)          | (4,184)          | (5,279)        | (5,323)        |
| Capital Projects Fund            | 26,431             | 98,339           | 195,898          | 235,151          | 2,880,590        | 94,220           | 94,220           | 94,220           | 165,100        | 544,997        |
| Debt Service Fund                | 75                 | 59               | 1,225            | 2,713            | 1,522            | 2,760            | 2,760            | 2,760            | 2,760          | 5,520          |
| Total All Other Government Funds | <u>\$ (34,859)</u> | <u>24,320</u>    | <u>193,850</u>   | <u>235,139</u>   | <u>2,878,982</u> | <u>93,269</u>    | <u>93,847</u>    | <u>90,036</u>    | <u>162,581</u> | <u>545,194</u> |

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**NET CHANGES IN FUND BALANCE**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-4

|   | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      | <u>2018</u>        | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      | <u>2012</u>      |
|---|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Revenues:</b>                            |                  |                  |                  |                    |                  |                  |                  |                  |                  |                  |
| Local Tax Levy                              | \$ 3,190,807     | 3,128,073        | 3,056,550        | 2,973,743          | 2,834,436        | 2,789,062        | 2,746,490        | 2,699,395        | 2,704,915        | 2,637,323        |
| Other Local Revenue                         | 117,306          | 33,467           | 247,062          | 165,095            | 3,526,747        | 138,391          | 115,806          | 71,659           | 110,348          | 158,525          |
| State Revenue                               | 3,974,797        | 3,705,875        | 3,153,362        | 2,896,649          | 2,824,866        | 2,761,307        | 2,684,021        | 2,624,530        | 2,563,609        | 1,859,374        |
| Federal Revenue                             | 302,310          | 162,203          | 164,291          | 164,711            | 161,644          | 169,446          | 168,025          | 211,997          | 173,302          | 251,635          |
| <b>Total Revenues</b>                       | <u>7,585,220</u> | <u>7,029,618</u> | <u>6,621,265</u> | <u>6,200,198</u>   | <u>9,347,693</u> | <u>5,858,206</u> | <u>5,714,342</u> | <u>5,607,581</u> | <u>5,552,174</u> | <u>4,906,857</u> |
| <b>Expenditures:</b>                        |                  |                  |                  |                    |                  |                  |                  |                  |                  |                  |
| <b>Instruction:</b>                         |                  |                  |                  |                    |                  |                  |                  |                  |                  |                  |
| Regular                                     | 1,236,207        | 1,218,909        | 1,332,140        | 1,196,915          | 1,252,545        | 1,203,987        | 1,198,144        | 1,170,085        | 1,234,202        | 1,258,425        |
| Special                                     | 683,800          | 739,973          | 692,186          | 588,044            | 578,022          | 565,295          | 579,702          | 604,042          | 541,634          | 595,117          |
| Other                                       | 239,050          | 155,606          | 173,366          | 171,408            | 221,445          | 105,303          | 155,085          | 105,615          | 84,220           | 89,830           |
| <b>Total Instruction</b>                    | <u>2,159,057</u> | <u>2,114,488</u> | <u>2,197,692</u> | <u>1,956,367</u>   | <u>2,052,012</u> | <u>1,874,585</u> | <u>1,932,931</u> | <u>1,879,742</u> | <u>1,860,056</u> | <u>1,943,372</u> |
| <b>Undistributed:</b>                       |                  |                  |                  |                    |                  |                  |                  |                  |                  |                  |
| Instruction                                 | 98,800           | 28,572           | 8,483            | 64,708             | 49,078           | 59,308           | 169,461          | 171,272          | 39,721           | 4,591            |
| <b>Support Service:</b>                     |                  |                  |                  |                    |                  |                  |                  |                  |                  |                  |
| Students                                    | 624,626          | 586,518          | 602,422          | 659,509            | 577,255          | 534,409          | 413,076          | 497,036          | 594,745          | 510,214          |
| School Administration                       | 305,950          | 291,901          | 312,338          | 279,897            | 264,893          | 186,305          | 264,633          | 279,044          | 112,177          | 250,002          |
| Operations and Maintenance                  | 540,339          | 585,388          | 523,211          | 495,899            | 561,327          | 632,780          | 469,511          | 454,267          | 424,148          | 383,221          |
| Student Transportation                      | 107,744          | 130,062          | 149,670          | 236,698            | 150,899          | 178,569          | 146,907          | 135,854          | 132,634          | 106,132          |
| <b>Business and Other Support Services:</b> |                  |                  |                  |                    |                  | 91,725           |                  |                  |                  |                  |
| Employee Benefits                           | 2,079,502        | 1,722,418        | 1,889,004        | 1,710,382          | 1,624,177        | 1,624,367        | 1,481,780        | 1,272,089        | 1,250,175        | 641,723          |
| Other                                       |                  |                  |                  |                    |                  |                  |                  |                  |                  | 18,285           |
| On-behalf TPAF Contribution                 |                  |                  |                  |                    |                  |                  |                  |                  |                  | 196,540          |
| Reimbursed TPAF Social Security Contr.      |                  |                  |                  |                    |                  |                  |                  |                  |                  | 92,152           |
| Food Services & Other Transfers             |                  |                  |                  |                    |                  |                  |                  |                  |                  | 162,185          |
| Education Jobs                              |                  |                  |                  |                    |                  |                  |                  |                  |                  | 50,855           |
| <b>Total Undistributed</b>                  | <u>3,756,961</u> | <u>3,344,859</u> | <u>3,485,128</u> | <u>3,447,093</u>   | <u>3,227,629</u> | <u>3,307,463</u> | <u>2,945,368</u> | <u>2,809,562</u> | <u>2,553,600</u> | <u>2,415,900</u> |
| <b>Capital Outlay:</b>                      |                  |                  |                  |                    |                  |                  |                  |                  |                  |                  |
| Facilities Acq. and Construction Serv.      |                  |                  |                  |                    |                  |                  |                  |                  |                  |                  |
| Other                                       | 166,918          | 271,060          | 26,714           | 110,811            | 77,648           | 73,379           | 99,257           | 31,426           | 308,898          | 42,976           |
| <b>Total Capital Outlay</b>                 | <u>166,918</u>   | <u>271,060</u>   | <u>26,714</u>    | <u>110,811</u>     | <u>77,648</u>    | <u>73,379</u>    | <u>99,257</u>    | <u>31,426</u>    | <u>308,898</u>   | <u>42,976</u>    |
| <b>Total General Fund Expenditures</b>      | <u>6,082,936</u> | <u>5,730,407</u> | <u>5,709,534</u> | <u>5,514,271</u>   | <u>5,357,289</u> | <u>5,255,427</u> | <u>4,977,556</u> | <u>4,720,730</u> | <u>4,722,554</u> | <u>4,402,248</u> |
| <b>Special Revenue:</b>                     |                  |                  |                  |                    |                  |                  |                  |                  |                  |                  |
| Federal                                     | 305,971          | 162,203          | 164,839          | 164,711            | 161,644          | 169,446          | 168,025          | 161,047          | 173,258          | 182,520          |
| State                                       | 658,548          | 703,120          | 32,415           | 27,834             | 32,473           | 37,112           | 32,473           | 42,846           | 54,284           | 35,594           |
| <b>Total Special Revenue Expenditures</b>   | <u>964,519</u>   | <u>865,323</u>   | <u>197,254</u>   | <u>192,545</u>     | <u>194,117</u>   | <u>206,558</u>   | <u>200,498</u>   | <u>203,893</u>   | <u>227,542</u>   | <u>218,114</u>   |
| <b>Debt Service Expenditures</b>            | <u>412,299</u>   | <u>408,395</u>   | <u>434,446</u>   | <u>280,331</u>     | <u>191,870</u>   | <u>195,605</u>   | <u>201,125</u>   | <u>209,405</u>   | <u>214,925</u>   | <u>217,685</u>   |
| <b>Capital Project Expenditures</b>         | <u>71,908</u>    | <u>97,559</u>    | <u>89,253</u>    | <u>3,145,439</u>   | <u>755,410</u>   | <u>-</u>         | <u>-</u>         | <u>335,330</u>   | <u>129,877</u>   | <u>16,040</u>    |
| <b>Total Governmental Fund Expenditures</b> | <u>7,531,662</u> | <u>7,101,684</u> | <u>6,430,487</u> | <u>9,132,586</u>   | <u>6,498,686</u> | <u>5,657,590</u> | <u>5,379,179</u> | <u>5,469,358</u> | <u>5,294,898</u> | <u>4,854,087</u> |
| <b>Other Financing Sources/(Uses)</b>       |                  |                  | 46,743           |                    | (70,342)         |                  | 37,018           | (7,509)          | (157,562)        |                  |
| <b>Net Changes in Fund Balance</b>          | <u>\$ 53,558</u> | <u>(72,066)</u>  | <u>237,521</u>   | <u>(2,932,388)</u> | <u>2,778,665</u> | <u>200,616</u>   | <u>372,181</u>   | <u>130,714</u>   | <u>99,714</u>    | <u>52,770</u>    |

Source: District Records

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**GENERAL FUND OTHER LOCAL REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-5

| <b><u>Fiscal Year</u></b><br><b><u>Ended June 30</u></b> | <b><u>Interest</u></b> | <b><u>Tuition/<br/>Transportation</u></b> | <b><u>Misc.</u></b> | <b><u>Total</u></b> |
|--|------------------------|---|---------------------|---------------------|
| <b>2012</b>  | \$ -                   | 67,688                                    | 90,837              | 158,525             |
| <b>2013</b>  | 1,915                  | 33,989                                    | 74,444              | 110,348             |
| <b>2014</b>  | 1,752                  | 45,320                                    | 24,587              | 71,659              |
| <b>2015</b>  |                        | 49,051                                    | 66,755              | 115,806             |
| <b>2016</b>  | 2,285                  | 37,685                                    | 98,421              | 138,391             |
| <b>2017</b>  | 1,522                  | 11,748                                    | 127,477             | 140,747             |
| <b>2018</b>  | -                      | 50,509                                    | 113,395             | 163,904             |
| <b>2019</b>  | -                      | 53,175                                    | 193,853             | 247,028             |
| <b>2020</b>  | -                      | 5,457                                     | 27,985              | 33,442              |
| <b>2021</b>  | 2,660                  | -   | 161,597             | 164,257             |

Source: District Records



**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**UNAUDITED**

Exhibit J-6

| <b><u>Year Ended<br/>December 31,</u></b> | <b><u>Net Assessed<br/>Valuations</u></b> | <b><u>Estimated<br/>Full Cash<br/>Valuations</u></b> | <b><u>Percentage of<br/>Net Assessed to<br/>Estimated Full<br/>Cash Valuations</u></b> |
|---|---|--|--|
| 2011                                      | \$ 433,860,431                            | 514,834,324  | 84.46%   |
| 2012                                      | 433,424,395                               | 491,857,007  | 88.12%   |
| 2013                                      | 439,222,953                               | 458,383,378  | 95.82%   |
| 2014                                      | 411,829,747                               | 420,964,681  | 97.83%   |
| 2015                                      | 404,952,400                               | 392,700,155  | 103.12%  |
| 2016                                      | 403,656,400                               | 388,542,112  | 103.89%  |
| 2017                                      | 405,555,300                               | 404,867,026  | 100.17%  |
| 2018                                      | 407,072,959                               | 405,572,341  | 100.37%  |
| 2019                                      | 414,731,900                               | 417,319,280  | 99.38%   |
| 2020                                      | 418,682,900                               | 426,357,332  | 98.20%   |

Source: Abstract of Ratables, Ocean County Board of Taxation

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING**  
**PER \$100 OF ASSESSED VALUATION**  
**LAST TEN YEARS**  
**UNAUDITED**

Exhibit J-7

| <b>Assessment<br/>Year</b> | <b>Tuckerton</b>           |                | <b>Pinelands<br/>Regional</b> | <b>Ocean<br/>County</b> | <b>Total</b> |
|----------------------------|----------------------------|----------------|-------------------------------|-------------------------|--------------|
|                            | <b>School<br/>District</b> | <b>Borough</b> |                               |                         |              |
| 2011                       | 0.607                      | 0.598          | 0.496                         | 0.405                   | 2.106        |
| 2012                       | 0.625                      | 0.612          | 0.498                         | 0.409                   | 2.144        |
| 2013                       | 0.643                      | 0.612          | 0.519                         | 0.411                   | 2.185        |
| 2014                       | 0.667                      | 0.626          | 0.553                         | 0.417                   | 2.263        |
| 2015                       | 0.689                      | 0.633          | 0.554                         | 0.401                   | 2.277        |
| 2016                       | 0.702                      | 0.661          | 0.541                         | 0.401                   | 2.305        |
| 2017                       | 0.733                      | 0.679          | 0.604                         | 0.416                   | 2.432        |
| 2018                       | 0.751                      | 0.698          | 0.691                         | 0.411                   | 2.551        |
| 2019                       | 0.754                      | 0.737          | 0.712                         | 0.412                   | 2.615        |
| 2020                       | 0.762                      | 0.759          | 0.686                         | 0.413                   | 2.620        |

Source: Tax Collector



**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**  
**UNAUDITED**

Exhibit J-9

| <b><u>Year Ended<br/>December 31,</u></b> | <b><u>Total Tax<br/>Levy</u></b> | <b><u>Current Tax<br/>Collections</u></b> | <b><u>Percent<br/>of Tax<br/>Levy<br/>Collected</u></b> |
|---|----------------------------------|---|---|
| 2011                                      | \$ 9,164,097                     | 8,833,607                                 | 96.39%  |
| 2012                                      | 9,311,829                        | 8,917,623                                 | 95.77%  |
| 2013                                      | 9,174,218                        | 8,778,799                                 | 95.69%  |
| 2014                                      | 9,358,024                        | 8,991,914                                 | 96.09%  |
| 2015                                      | 9,294,575                        | 8,970,099                                 | 96.51%  |
| 2016                                      | 9,385,420                        | 9,107,462                                 | 97.04%  |
| 2017                                      | 9,967,656                        | 9,610,308                                 | 96.41%  |
| 2018                                      | 10,431,234                       | 10,140,776                                | 97.22%  |
| 2019                                      | 10,960,278                       | 10,704,490                                | 97.67%  |
| 2020                                      | 11,113,682                       | 10,869,033                                | 97.80%  |

Source: Municipal Tax Collector

**TUCKERTON SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

**Exhibit J-10**

Information not available

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**RATIO OF NET GENERAL BONDED DEBT**  
**TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-11

| <u>Year</u> | <u>School District Population *</u> | <u>Net Assessed Valuation Taxable</u> | <u>Net Bonded Debt</u> | <u>Ratio of Bonded Debt to Assessed Value</u> | <u>Net Bonded Debt Per Capita</u> |
|-------------|-------------------------------------|---------------------------------------|------------------------|---|-----------------------------------|
| 2011        | 3,364                               | 435,673,002                           | 1,950,000              | 0.45%   | 579.67                            |
| 2012        | 3,364                               | 433,860,431                           | 1,812,000              | 0.42%   | 538.64                            |
| 2013        | 3,378                               | 419,334,514                           | 1,536,000              | 0.37%   | 454.71                            |
| 2014        | 3,396                               | 411,829,747                           | 1,398,000              | 0.34%   | 411.66                            |
| 2015        | 3,364                               | 404,952,400                           | 1,260,000              | 0.31%   | 374.55                            |
| 2016        | 3,362                               | 403,656,400                           | 4,555,855              | 1.13%   | 1,355.10                          |
| 2017        | 3,352                               | 405,555,300                           | 4,415,855              | 1.09%   | 1,317.38                          |
| 2018        | 3,357                               | 407,072,959                           | 4,426,855              | 1.09%   | 1,318.69                          |
| 2019        | 3,393                               | 414,731,900                           | 4,151,855              | 1.00%   | 1,223.65                          |
| 2020        | 3,426                               | 418,682,900                           | 3,564,884              | 0.85%   | 1,040.54                          |

Source: Tax Collector/School District Records

\*Estimates

**TUCKERTON SCHOOL DISTRICT**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**  
**UNAUDITED**

Exhibit J-12

|   |                             |
|---|-----------------------------|
| <b>Net Direct Debt of School District:</b><br><b>as of December 31, 2020</b>          | \$ 3,564,884                |
| <b>Net Overlapping Debt of School District:</b><br><b>Borough of Tuckerton (100%)</b> | <u>7,158,540</u>            |
| <b>Total Direct and Overlapping Bonded Debt</b><br><b>as of December 31, 2020</b>     | <u><u>\$ 10,723,424</u></u> |

**Source: Tax Collector & School District**

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**UNAUDITED**

Exhibit J-13

| <u>Year</u>  | <u>Equalized<br/>Valuation Basis</u> |
|--|--------------------------------------|
| 2020   | \$ 435,991,773                       |
| 2019   | 422,333,910                          |
| 2018   | <u>418,886,740</u>                   |
|  | <u>\$ 1,277,212,423</u>              |
| <b>Average Equalized Valuation</b>                   | <b>\$ 425,737,474</b>                |
| <b>School Borrowing Margin( 3% of \$425,737,474)</b> | <b>\$ 12,772,124</b>                 |
| <b>Net Bonded Debt at June 30, 2021</b>              | <b><u>3,565,592</u></b>              |
| <b>School Borrowing Margin Available</b>             | <b><u>\$ 9,206,532</u></b>           |

\* - Other Information Not Available

Source: State of New Jersey, Department of Treasury,  
Division of Taxation



**TUCKERTON SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-14

| <b><u>Year</u></b> | <b><u>Population</u></b> | <b><u>Per Capita<br/>Income*</u></b> | <b><u>Personal<br/>Income</u></b> | <b><u>Unemployment<br/>Rate</u></b> |
|--------------------|--------------------------|--------------------------------------|-----------------------------------|-------------------------------------|
| 2011               | 3,364                    | 41,475                               | 139,521,900                       | 14.5%                               |
| 2012               | 3,365                    | 42,603                               | 143,359,095                       | 14.8%                               |
| 2013               | 3,378                    | 43,260                               | 146,132,280                       | 9.0%                                |
| 2014               | 3,396                    | 44,951                               | 152,653,596                       | 7.5%                                |
| 2015               | 3,364                    | 47,115                               | 158,494,860                       | 6.0%                                |
| 2016               | 3,362                    | 48,578                               | 163,319,236                       | 4.9%                                |
| 2017               | 3,355                    | 49,813                               | 167,122,615                       | 5.5%                                |
| 2018               | 3,361                    | 51,353                               | 172,597,433                       | 5.2%                                |
| 2019               | 3,393                    | 53,139                               | 180,300,627                       | 4.7%                                |
| 2020               | 3,426                    | Unavailable                          | Unavailable                       | 10.5%                               |

Source: District Records and State  
of New Jersey

\*County information available only

**TUCKERTON SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**

**Exhibit J-15**

Information not available

**TUCKERTON SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**UNAUDITED**

Exhibit J-16

|  | <u>2021</u>  | <u>2020</u>  | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  | <u>2015</u>  | <u>2014</u>  | <u>2013</u>  | <u>2012</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| <b>Function/Program:</b>               |              |              |              |              |              |              |              |              |              |             |
| <b>Instruction:</b>                    |              |              |              |              |              |              |              |              |              |             |
| Regular                                | 23.0         | 23.0         | 24.0         | 24.0         | 24.0         | 24.0         | 24.5         | 27.5         | 27.5         | 27.5        |
| Special Education                      | 9.0          | 9.0          | 9.0          | 9.0          | 8.0          | 8.0          | 7.5          | 6.5          | 7.0          | 7.0         |
| Other Instruction                      | 11.0         | 10.0         | 10.0         | 10.0         | 10.0         | 11.0         | 13.0         | 13.0         | 13.5         | 13.5        |
| Total Instruction                      | <u>43.0</u>  | <u>42.0</u>  | <u>43.0</u>  | <u>43.0</u>  | <u>42.0</u>  | <u>43.0</u>  | <u>45.0</u>  | <u>47.0</u>  | <u>48.0</u>  | <u>48.0</u> |
| <b>Support Services:</b>               |              |              |              |              |              |              |              |              |              |             |
| Student & Instruction Related Services | 2.50         | 2.50         | 2.50         | 2.50         | 2.50         | 2.50         | 2.00         | 2.00         | 2.00         | 2.0         |
| General Administration                 | 2.00         | 2.00         | 2.00         | 2.00         | 2.00         | 2.00         | 2.00         | 2.00         | 2.00         | 2.0         |
| Pupil Transportation                   | 1.00         | 1.00         | 1.00         | 1.00         | 1.00         | 1.00         | 0.75         | 0.75         | 0.75         | 0.5         |
| Other Support Services                 | 1.25         | 1.25         | 1.25         | 1.25         | 1.25         | 1.25         | 1.00         | 1.00         | 1.00         | 1.0         |
| Total Support Services                 | <u>6.75</u>  | <u>6.75</u>  | <u>6.75</u>  | <u>6.75</u>  | <u>6.75</u>  | <u>6.75</u>  | <u>5.75</u>  | <u>5.75</u>  | <u>5.75</u>  | <u>5.5</u>  |
| Total District                         | <u>49.75</u> | <u>48.75</u> | <u>49.75</u> | <u>49.75</u> | <u>48.75</u> | <u>49.75</u> | <u>50.75</u> | <u>52.75</u> | <u>53.75</u> | <u>53.5</u> |

Source: District Records

**TUCKERTON SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-17

| <b><u>Fiscal Year</u></b><br><b><u>Ended June 30,</u></b> | <b><u>Enrollment</u></b> | <b><u>Operating</u></b><br><b><u>Expenditures</u></b> | <b><u>Cost Per</u></b><br><b><u>Pupil</u></b> | <b><u>Percentile</u></b><br><b><u>Change</u></b> | <b><u>Teaching</u></b><br><b><u>Staff</u></b> |
|---|--------------------------|---|---|--|---|
| 2012  | 348                      | 4,132,867   | 11,876  | 5.01%  | 45  |
| 2013  | 341                      | 4,763,595   | 13,969  | 17.60%   | 48  |
| 2014  | 327                      | 4,720,730   | 14,436  | 3.22%  | 47  |
| 2015  | 334                      | 4,550,252   | 13,624  | -5.63%   | 45  |
| 2016  | 339                      | 5,386,772   | 15,890  | 16.70%   | 43  |
| 2017  | 286                      | 5,357,289   | 18,732  | 17.80%   | 43  |
| 2018  | 293                      | 5,370,547   | 18,330  | -2.10%   | 43  |
| 2019  | 285                      | 5,709,534   | 20,033  | 9.29%  | 43  |
| 2020  | 324                      | 5,730,407   | 17,686  | 1.00%  | 42  |
| 2021  | 305                      | 6,082,936   | 19,944  | 12.00%   | 43  |

Source: District Records

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Exhibit J-18

| <u>Tuckerton Elementary School</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Square Feet                        | 65,000      | 65,000      | 65,000      | 65,000      | 65,000      | 65,000      | 65,000      | 65,000      | 65,000      | 65,000      |
| Capacity                           | 380         | 380         | 380         | 380         | 380         | 380         | 380         | 380         | 380         | 380         |
| Enrollment                         | 305         | 324         | 285         | 293         | 286         | 329         | 327         | 327         | 341         | 348         |

Source: District Records

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

**Exhibit J-19**

| <b><u>Fiscal Year</u></b><br><b><u>Ended June 30</u></b> | <b><u>Tuckerton</u></b><br><b><u>Elementary</u></b><br><b><u>School</u></b> |
|--|---|
| 2012   | 237,554   |
| 2013   | 225,835   |
| 2014   | 238,935   |
| 2015   | 258,265   |
| 2016   | 203,075   |
| 2017   | 141,321   |
| 2018   | 84,391  |
| 2019   | 67,716  |
| 2020   | 84,009  |
| 2021   | 22,695  |

Source: District Records

**BOROUGH OF TUCKERTON SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2021**  
**UNAUDITED**

**Exhibit J-20**

|  | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| <b>School Package Policy:</b>                |                 |                   |
| <b>Property - Blanket</b>                    | \$ 10,825,138   | \$                |
| <b>School District Legal Liability</b>       | 100,000         |                   |
| <b>Umbrella</b>                              | 5,000,000       | 10,000            |
| <b>Employee Benefit Program Liability</b>    | 1,000,000       |                   |
| <b>Data Processing</b>                       | 225,000         | 250               |
| <b>Commercial General Liability Coverage</b> | 3,000,000       | 1,000             |
| <b>Worker's Compensation</b>                 | Statutory       |                   |
| <br>   |                 |                   |
| <b>Administrator - Bond</b>                  | 50,000          |                   |
| <br>   |                 |                   |
| <b>Treasurer - Bond</b>                      | 180,000         |                   |
| <br>   |                 |                   |
| <b>Student Accident</b>                      | 1,000,000       |                   |

**Source: District Records**

**SINGLE AUDIT SECTION**



*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

109.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.  
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**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**

K-1

Honorable President and Members  
of the Board of Education  
Tuckerton School District  
County of Ocean  
Tuckerton, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tuckerton Board of Education, County of Ocean, 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 Tuckerton Board of Education, County of Ocean, State of New Jersey's basic financial statements, and have issued our report thereon dated February 11, 2022.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purposes 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 Tuckerton Board of Education, County of Ocean, State of New Jersey's financial statements are free from material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

***Robert A. Hulsart***

**Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey**

February 11, 2022

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

K-2

Honorable President and Members  
 of the Board of Education  
 Tuckerton School District  
 County of Ocean  
 Tuckerton, New Jersey

## **Report on Compliance for Each Major State Program**

We have audited the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's major state programs for the year ended June 30, 2021. The Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's major 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 160, 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*. Those standards and U.S. Uniform Guidance and New Jersey OMB's 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 state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey'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 state program. However, our audit does not provide a legal determination of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's compliance.

### ***Opinion on Each Major State Program***

In our opinion, the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's, 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 state programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey'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 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 a material noncompliance with a type of compliance requirement of a 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 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 was for the limited purposes 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

**Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey**

February 11, 2022

TUCKERTON SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2021

Schedule A  
K-3

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title | Federal<br>C.F.D.A.<br>Number | Federal<br>FAIN<br>Number | Grant or<br>State Project<br>Number | Grant Period |            | Program<br>or Award<br>Amount | Balance<br>June 30, 2020 | Carryover<br>(Walkover)<br>Amount | Cash<br>Received | Budgetary<br>Expenditures | Repayment of<br>Prior Years<br>Balances/<br>Adjustment | Balance at June 30, 2021 |                     |                   |  |
|--|-------------------------------|---------------------------|-------------------------------------|--------------|------------|-------------------------------|--------------------------|-----------------------------------|------------------|---------------------------|--|--------------------------|---------------------|-------------------|--|
|  |                               |                           |                                     | From         | To         |                               |                          |                                   |                  |                           |  | (Accounts<br>Receivable) | Deferred<br>Revenue | Due to<br>Grantor |  |
| U.S. Department of Education:                              |                               |                           |                                     |              |            |                               |                          |                                   |                  |                           |  |                          |                     |                   |  |
| Passed Through State Department<br>of Education:           |                               |                           |                                     |              |            |                               |                          |                                   |                  |                           |  |                          |                     |                   |  |
| Title I  | 84.010                        | S010A150030               | NCLB 21                             | 09/01/2020   | 08/31/2021 | \$ 72,615                     | \$ -                     | 72,615                            | (72,615)         |                           |  |                          |                     |                   |  |
| Title IIA  | 84.367A                       | S367A150029               | NCLB 21                             | 09/01/2020   | 08/31/2021 | 10,598                        |                          | 10,598                            | (10,598)         |                           |  |                          |                     |                   |  |
| Title IV   | 84.424                        | S424A170031               | NCLB 21                             | 09/01/2020   | 08/31/2021 | 10,000                        |                          | 10,000                            | (10,000)         |                           |  |                          |                     |                   |  |
| CARES Act  | 84.425D                       | S425D200027               | NA                                  | 03/13/2020   | 09/30/2022 | 61,349                        |                          | 39,484                            | (61,349)         |                           | (21,865)   |                          |                     |                   |  |
| ESSER Digital Divide                                       | 84.425D                       | S425D200027               | NA                                  | 07/16/2020   | 10/31/2020 | 44,457                        |                          | 44,457                            | (44,457)         |                           |  |                          |                     |                   |  |
| Coronavirus Relief Fund                                    | 21.019                        | STL0040                   | NA                                  | 09/20/2020   | 12/01/2020 | 22,332                        |                          | 22,332                            | (22,332)         |                           |  |                          |                     |                   |  |
| I.D.E.A. Basic   | 84.027                        | H027A150100               | IDEA 21                             | 09/01/2020   | 08/31/2021 | 75,572                        |                          | 75,572                            | (75,572)         |                           |  |                          |                     |                   |  |
| I.D.E.A. Preschool   | 84.173                        | H173A150114               | IDEA 21                             | 09/01/2020   | 08/31/2021 | 5,387                         |                          | 5,387                             | (5,387)          |                           |  |                          |                     |                   |  |
|  |                               |                           |                                     |              |            |                               | -                        | -                                 | 280,445          | (302,310)                 | -  | (21,865)                 | -                   | -                 |  |
|  |                               |                           |                                     |              |            |                               | \$ -                     | -                                 | 280,445          | (302,310)                 | -  | (21,865)                 | -                   | -                 |  |

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

TUCKERTON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| State<br>Grantor/Program<br>State Department of<br>Education:                        | Grant or State<br>Project Number | Grant Period |            | Program<br>or Award<br>Amount | Balance<br>June 30, 2020 | Carryover<br>(Walkover)<br>Amount | Cash<br>Received | Budgetary<br>Expenditures | Repayment of<br>Prior Years<br>Balances/<br>Adjustments | Balance at June 30, 2021 |                     |                   | MEMO                    |                                     |         |
|--|----------------------------------|--------------|------------|-------------------------------|--------------------------|-----------------------------------|------------------|---------------------------|---|--------------------------|---------------------|-------------------|-------------------------|-------------------------------------|---------|
|  |                                  | From         | To         |                               |                          |                                   |                  |                           |   | (Accounts<br>Receivable) | Deferred<br>Revenue | Due to<br>Grantor | Budgetary<br>Receivable | Total<br>Cumulative<br>Expenditures |         |
| Equalization Aid   | 21-495-034-5120-078              | 07/01/2020   | 06/30/2021 | \$ 1,244,469                  | \$ -                     |                                   | 1,244,469        | (1,244,469)               |   |                          |                     |                   | (123,345)               | 1,244,469                           |         |
| Special Education Aid  | 21-495-034-5120-089              | 07/01/2020   | 06/30/2021 | 207,010                       |                          |                                   | 207,010          | (207,010)                 |   |                          |                     |                   | (20,518)                | 207,010                             |         |
| Security Aid   | 21-495-034-5120-084              | 07/01/2020   | 06/30/2021 | 51,045                        |                          |                                   | 51,045           | (51,045)                  |   |                          |                     |                   | (5,059)                 | 51,045                              |         |
| School Choice Aid  | 21-495-034-5120-068              | 07/01/2020   | 06/30/2021 | 420,680                       |                          |                                   | 420,680          | (420,680)                 |   |                          |                     |                   | (41,695)                | 420,680                             |         |
| Transportation Aid   | 21-495-034-5120-014              | 07/01/2020   | 06/30/2021 | 35,403                        |                          |                                   | 35,403           | (35,403)                  |   |                          |                     |                   | (3,509)                 | 35,403                              |         |
| Adjustment Aid   | 21-495-034-5120-085              | 07/01/2020   | 06/30/2021 | 227,965                       |                          |                                   | 227,965          | (227,965)                 |   |                          |                     |                   | (22,594)                | 227,965                             |         |
| Non-Public Transportation Aid  | 21-495-034-5120-014              | 07/01/2020   | 06/30/2021 | 870                           |                          |                                   |                  | (870)                     |   | (870)                    |                     |                   |                         | 870                                 |         |
| On-Behalf T.P.A.F. Pension Contributions -<br>Post Retirement Medical (non-budgeted) | 21-495-034-5094-001              | 07/01/2020   | 06/30/2021 | 198,739                       |                          |                                   | 198,739          | (198,739)                 |   |                          |                     |                   |                         | 198,739                             |         |
| On-Behalf T.P.A.F. Pension Contributions -<br>Normal Cost (non-budgeted)             | 21-495-034-5094-002              | 07/01/2020   | 06/30/2021 | 58,085                        |                          |                                   | 58,085           | (58,085)                  |   |                          |                     |                   |                         | 58,085                              |         |
| On-Behalf T.P.A.F. Non-Contributory Ins.   | 21-495-034-5094-004              | 07/01/2020   | 06/30/2021 | 576,086                       |                          |                                   | 576,086          | (576,086)                 |   |                          |                     |                   |                         | 576,086                             |         |
| On-Behalf T.P.A.F. Pension Contributions -<br>Long Term Disability                   | 21-495-034-5094-004              | 07/01/2020   | 06/30/2021 | 356                           |                          |                                   | 356              | (356)                     |   |                          |                     |                   |                         | 356                                 |         |
| Reimbursed TPAF Social Security  | 21-100-034-5095-005              | 07/01/2020   | 06/30/2021 | 205,185                       |                          |                                   | 183,902          | (205,185)                 |   | (21,283)                 |                     |                   |                         | 205,185                             |         |
| Reimbursed TPAF Social Security  | 20-100-034-5095-005              | 07/01/2019   | 06/30/2020 | 185,850                       | (55,573)                 |                                   | 55,573           |                           |   |                          |                     |                   |                         |                                     |         |
|  |                                  |              |            |                               | (55,573)                 | -                                 | 3,259,313        | (3,225,893)               | -   | (22,153)                 | -                   | -                 | (216,720)               | 3,225,893                           |         |
| Special Revenue:   |                                  |              |            |                               |                          |                                   |                  |                           |   |                          |                     |                   |                         |                                     |         |
| Preschool Education Aid  | 21-495-034-5120-086              | 07/01/2020   | 06/30/2021 | 728,056                       | 23,790                   |                                   | 728,056          | (656,631)                 |   |                          |                     |                   | 95,215                  | (72,161)                            | 656,631 |
|  |                                  |              |            |                               | 23,790                   | -                                 | 728,056          | (656,631)                 | -   | -                        | -                   | -                 | 95,215                  | (72,161)                            | 656,631 |
| Debt Service   |                                  |              |            |                               |                          |                                   |                  |                           |   |                          |                     |                   |                         |                                     |         |
| Debt Service Type II Aid   | 21-495-034-5120-125              | 07/01/2020   | 06/30/2021 | 84,879                        |                          |                                   | 84,879           | (84,879)                  |   |                          |                     |                   |                         | 84,879                              |         |
|  |                                  |              |            |                               |                          |                                   | 84,879           | (84,879)                  |   |                          |                     |                   |                         | 84,879                              |         |
| Total State Financial Assistance   |                                  |              |            |                               | \$ (31,783)              | -                                 | 4,072,248        | (3,967,403)               | -   | (22,153)                 | 95,215              | -                 | (288,881)               | 3,967,403                           |         |
| Less On Behalf TPAF Pension System Contributions                                     |                                  |              |            |                               |                          |                                   |                  | (833,266)                 |   |                          |                     |                   |                         |                                     |         |
| Total for State Financial Assistance - Major Program Determination                   |                                  |              |            |                               |                          |                                   | \$ (3,134,137)   |                           |   |                          |                     |                   |                         |                                     |         |

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

**BOARD OF EDUCATION**

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**TUCKERTON SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2021****NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedule of financial assistance are presented using the modified accrual 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(C) to the Board's general-purpose financial statements.

**NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments 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.

Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as presented on the following page:



**NOTE 3: Relationship to General Purpose Financial Statements (Continued)**

|   | <u>General Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Total</u>     |
|---|---------------------|-------------------------------------|------------------|
| <b><u>State Assistance</u></b>  |                     |                                     |                  |
| Actual Amounts (Budgetary)<br>“Revenues” from the Schedule<br>of Expenditures of State<br>Financial Assistance  | \$ 3,225,893        | 656,631                             | 3,882,524        |
| Difference – Budget to “GAAP”<br>Grant Accounting Budgetary<br>Basis Differs from GAAP<br>in that Encumbrances are<br>Recognized as Expenditures<br>and the Related Revenue<br>is Recognized  |                     |                                     |                  |
| The Last State Aid Payment<br>Is Recognized as Revenue<br>for Budgetary Purposes,<br>and Differs from GAAP<br>Which does not Recognize<br>This Revenue Until the<br>Subsequent Year When the<br>State Recognizes the Related<br>Expense (GASB 33) |                     |                                     |                  |
|   | <u>5,477</u>        | <u>1,917</u>                        | <u>7,394</u>     |
| Total State Revenue as Reported<br>on the Statement of Revenues,<br>Expenditures and Changes in<br>Fund Balances  | <u>\$ 3,231,370</u> | <u>658,548</u>                      | <u>3,889,918</u> |

**NOTE 3: Relationship to General Purpose Financial Statements (Continued)**

|  | <u>General Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Total</u>   |
|--|---------------------|-------------------------------------|----------------|
| <b><u>Federal Assistance</u></b>   |                     |                                     |                |
| Actual Amounts (Budgetary)<br>“Revenues” from the Schedule<br>of Expenditures of Federal<br>Awards   | \$                  | 302,310                             | 302,310        |
| Difference – Budget to “GAAP”<br>Grant Accounting Budgetary<br>Basis Differs from GAAP in that<br>Encumbrances are Recognized as<br>Expenditures, and the Related<br>Revenue is Recognized | _____               | _____                               | _____          |
| Total Federal Revenue as<br>Reported on the Statement<br>of Revenue, Expenditures,<br>and Changes in Fund<br>Balances  | <u>\$ _____</u>     | <u>302,310</u>                      | <u>302,310</u> |

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2021.

**TUCKERTON SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part 1 - Summary of Auditor's Results*

**Financial Statement Section**

Unmodified

Type of auditor's report issued:

Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes   x   No

2) Reportable condition(s) identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes   x   None Reported

Noncompliance material to general purpose financial statements noted?

\_\_\_\_\_ Yes   x   No

**Federal Awards**

Not Applicable

**State Awards**

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

Internal Control over major programs:

(1) Material Weakness(es) identified?

\_\_\_\_\_ Yes   x   No

(2) Reportable condition(s) identified that are not considered to material weaknesses?

\_\_\_\_\_ Yes   x   None Reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 98-07?

\_\_\_\_\_ Yes   x   No

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

21-495-034-5120-078  
21-495-034-5120-089  
21-495-034-5120-084  
21-495-034-5120-085  
21-495-034-5120-068  
21-495-034-5120-085

Equalization Aid - Public Cluster  
Special Education Aid - Public Cluster  
Security Aid - Public Cluster  
Adjustment Aid - Public Cluster  
School Choice Aid - Public Cluster  
Additional Adjustment Aid - Public Cluster

TUCKERTON SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

*Part 2 - Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

TUCKERTON SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2021*Part 3 - State Awards Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

**Federal Awards**

Not Applicable

**State Awards**

Finding: None

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

**TUCKERTON SCHOOL DISTRICT****SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08.

**Status of Prior Year Findings**

There were none.