

SCHOOL DISTRICT
OF
UNION BEACH
OF MONMOUTH COUNTY

Union Beach School District
Union Beach, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2021

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Union Beach School District
of Monmouth County

Union Beach, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Union Beach Board of Education
Finance Department

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INTRODUCTORY SECTION

**UNION BEACH BOARD OF EDUCATION
1207 FLORENCE AVENUE
UNION BEACH, NJ 07735
732-264-3133**

December 16, 2022

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

Dear Board Members and Citizens:

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

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

1) REPORTING ENTITY AND ITS SERVICES: The Union Beach School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Union Beach Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2020-2021 fiscal year with an enrollment of 651 students, which is 9 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last eight years. It should be noted that it appears as if the former administration overstated the district's enrollment in prior year CAFRs.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-21	651	+.0140%
2019-20	642	.0000%
2018-19	642	+.7849%
2017-18	637	+7.601%
2016-17	592	-5.721%
2015-16	628	-0.011%
2014-15	635	-3.495%
2013-14	658	-4.638%

2) ECONOMIC CONDITION AND OUTLOOK: Union Beach is located in the Bayshore area in Monmouth County which experienced extreme devastation due to October 2012 Hurricane Sandy. Many properties were totally destroyed or severely damaged. This has resulted in an impact on the tax basis in the current and future years to come.

3) MAJOR INITIATIVES: The Union Beach School District continues to act upon the goals and objectives embedded in our Long Range Facilities Plan for health and safety as well as acting upon the goals and objectives listed in our Five (5) Year Curriculum Plan and Three Year Technology Plan and our Three (3) Year Strategic Plan.

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

As a recipient of federal and state financial assistance, the District 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 that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

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

6)ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds 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, automobile liability and comprehensive/collision, 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 Jump, Perry and Company, L.L.P., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and fund financial 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) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Union Beach Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,



Amanda M. Lewert
Superintendent



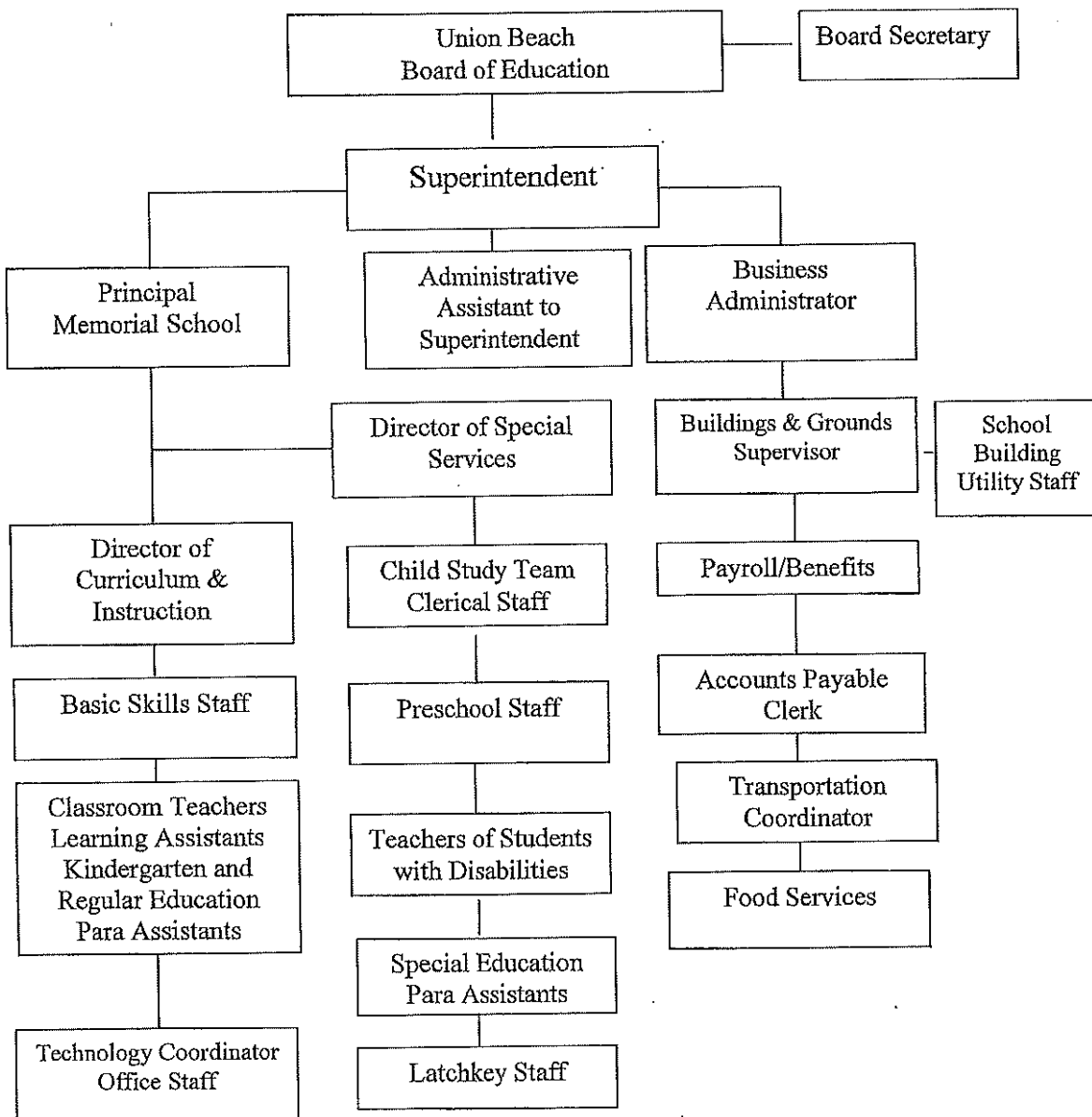
George Gahles
School Business Administrator/Board
Secretary

POLICY

UNION BEACH BOARD OF EDUCATION

ADMINISTRATION
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Organizational Chart

1110 ORGANIZATIONAL CHART



Adopted: 22 May 2012

Union Beach School District
Union Beach, New Jersey

Roster of Officials
June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Angela Cocuzza, President	2023
Ashley Perez, Vice President	2022
Dr. Rebekah Adamczyk	2023
Sarah Boyce	2023
James McGrogan	2022
John Perrone	2022
Geri Ryan	2021
Adam Sampson	2021
Virginia Schellato	2021

Other Officials

Amanda M. Lewert, Superintendent

George Gahles, School Business Administrator/Board Secretary

Kenney, Gross, Kovats & Parton, Attorney

Union Beach School District
Consultants and Advisors

Audit Firm

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

Attorney

Kenney, Gross, Kovats & Parton
130 Maple Avenue
Building 8
Red Bank, NJ 07701

Official Depositories

Provident Bank

State of NJ Cash Management Fund

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Information (continued)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2021 on our consideration of the Board of Education of the Union Beach School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union Beach School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,

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



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

December 16, 2021

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Union Beach School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

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

Financial Highlights

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

Net position totaled \$7,230,162, which represents a (0.40) percent decrease from June 30, 2020.

General revenues accounted for \$16,188,175 in revenue or 94.95 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$861,521 or 5.05 percent of total revenues of \$17,049,696.

Total assets decreased by \$(302,467) as current assets decreased by \$(16,437) and capital assets, net decreased by \$(286,030).

The School Board had \$17,164,782 in expenses; only \$861,521 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$16,188,175 were adequate to provide for these programs.

Among major funds, the General Fund had \$15,305,639 in revenues and \$15,310,723 in expenditures and transfers. The General Fund's balance decreased \$(5,084) over June 30, 2020. The General Fund's balance is \$3,882,284.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statement

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

Governmental Funds

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

Enterprise Fund

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

The School Board as a Whole

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

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

Table 1

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

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 4,365,392	\$ 256,142	\$ 4,621,534	\$ 4,191,516	\$ 446,455	\$ 4,637,971
Capital assets, net	6,469,822	-	6,469,822	6,752,148	3,704	6,755,852
Total assets	<u>10,835,214</u>	<u>256,142</u>	<u>11,091,356</u>	<u>10,943,664</u>	<u>450,159</u>	<u>11,393,823</u>
Deferred outflow of resources	<u>365,626</u>	<u>-</u>	<u>365,626</u>	<u>466,773</u>	<u>-</u>	<u>466,773</u>
Liabilities:						
Current liabilities	413,791	15,953	429,744	317,462	177,920	495,382
Long-term liabilities outstanding	2,456,596	-	2,456,596	2,612,999	-	2,612,999
Total liabilities	<u>2,870,387</u>	<u>15,953</u>	<u>2,886,340</u>	<u>2,930,461</u>	<u>177,920</u>	<u>3,108,381</u>
Deferred inflow of resources	<u>1,340,480</u>	<u>-</u>	<u>1,340,480</u>	<u>1,492,739</u>	<u>-</u>	<u>1,492,739</u>
Net position:						
Net investment in capital assets	6,469,822	-	6,469,822	6,752,148	3,704	6,755,852
Restricted	3,633,079	-	3,633,079	4,214,870	-	4,214,870
Unrestricted	(3,112,928)	240,189	(2,872,739)	(3,979,781)	268,535	(3,711,246)
Total Net Position	<u>\$ 6,989,973</u>	<u>\$ 240,189</u>	<u>\$ 7,230,162</u>	<u>\$ 6,987,237</u>	<u>\$ 272,239</u>	<u>\$ 7,259,476</u>

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

The School Board's combined net position was \$7,230,162 on June 30, 2021. This is a change of (0.40)% from the previous year.

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

Table 2

Changes in Net Position

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 25,075	\$ 19,638	\$ 44,713	\$ 21,722	\$ 134,361	\$ 156,083
Operating and capital grants and contributions	673,584	143,224	816,808	651,485	130,309	781,794
General revenues:						
Property taxes	6,986,014	-	6,986,014	6,761,259	-	6,761,259
Federal and state aid	9,144,610	-	9,144,610	9,270,554	-	9,270,554
Investment earnings	7,836	365	8,201	9,893	431	10,324
Miscellaneous	49,350	-	49,350	238,134	-	238,134
Total revenues	16,886,469	163,227	17,049,696	16,953,047	265,101	17,218,148
Expenses						
Instructional services	4,938,814	-	4,938,814	4,942,066	-	4,942,066
Support services	12,030,691	195,277	12,225,968	11,792,176	309,151	12,101,327
Interest on long-term liabilities	-	-	-	-	-	-
Total expenses	16,969,505	195,277	17,164,782	16,734,242	309,151	17,043,393
Change in net position	(83,036)	(32,050)	(115,086)	218,805	(44,050)	174,755
Net position - beginning	6,987,237	272,239	7,259,476	6,768,432	316,289	7,084,721
Prior period adjustment	85,772	-	85,772	-	-	-
Net position - beginning restated	7,073,009	272,239	7,345,248	6,768,432	316,289	7,084,721
Net position (deficit) - ending	<u>\$ 6,989,973</u>	<u>\$ 240,189</u>	<u>\$ 7,230,162</u>	<u>\$ 6,987,237</u>	<u>\$ 272,239</u>	<u>\$ 7,259,476</u>

The tax levy increase was due in general to cover increased costs in salaries and benefits and utilities. The Federal and State aid-restricted decreased due to the decrease in Equalization Aid received from the state.

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements, partially offset by cost containment strategies.

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

Expenses for Fiscal Year June 30, 2021

Business-Type Activities

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

Total Enterprise Fund expenses exceeded revenue by \$32,050.

Charges for services represent \$19,638 of revenue. This represents latch key income and the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$143,224.

Governmental Activities

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

Table 3

Governmental Activities

	<u>2021</u>		<u>2020</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 4,938,814	\$ 4,934,558	\$ 4,942,066	\$ 4,920,344
Support Services:				
Pupils and Instructional Staff	8,009,893	7,315,490	7,359,759	6,708,274
General Administration, School Administration, Business Operation and Maintenance of Facilities	3,317,065	3,317,065	3,492,302	3,492,302
Pupil Transportation	703,733	703,733	940,115	940,115
Interest and Fiscal Charges	-	-	-	-
Total Expenses	<u>\$ 16,969,505</u>	<u>\$ 16,270,846</u>	<u>\$ 16,734,242</u>	<u>\$ 16,061,035</u>

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

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

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

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

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

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

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2021, it reported a combined fund balance of \$3,951,601, which is an increase of \$77,547. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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

<u>Revenue</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 7,068,275	41.86 %	\$ 37,267	0.53 %
State Sources	9,013,980	53.38	(353,420)	(3.77)
Federal Sources	<u>804,214</u>	<u>4.76</u>	<u>249,575</u>	<u>45.00</u>
Total	<u>\$ 16,886,469</u>	<u>100.00 %</u>	<u>\$ (66,578)</u>	<u>0.39 %</u>

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

<u>Expenditures</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 4,938,814	29.23 %	\$ (3,252)	(0.07)%
Undistributed				
Expenditures	11,902,696	70.45	307,062	2.65
Capital Outlay	<u>53,184</u>	<u>0.32</u>	<u>(523,262)</u>	<u>(90.77)</u>
Total	<u>\$ 16,894,694</u>	<u>100.00 %</u>	<u>\$ (219,452)</u>	<u>(1.28)%</u>

General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$1,335,571 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$364,585 more than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

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

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 193,862
Capital Reserve	1,310,503
Maintenance Reserve	632,668
Emergency Reserve	50,100
Tuition Reserve	1,000,000
Unemployment compensation	26,903
Excess Surplus - Current Year	349,726

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

The expenditures were less due to cost containment by the Board even after the salary and benefit increases, and the effects of the Corona Pandemic which attributed to decreased cost of support, substitute and transportation service costs in addition to general supplies being purchased at better prices and through the use of Corona Relief Grant funds. The district continues to participate in co-op purchasing and energy consumption agreements. Every effort is made to find jointures with other local districts, and increase students on district owned vehicles so as to lower district transportation costs for special needs students.

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

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2021, the School Board had \$6,469,822 invested in land, buildings, and machinery and equipment.

Table 4

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,381,000	\$ 1,381,000	\$ -	\$ -	\$ 1,381,000	\$ 1,381,000
Building and Improvements	4,751,175	4,965,787	-	-	4,751,175	4,965,787
Machinery and Equipment	337,647	405,361	-	3,704	337,647	409,065
Total	\$ 6,469,822	\$ 6,752,148	\$ -	\$ 3,704	\$ 6,469,822	\$ 6,755,852

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

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

	June 30, 2021	June 30, 2020
Pension liability-PERS	\$ 2,148,053	\$ 2,253,178
Compensated absences payable	<u>308,543</u>	<u>359,821</u>
Total long-term liabilities	\$ <u>2,456,596</u>	\$ <u>2,612,999</u>

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

Economic Factors and Next Year's Budget

For the 2020-2021 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 58.14% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 41.86% of total revenue is from local sources.

The \$(3,112,928) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2020-2021 budget was adopted in March 2020 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State continues to be decreased each year. Any future increases based on the enrollment formula, will be minimal if any. Future anticipated decreases in state education aid will eventually place additional burden on the Borough of Union Beach for increased funding to the school district.

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

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Union Beach School District, 1207 Florence Avenue, Union Beach, NJ, 07735.

BASIC FINANCIAL STATEMENTS

UNION BEACH SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents			
Unrestricted	\$ 2,468,440	\$ 437,535	\$ 2,905,975
Restricted	258,167	-	258,167
Receivables - other	582,167	-	582,167
Receivables - state	346,172	465	346,637
Receivables - federal	514,172	11,249	525,421
Inventory	-	3,167	3,167
Due from other funds	196,274	(196,274)	-
Capital assets, non-depreciable	1,381,000	-	1,381,000
Capital assets, depreciable, net	5,088,822	-	5,088,822
Total assets	<u>10,835,214</u>	<u>256,142</u>	<u>11,091,356</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	365,626	-	365,626
	<u>365,626</u>	<u>-</u>	<u>365,626</u>
LIABILITIES			
Accounts payable	7,500	11,465	18,965
Accrued payroll	206	-	206
Other liabilities	13,515	-	13,515
Unearned revenue	392,570	4,488	397,058
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	2,456,596	-	2,456,596
Total liabilities	<u>2,870,387</u>	<u>15,953</u>	<u>2,886,340</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	1,340,480	-	1,340,480
	<u>1,340,480</u>	<u>-</u>	<u>1,340,480</u>
NET POSITION			
Investment in capital assets	6,469,822	-	6,469,822
Restricted for:			
Student activities	69,317	-	69,317
Unemployment compensation	26,903	-	26,903
Capital projects	1,310,503	-	1,310,503
Other purposes	2,226,356	-	2,226,356
Unrestricted	(3,112,928)	240,189	(2,872,739)
Total net position	<u>\$ 6,989,973</u>	<u>\$ 240,189</u>	<u>\$ 7,230,162</u>

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 3,679,540	\$ 4,256	\$ -	\$ -	\$ (3,675,284)	\$ -	\$ (3,675,284)
Special schools instruction	1,199,736	-	-	-	(1,199,736)	-	(1,199,736)
Other special instruction	59,538	-	-	-	(59,538)	-	(59,538)
Support services and undistributed costs:							
Instruction	5,854,261	-	-	-	(5,854,261)	-	(5,854,261)
Health services	89,904	-	-	-	(89,904)	-	(89,904)
Other support services	1,293,665	20,819 *	-	-	(1,272,846)	-	(1,272,846)
Educational media services	96,443	-	-	-	(96,443)	-	(96,443)
Instruction staff training	2,036	-	-	-	(2,036)	-	(2,036)
General administrative services	414,579	-	-	-	(414,579)	-	(414,579)
School administrative services	217,479	-	-	-	(217,479)	-	(217,479)
Central services	163,940	-	-	-	(163,940)	-	(163,940)
Admin info technology	5,290	-	-	-	(5,290)	-	(5,290)
Allowed maintenance for school facilities	68,823	-	-	-	(68,823)	-	(68,823)
Other operation & maintenance of plant	749,889	-	-	-	(749,889)	-	(749,889)
Care and upkeep of grounds	26,683	-	-	-	(26,683)	-	(26,683)
Security	74,933	-	-	-	(74,933)	-	(74,933)
Student transportation services	703,733	-	-	-	(703,733)	-	(703,733)
Unallocated employee benefits	1,595,449	-	-	-	(1,595,449)	-	(1,595,449)
Non-budgeted expenses	673,584	-	673,584	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Total governmental activities	<u>16,969,505</u>	<u>25,075</u>	<u>673,584</u>	<u>-</u>	<u>(16,270,846)</u>	<u>-</u>	<u>(16,270,846)</u>
Business-type activities:							
Food service	152,342	362	143,224	-	-	(8,756)	(8,756)
Latchkey Program	42,935	19,276	-	-	-	(23,659)	(23,659)
Total business-type activities	<u>195,277</u>	<u>19,638</u>	<u>143,224</u>	<u>-</u>	<u>-</u>	<u>(32,415)</u>	<u>(32,415)</u>
Total primary government	<u>\$ 17,164,782</u>	<u>\$ 44,713</u>	<u>\$ 816,808</u>	<u>\$ -</u>	<u>(16,270,846)</u>	<u>(32,415)</u>	<u>(16,303,261)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					6,986,014	-	6,986,014
Federal and state aid					9,144,610	-	9,144,610
Miscellaneous income					49,350	-	49,350
Investment earnings					7,836 **	365	8,201
Total general revenues					<u>16,187,810</u>	<u>365</u>	<u>16,188,175</u>
Change in net position					<u>(83,036)</u>	<u>(32,050)</u>	<u>(115,086)</u>
Net position—beginning					<u>6,987,237</u>	<u>272,239</u>	<u>7,259,476</u>
Prior Period Adjustments					<u>85,772</u>	<u>-</u>	<u>85,772</u>
Net position, July 1 (Restated)					<u>7,073,009</u>	<u>272,239</u>	<u>7,345,248</u>
Net position—ending					<u>\$ 6,989,973</u>	<u>\$ 240,189</u>	<u>\$ 7,230,162</u>

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

** Includes the interest earnings on the unemployment compensation bank account

UNION BEACH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,637,301 *	\$ (52,285)	\$ -	\$ -	\$ 2,585,016
Capital reserve	141,591	-	-	-	141,591
Due from other funds	196,274	-	-	-	196,274
Receivables-other	582,167	-	-	-	582,167
Receivables - State	346,172	-	-	-	346,172
Receivables - Federal	-	514,172	-	-	514,172
Total assets	<u>3,903,505</u>	<u>461,887</u>	<u>-</u>	<u>-</u>	<u>4,365,392</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	7,500	-	-	-	7,500
Accrued salaries and benefits	10 ***	-	-	-	10
Payroll deductions and withholding payable	196 ***	-	-	-	196
Unemployment Compensation Claims Payable	13,515 ****	-	-	-	13,515
Interfund payable	-	-	-	-	-
Unearned revenue	-	392,570	-	-	392,570
Other current liabilities	-	-	-	-	-
Total liabilities	<u>21,221</u>	<u>392,570</u>	<u>-</u>	<u>-</u>	<u>413,791</u>
Fund Balances:					
Restricted for:					
Capital reserve account	1,310,503	-	-	-	1,310,503
Maintenance reserve account	632,668	-	-	-	632,668
Emergency reserve account	50,100	-	-	-	50,100
Tuition reserve	1,000,000	-	-	-	1,000,000
Unemployment compensation	26,903	-	-	-	26,903
Excess surplus	349,726	-	-	-	349,726
Excess surplus -- designated for					
Subsequent year's expenditures	193,862	-	-	-	193,862
Student activities	-	69,317	-	-	69,317
Assigned to:					
Other purposes	-	-	-	-	-
Designated by the BOE for subsequent year's expenditures	204,127	-	-	-	204,127
Unassigned to:					
General fund	114,395	-	-	-	114,395
Total fund balances	<u>3,882,284</u>	<u>69,317</u>	<u>-</u>	<u>-</u>	<u>3,951,601</u>
Total liabilities and fund balances	<u>\$ 3,903,505</u>	<u>\$ 461,887</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$13,465,894 and the accumulated depreciation is \$6,996,072.	6,469,822
Deferred outflows related to the PERS pension plan	365,626
Deferred inflows related to the PERS pension plan	(1,340,480)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(2,456,596)</u>
Net position of governmental activities	<u>\$ 6,989,973</u>

* Include former fiduciary fund cash and cash equivalents

** Include payable due to the State for unreimbursed unemployment invoices

*** Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)

**** Include unspent employee payroll unemployment contributions

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 6,986,014	\$ -	\$ -	\$ -	\$ 6,986,014
Tuition charges	4,256	-	-	-	4,256
Interest earned on unemployment-restricted	74 *	-	-	-	74
Interest earned on emergency reserve	100	-	-	-	100
Interest earned on maintenance reserve	1,095	-	-	-	1,095
Interest earned on capital reserve funds	3,354	-	-	-	3,354
Interest income	3,213	-	-	-	3,213
Miscellaneous	49,350	20,819 **	-	-	70,169
Total - Local Sources	7,047,456	20,819	-	-	7,068,275
State sources	8,254,278	759,702	-	-	9,013,980
Federal sources	3,905	800,309	-	-	804,214
Total revenues	15,305,639	1,580,830	-	-	16,886,469
EXPENDITURES					
Current:					
Regular instruction	2,584,087	1,095,453	-	-	3,679,540
Special education instruction	1,199,736	-	-	-	1,199,736
Other special instruction	59,538	-	-	-	59,538
Undistributed - current:					
Instruction	5,668,208	-	-	-	5,668,208
Health services	89,904	-	-	-	89,904
Other support services	748,682	488,518 ***	-	-	1,237,200
Educational media services	96,443	-	-	-	96,443
Instruction staff training	2,036	-	-	-	2,036
General administrative services	402,439	-	-	-	402,439
School administrative services	217,479	-	-	-	217,479
Allowed maintenance for school facilities	68,823	-	-	-	68,823
Other operation & maintenance of plant	675,813	-	-	-	675,813
Care and upkeep of grounds	26,683	-	-	-	26,683
Security	74,933	-	-	-	74,933
Student transportation services	696,957	-	-	-	696,957
Central services	163,940	-	-	-	163,940
Admin info technology	5,290	-	-	-	5,290
Unallocated employee benefits	1,802,964	-	-	-	1,802,964
Non-budgeted expenditures	673,584	-	-	-	673,584
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	53,184	-	-	-	53,184
Total expenditures	15,310,723	1,583,971	-	-	16,894,694
Excess (Deficiency) of revenues over expenditures	(5,084)	(3,141)	-	-	(8,225)
OTHER FINANCING SOURCES (USES)					
Transfer to cafeteria	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	(5,084)	(3,141)	-	-	(8,225)
Fund balance—July 1	3,874,054	-	-	-	3,874,054
Prior period adjustments	13,314 ****	72,458 *****	-	-	85,772
Fund balance—July 1, restated	3,887,368	72,458	-	-	3,959,826
Fund balance—June 30	\$ 3,882,284	\$ 69,317	\$ -	\$ -	\$ 3,951,601

* Includes interest earnings on the unemployment compensation bank account.

** Special revenue fund now includes revenues from scholarships and student activities.

*** Special revenue fund now includes expenditures from scholarships and student activities.

**** Unemployment fund net position as of June 30, 2020.

***** Student activity fund net position as of June 30, 2020.

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

Total net change in fund balances - governmental funds (from B-2) **\$ (8,225)**

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	(282,326)	
	Capital outlays	<u>-</u>	(282,326)

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey 156,237

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. 51,278

Change in net position of governmental activities **\$ (83,036)**

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

	Business-type-activities- Enterprise Funds		
	Food Service	LatchKey Program	Total Enterprise
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 244,051	\$ 193,484	\$ 437,535
Accounts receivable - State	465	-	465
Accounts receivable - Federal	11,249	-	11,249
Interfund receivable	-	-	-
Other receivables	-	-	-
Inventories	3,167	-	3,167
Total current assets	<u>258,932</u>	<u>193,484</u>	<u>452,416</u>
Noncurrent assets:			
Furniture, machinery & equipment	338,751	-	338,751
Less accumulated depreciation	<u>(338,751)</u>	<u>-</u>	<u>(338,751)</u>
Total noncurrent assets	-	-	-
Total assets	<u>258,932</u>	<u>193,484</u>	<u>452,416</u>
LIABILITIES			
Current liabilities:			
Accounts payable	11,465	-	11,465
Unearned revenue	4,488	-	4,488
Interfund payable	196,274	-	196,274
Total current liabilities	<u>212,227</u>	<u>-</u>	<u>212,227</u>
NET POSITION			
Investment in capital assets	-	-	-
Contributed capital	-	-	-
Restricted for:			
Capital projects	-	-	-
Unrestricted	46,705	193,484	240,189
Total net position	<u>46,705</u>	<u>193,484</u>	<u>240,189</u>
Total liabilities and net position	<u>\$ 258,932</u>	<u>\$ 193,484</u>	<u>\$ 452,416</u>

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

	Business-type Activities - Enterprise Fund		
	Food Service	LatchKey Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ -	\$ -	\$ -
Daily sales - non-reimbursable programs	362	-	362
Tuition	-	19,276	19,276
Total operating revenues	<u>362</u>	<u>19,276</u>	<u>19,638</u>
Operating expenses:			
Cost of sales - reimbursable programs	61,835	-	61,835
Cost of sales - non-reimbursable programs	-	-	-
Salaries	33,869	31,362	65,231
Employee benefits	9,630	-	9,630
Other purchased professional services	13,260	6,625	19,885
General supplies	30,044	4,948	34,992
Depreciation	3,704	-	3,704
Total Operating Expenses	<u>152,342</u>	<u>42,935</u>	<u>195,277</u>
Operating income (loss)	<u>(151,980)</u>	<u>(23,659)</u>	<u>(175,639)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	3,229	-	3,229
Federal sources:			
National school lunch program	-	-	-
National school breakfast program	-	-	-
Summer Food Service Program for Children	134,367	-	134,367
Food distribution program	5,628	-	5,628
Interest and investment revenue	365	-	365
Total nonoperating revenues (expenses)	<u>143,589</u>	<u>-</u>	<u>143,589</u>
Change in net position	<u>(8,391)</u>	<u>(23,659)</u>	<u>(32,050)</u>
Total net position—beginning	55,096	217,143	272,239
Total net position—ending	<u>\$ 46,705</u>	<u>\$ 193,484</u>	<u>\$ 240,189</u>

UNION BEACH SCHOOL DISTRICT
Statement of Cash Flows
Food Services Enterprise Fund
For the Year Ended June 30, 2021

	<u>Food Service</u>	<u>LatchKey Program</u>	<u>Total Enterprise</u>
Cash Flows from Operating Activities:			
Receipts from customers and other funds	\$ 1,113	\$ 19,276	\$ 20,389
Payments to employees	(33,869)	(37,987)	(71,856)
Payments for employee benefits	(9,630)	-	(9,630)
Payments to suppliers	(65,596)	(4,948)	(70,544)
Net cash provided by (used in) operating activities	<u>(107,982)</u>	<u>(23,659)</u>	<u>(131,641)</u>
Cash Flows from Noncapital Financing Activities			
State sources	2,814	-	2,814
Federal sources	128,298	-	128,298
Net cash provided by (used in) noncapital financing activities	<u>131,112</u>	<u>-</u>	<u>131,112</u>
Cash Flows from Investing Activities			
Interest income	365	-	365
Net cash provided by (used in) investment activities	<u>365</u>	<u>-</u>	<u>365</u>
Net increase (decrease) in cash and cash equivalents	23,495	(23,659)	(164)
Balances-beginning of the year	220,556	217,143	437,699
Balances-end of the year	<u>\$ 244,051</u>	<u>\$ 193,484</u>	<u>\$ 437,535</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (151,980)	\$ (23,659)	\$ (175,639)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:			
Depreciation	3,704	-	3,704
Federal commodities	5,628	-	5,628
Change in assets and liabilities:			
(Increase) decrease in interfund receivable	-	-	-
(Increase) decrease in accounts receivable	-	-	-
(Increase) decrease in inventory	359	-	359
Increase (decrease) in accounts payable	2,656	-	2,656
Increase (decrease) in unearned revenue	751	-	751
Increase (decrease) in interfund payable	30,900	-	30,900
Total adjustments	<u>43,998</u>	<u>-</u>	<u>43,998</u>
Net cash provided by (used in) operating activities	<u>\$ (107,982)</u>	<u>\$ (23,659)</u>	<u>\$ (131,641)</u>

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

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Union Beach School District is a Type II district located in the county of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Union Beach School District had an approximate enrollment of 648 students at June 30, 2021.

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

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

B. Basis of Presentation:

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

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

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

B. Basis of Presentation (Cont'd):

The School District has no items which have been classified as a Deferred Outflow and no items that have been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 12.

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

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

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

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

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

B. Basis of Presentation (Cont'd):

The District reports the following governmental funds:

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

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for all proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes. The implementation of GASB 84 moved the Student Activities Fund to the Special Revenue Fund. The Student Activities Fund had been previously included in the Agency Fund.

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

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

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

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

B. Basis of Presentation (Cont'd):

The District reports the following proprietary funds

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

The District's Enterprise Fund is comprised of the Food Service Fund and Latchkey.

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

Equipment	5-20 Years
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Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others.

C. Basis of Accounting

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

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

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

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

C. Basis of Accounting (Cont'd):

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

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

D. Property Taxes

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted and approved by the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23A-16.2(f). All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

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

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

E. Budgets/Budgetary Control: (Cont'd)

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

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2021, there was a reconciling difference of \$(1,147,200) between the budgetary basis and GAAP basis in the General Fund and of \$63 in the Special Revenue Fund.

Exhibit C-3 presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

F. Encumbrance Accounting:

Under Encumbrance Accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the Balance Sheet as unearned 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.

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

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

G. Assets, Liabilities, and Equity:

Interfund Transactions:

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

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

Inventories:

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

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

Capital Assets:

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

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

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

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

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

G. Assets, Liabilities, and Equity (Cont'd):

Compensated Absences:

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

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

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

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

Unearned Revenue:

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

Accrued Liabilities and Long-Term Obligations:

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables are accrued liabilities that, once incurred are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

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

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

G. Assets, Liabilities, and Equity (Cont'd):

Net Position:

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

Fund Balance Reserves:

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

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

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

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

G. Assets, Liabilities, and Equity (Cont'd):

Revenues - Exchange and Nonexchange Transactions:

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District available means within sixty days of the fiscal year-end.

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

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

Operating Revenues and Expenses:

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

Deferred Outflows/Inflows of Resources:

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

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

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

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

G. Assets, Liabilities, and Equity (Cont'd):

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

Management Estimates:

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

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

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

H. GASB Pronouncements:

Recently Issued Accounting Pronouncements to be implemented in future years

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

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

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

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

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

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

H. GASB Pronouncements (Cont'd):

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

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

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

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Objectives 1 and 2 above are effective immediately. Objective 3 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

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

2. Capital Reserve Account

A Capital Reserve Account was established by the Union Beach School District in October 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2.

Pursuant to N.J.A.C 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

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

Beginning Balance July 01, 2020	\$ 1,307,149
Add:	
Increase per Resolution	-
Interest Earnings	3,354
Less:	
Withdrawals in budget	<u>-</u>
Ending Balance, June 30, 2021	<u>\$ 1,310,503</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted Capital Projects is \$5,381,000.

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

3. Maintenance Reserve Account

A maintenance Reserve Account was established by the Union Beach School District by inclusion of \$100,000 for the accumulation of funds for use as required maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Maintenance Reserve Account are to provide maintenance for completed projects in the District's approved LRFP.

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

Beginning balance, July 01, 2020	\$	547,675
Add:		
Increase per Board Resolution		150,000
Interest Earnings		1,095
Less:		
Withdrawals in budget		<u>(66,102)</u>
Ending balance, June 30, 2021	\$	<u>632,668</u>

4. Emergency Reserve Account

An Emergency Reserve Account was established by the Union Beach School District by inclusion of \$200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

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

Beginning balance, July 01, 2020	\$	50,000
Add:		
Increase per Board Resolution		-
Interest Earned		<u>100</u>
Ending balance, June 30, 2021	\$	<u>50,100</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

5. Tuition Reserve Account

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

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

Balance, July 01, 2020	\$ 1,000,000
Add:	
Increase per Board Resolution	400,000
Less:	
Budgeted utilization	<u>(400,000)</u>
Balance, June 30, 2021	<u>\$ 1,000,000</u>

6. Deposits and Investments

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

Deposits

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

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

6. Deposits and Investments (Cont'd)

At June 30, 2021, the Board's bank balances of \$4,188,686 were exposed to Custodial Credit Risk as follows:

	<u>2021</u>
Insured	\$ 391,591
Uninsured and Uncollateralized	<u>3,797,095</u>
	<u>\$ 4,188,686</u>

Investments

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

In order to maximize liquidity, the District utilized the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

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

<u>Investment Type</u>	<u>Fair Value Amount</u>	<u>Moody's Rating</u>	<u>S & P Rating</u>
New Jersey Cash Management Fund	\$141,591	AAA	AAA

Interest Rate Risk

The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year.

Credit Risk

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

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

7. Receivables

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

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	\$ 346,172	\$ 346,637
Federal Aid	514,172	525,421
Other	582,167	582,167
Interfunds	<u>196,274</u>	<u>-</u>
	1,638,785	1,454,225
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 1,638,785</u>	<u>\$ 1,454,225</u>

8. Interfund Balances and Transfers

Balances due to/from other funds at June 30, 2021 consist of the following:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 196,274	\$ -
Enterprise Fund	<u>-</u>	<u>196,274</u>
	<u>\$ 196,274</u>	<u>\$ 196,274</u>

The Enterprise Fund owes the General Fund for cash advances.

9. Inventory

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

Food	\$ 2,546
Supplies	<u>621</u>
	<u>\$ 3,167</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 1,381,000	\$ -	\$ -	\$ 1,381,000
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>1,381,000</u>	<u>-</u>	<u>-</u>	<u>1,381,000</u>
Capital Assets Being Depreciated				
Site Improvements	934,043	-	-	934,043
Building and Building Improvements	9,796,565	-	-	9,796,565
Machinery and Equipment	<u>1,354,286</u>	<u>-</u>	<u>-</u>	<u>1,354,286</u>
Totals at Historical Cost	<u>12,084,894</u>	<u>-</u>	<u>-</u>	<u>12,084,894</u>
Less Accumulated Depreciation for:				
Site Improvements	(435,040)	(18,681)	-	(453,721)
Building and Building Improvements	(5,329,781)	(195,931)	-	(5,525,712)
Machinery and Equipment	<u>(948,925)</u>	<u>(67,714)</u>	<u>-</u>	<u>(1,016,639)</u>
Total Accumulated Depreciation	<u>(6,713,746)</u>	<u>(282,326)</u>	<u>-</u>	<u>(6,996,072)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>5,371,148</u>	<u>(282,326)</u>	<u>-</u>	<u>5,088,822</u>
Government Activity Capital Assets, Net	<u>\$ 6,752,148</u>	<u>\$ (282,326)</u>	<u>\$ -</u>	<u>\$ 6,469,822</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 338,751	\$ -	\$ -	\$ 338,751
Less Accumulated Depreciation	<u>(335,047)</u>	<u>(3,704)</u>	<u>-</u>	<u>(338,751)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 3,704</u>	<u>\$ (3,704)</u>	<u>\$ -</u>	<u>\$ -</u>

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

10. Capital Assets (Cont'd)

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 186,053
Student and Instruction Related Services	56,465
General Administration Services	12,140
Plant Operations and Maintenance	20,892
Student Transportation Services	<u>6,776</u>
 Total	 \$ <u><u>282,326</u></u>

11. Long-Term Obligations

A. Long-Term Obligation Activity:

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

	Balance <u>July 01, 2020</u>	Increases/ <u>Decreases</u>	Balance <u>June 30, 2021</u>	Amounts Due Within <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated				
Absences Payable	\$ 359,821	\$ (51,278)	\$ 308,543	\$ -
Pension liability - PERS	<u>2,253,178</u>	<u>(105,125)</u>	<u>2,148,053</u>	<u>-</u>
	<u>\$ 2,612,999</u>	<u>\$ (156,403)</u>	<u>\$ 2,456,596</u>	<u>\$ -</u>

Compensated absences payable and pension liability - PERS are liquidated from the general fund.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

11. Long-Term Obligations (Cont'd)

B. Bonds Authorized But Not Issued

As of June 30, 2021, the District had no authorized but not issued bonds.

C. Capital Leases

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

D. Operating Leases

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

12. Pension Plans

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

12. Pension Plans (Cont'd)

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

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

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

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the School District reported a liability of \$2,148,053 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020 was .0131722709%, which was an increase of .0006674575% from its proportion measured as of June 30, 2019.

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

12. Pension Plans (Cont'd)

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

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$16,553 in the government-wide financial statements consisting of employer contributions of \$144,098 and non-employer contributions of \$(127,545). This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 39,113	\$ 7,596
Changes of assumptions	69,685	899,410
Net difference between projected and actual earnings on pension plan investments	73,422	-
Changes in proportion and differences between District contributions and proportionate share of contributions	183,406	433,474
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 365,626</u>	<u>\$ 1,340,480</u>

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

Year ended June 30:	
2021	\$ (362,539)
2022	(330,526)
2023	(188,887)
2024	(76,383)
2025	(16,519)
Thereafter	-
Total	<u>\$ (974,854)</u>

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

12. Pension Plans (Cont'd)

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

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

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

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

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

12. Pension Plans (Cont'd)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:

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

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-20120

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.

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

12. Pension Plans (Cont'd)

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

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

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

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

12. Pension Plans (Cont'd)

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

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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	2,725,303	2,148,053	1,689,464

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

	<u>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	2,347,583,337	3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
School District's Portion	.0131722709%	.0125048134%

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

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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

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

12. Pension Plans (Cont'd)

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

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

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

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was .04021971416%, which was an increase of .0007376366% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized a pension expense in the amount of \$1,174,246 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2020 measurement date.

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

12. Pension Plans (Cont'd)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

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

12. Pension Plans (Cont'd)

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

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

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

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

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

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's proportionate share of the net pension liability	31,177,153	26,484,198	22,694,009

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

12. Pension Plans (Cont'd)

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

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

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

	<u>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	9,626,548,228	10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
School District's Portion	.04021971416%	.0394820776%

C. Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2021 were \$15,595. There was no liability for unpaid contributions at June 30, 2021.

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

13. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

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

Basis of Presentation

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

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

13. Post-Retirement Benefits (Cont'd)

Employees covered by benefit terms

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

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

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other imputes

The total OPEB liability in the June 29, 2020 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate		2.50%
Salary Increases through 2026		PERS 2.00%-6.00%
		PFRS 3.25%-15.25%
		TPAF 1.55%-3.05%
Thereafter		PERS 3.00%-7.00%
		PFRS 3.25%-15.25%
		TPAF 1.55%-3.05%
Discount Rate		2.21%
Healthcare Cost Trend Rates		4.5%-5.6%
Retirees' Share of Benefit Related Costs		1.5% of projected health insurance premiums for retirees

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

13. Post-Retirement Benefits (Cont'd)

Actuarial assumptions and other imputes (Cont'd)

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

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

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

Balance at June 30, 2019	\$ 41,729,081,045
Changes for the year:	
Service cost	1,790,973,822
Interest on the total OPEB liability	1,503,341,357
Differences between expected and actual experiences	11,544,750,637
Changes in assumptions	12,386,549,981
Gross benefit payments by the state	(1,180,515,618)
Contributions from members	<u>35,781,384</u>
Net changes	<u>26,080,881,563</u>
Balance at June 29, 2020	<u>\$ 67,809,962,608</u>

Discount rate

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

13. Post-Retirement Benefits (Cont'd)

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

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

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability of the State for School Retirees	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160
Total OPEB Liability of the State Associated with the School District for School Retirees	\$51,091,701	\$42,380,352	\$35,568,914

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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

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

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$54,738,488,540	\$67,809,962,608	\$83,375,182,975
Total OPEB Liability of the State Associated with the School District for School Retirees	\$34,210,848	\$42,380,352	\$52,108,414

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

13. Post-Retirement Benefits (Cont'd)

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of \$367,991 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

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

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

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

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

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2021

14. Deferred Compensation

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

Lincoln Investment Financial
Franklin Templeton
AXA Equitable

Metropolitan Life Insurance
Oppenheimer Funds
Siracusa

15. Risk Management

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

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

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	\$ -	\$ 16,639	74	\$ (3,124)	\$ 26,903
2020	-	21,417	54	(26,868)	13,314
2019	-	21,244	57	(17,778)	18,711

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

16. Contingent Liabilities

Grant Programs

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

17. Fund Balances

General Fund - of the \$3,882,284 General Fund balance at June 30, 2021, \$- of encumbrances is assigned to other purposes, \$1,310,503 is restricted for capital reserve, \$632,668 is restricted for maintenance reserve, \$50,100 is restricted for emergency reserve, \$1,000,000 is restricted for tuition reserve, \$26,903 is restricted for unemployment compensation \$349,726 is restricted for excess surplus, \$193,862 is restricted for excess surplus for subsequent year expenditures, \$204,127 has been classified as assigned fund balance designated for subsequent year expenditures, and \$114,395 is unassigned.

Special Revenue Fund - of the \$69,317 Special Revenue Fund balance at June 30, 2021, \$69,317 is restricted for student activities.

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

18. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$349,726.

19. Uncertain Tax Positions

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

20. Subsequent Events

Management has evaluated subsequent events through December 16, 2021, the date the financial statements were available to be issued.

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

21. Tax Abatement

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

22. Economic Dependency

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

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

23. Prior Period Adjustment

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

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

The Unemployment Compensation Fund had a fund balance of \$13,314 at June 30, 2020. This balance is shown as a prior period adjustment to the General Fund's beginning fund balance. The restated beginning fund balance is \$3,887,368.

The Student Activity Fund had a fund balance of \$72,458 at June 30, 2020. The student activity fund balance of \$72,458 is shown as a prior period adjustment to the Special Revenue Fund's beginning fund balance. The restated beginning fund balance is \$72,458.

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 6,986,014	\$ -	\$ 6,986,014	6,986,014	\$ -
Tuition	4,500	-	4,500	4,256	(244)
Interest	-	-	-	3,213	3,213
Interest earned on unemployment-restricted	-	-	-	74 *	74
Interest earned on emergency reserve	100	-	100	100	-
Interest earned on maintenance reserve	500	-	500	1,095	595
Interest earned on capital reserve funds	1,000	-	1,000	3,354	2,354
Miscellaneous	5,000	-	5,000	49,350	44,350
Total - local sources	6,997,114	-	6,997,114	7,047,456	50,342
State sources:					
Transportation aid	12,799	-	12,799	12,799	-
Special education aid	658,640	-	658,640	658,640	-
Equalization aid	6,522,783	-	6,522,783	6,522,783	-
Extraordinary aid	-	-	-	321,298	321,298
Security aid	28,312	-	28,312	28,312	-
Non-public transportation	-	-	-	9,816	9,816
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	728	728
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	367,991	367,991
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	1,174,246	1,174,246
TPAF social security (reimbursed - Non-budgeted)	-	-	-	304,865	304,865
Total state sources	7,222,534	-	7,222,534	9,401,478	2,178,944
Federal sources:					
Medicaid reimbursement	20,776	-	20,776	3,905	(16,871)
Total federal sources	20,776	-	20,776	3,905	(16,871)
Total revenues	\$ 14,240,424	\$ -	\$ 14,240,424	\$ 16,452,839	\$ 2,212,415
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	\$ 251,087	\$ 155	\$ 251,242	\$ 221,449	\$ 29,793
Grades 1-5 - Salaries of teachers	1,271,870	-	1,271,870	1,213,848	58,022
Grades 6-8 - Salaries of teachers	863,137	1,102	864,239	819,505	44,734
Regular Programs - Home Instruction:					
Salaries of teachers	5,000	-	5,000	-	5,000
Regular Programs - Undistributed Instruction					
Salaries of Teachers	-	1,863	1,863	1,863	-
Other salaries for instruction	76,765	-	76,765	58,451	18,314
Other purchased services (400-500 series)	18,000	502	18,502	18,200	302
General supplies	166,299	5,423	171,722	156,316	15,406
Textbooks	19,925	3,243	23,168	23,160	8
Other objects	12,800	71,161	83,961	71,295	12,666
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,684,883	83,449	2,768,332	2,584,087	184,245

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of teachers	\$ 820,064	\$ 21,105	\$ 841,169	\$ 834,306	\$ 6,863
Other salaries for instruction	188,808	(39,300)	149,508	141,963	7,545
Other purchased services (400-500 series)	1,000	-	1,000	-	1,000
Total Resource Room/Resource Center	<u>1,009,872</u>	<u>(18,195)</u>	<u>991,677</u>	<u>976,269</u>	<u>15,408</u>
Preschool Disabilities Part Time					
Salaries of teachers	71,371	8,740	80,111	80,111	-
Other salaries for instruction	128,301	15,055	143,356	143,356	-
Total Preschool Disabilities Full Time:	<u>199,672</u>	<u>23,795</u>	<u>223,467</u>	<u>223,467</u>	<u>-</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,209,544</u>	<u>5,600</u>	<u>1,215,144</u>	<u>1,199,736</u>	<u>15,408</u>
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	11,980	(1,325)	10,655	10,655	-
Purchased services (300-500 series)	1,800	-	1,800	-	1,800
Supplies and materials	6,200	-	6,200	3,485	2,715
Total School-Spon. Cocurric. Actvts. - Instruction	<u>19,980</u>	<u>(1,325)</u>	<u>18,655</u>	<u>14,140</u>	<u>4,515</u>
School-Spon. Athletics - Instruction					
Salaries	42,511	(4,276)	38,235	35,100	3,135
Other purchased services (300-500 series)	-	8,660	8,660	1,100	7,560
Supplies and materials	9,000	6,834	15,834	8,489	7,345
Other objects	2,050	-	2,050	709	1,341
Total School-Spon. Athletics - Instruction	<u>53,561</u>	<u>11,218</u>	<u>64,779</u>	<u>45,398</u>	<u>19,381</u>
Total Instruction	<u>3,967,968</u>	<u>98,942</u>	<u>4,066,910</u>	<u>3,843,361</u>	<u>223,549</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	4,165,405	(94,871)	4,070,534	4,054,784	15,750
Tuition to other LEAs within the state - special	374,471	32,451	406,922	383,335	23,587
Tuition to Co. Voc. School Dist. - reg.	54,850	52,950	107,800	98,603	9,197
Tuition to Co. Voc. School Dist. - special	62,975	(9,881)	53,094	42,000	11,094
Tuition to private schools for the handicapped - Within state	1,233,793	(62,634)	1,171,159	1,089,486	81,673
Total Undistributed Expenditures - Instruction:	<u>5,891,494</u>	<u>(81,985)</u>	<u>5,809,509</u>	<u>5,668,208</u>	<u>141,301</u>
Undistributed Expenditures - Attend. & Social Work					
Salaries	6,500	(165)	6,335	-	6,335
Total Undistributed Expenditures - Attend. & Social Work	<u>6,500</u>	<u>(165)</u>	<u>6,335</u>	<u>-</u>	<u>6,335</u>
Undist. Expend. - Health Services					
Salaries	61,236	24,011	85,247	85,247	-
Purchased professional and technical services	56,582	(1,501)	55,081	-	55,081
Supplies and materials	6,600	(2,423)	4,177	4,177	-
Other objects	1,000	(520)	480	480	-
Total Undistributed Expenditures - Health Services	<u>125,418</u>	<u>19,567</u>	<u>144,985</u>	<u>89,904</u>	<u>55,081</u>
Undist. Expend. - Other Supp.Service - Stud. - Related Service					
Salaries of other professional staff	165,546	-	165,546	149,078	16,468
Purchased professional - educational services	122,524	-	122,524	103,968	18,556
General supplies	15,500	441	15,941	15,150	791
Total Undist. Expend. - Other Supp. Serv - Stud. - Rel. Ser.	<u>303,570</u>	<u>441</u>	<u>304,011</u>	<u>268,196</u>	<u>35,815</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.					
Other objects	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ 1,500
Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser.	1,500	-	1,500	-	1,500
Guidance					
Salaries of other professional staff	56,967	(1,213)	55,754	55,754	-
Purchased professional - educational services	5,000	(435)	4,565	311	4,254
Other purchased services (400-500 series)	3,500	-	3,500	3,500	-
Supplies and materials	1,500	-	1,500	1,026	474
Total Guidance	66,967	(1,648)	65,319	60,591	4,728
Child Study Teams					
Salaries of other professional staff	287,298	28,312	315,610	296,021	19,589
Salaries of secretarial and clerical assistants	38,090	(170)	37,920	30,323	7,597
Other purchased professional & tech services	10,000	(402)	9,598	9,598	-
Other purchased services (400-500 series)	2,500	(2,500)	-	-	-
Supplies and materials	7,800	(1,445)	6,355	3,107	3,248
Other objects	1,800	(954)	846	846	-
Total Child Study Teams	347,488	22,841	370,329	339,895	30,434
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	83,363	(1,000)	82,363	80,000	2,363
Total Undist. Expend. - Improvement of Instruction Services	83,363	(1,000)	82,363	80,000	2,363
Undist. Expend. - Educational Media Services/School Library					
Salaries	19,204	-	19,204	16,117	3,087
Salaries of Technology Coordinators	78,645	-	78,645	74,000	4,645
Purchased professional and technical services	900	100	1,000	907	93
Other purchased services (400-500 series)	500	-	500	-	500
Supplies and materials	5,550	115	5,665	5,419	246
Other objects	1,000	-	1,000	-	1,000
Total Undist. Expend. - Ed. Media Services/School Library	105,799	215	106,014	96,443	9,571
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	6,000	-	6,000	1,094	4,906
Other purchased services (400-500 series)	5,100	610	5,710	942	4,768
Supplies and materials	100	-	100	-	100
Total Undist. Expend. - Instruction Staff Training Services	11,200	610	11,810	2,036	9,774
Undist. Expend. - Support Service - General Administration					
Salaries	181,605	-	181,605	155,453	26,152
Legal services	30,000	9,286	39,286	39,286	-
Audit fees	22,250	450	22,700	22,700	-
Architectural/Engineering Services	5,000	7,925	12,925	5,225	7,700
Purchased technical services	8,802	-	8,802	8,705	97
Communications/Telephone	64,048	12,376	76,424	69,715	6,709
Other Purchased Services	37,500	(6,528)	30,972	30,042	930
General supplies	7,900	(581)	7,319	4,784	2,535
In-House Training/Meeting Supplies	500	-	500	-	500
Miscellaneous expenditures	72,257	28,989	101,246	58,816	42,430
Membership Dues and Fees	8,000	-	8,000	7,713	287
Total Undist. Expend. - Support Service - Gen. Admin.	437,862	51,917	489,779	402,439	87,340

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	\$ 110,830	\$ -	\$ 110,830	\$ 93,077	\$ 17,753
Salaries of secretarial and clerical assistants	105,126	-	105,126	103,611	1,515
Other purchased services (400-500 series)	5,520	(229)	5,291	3,319	1,972
Supplies and materials	14,525	1,304	15,829	15,707	122
Other objects	2,800	23,000	25,800	1,765	24,035
Total Undist. Expend. - Support Service - School Admin.	238,801	24,075	262,876	217,479	45,397
Undist. Expend. - Support Service - Central Services					
Salaries	107,140	34,780	141,920	141,920	-
Purchased technical services	20,500	892	21,392	21,392	-
Miscellaneous purchased services	21,069	(19,192)	1,877	-	1,877
Supplies and materials	5,000	-	5,000	403	4,597
Miscellaneous expenditures	1,900	(250)	1,650	225	1,425
Total Undist. Expend. - Support Service - Central Services	155,609	16,230	171,839	163,940	7,899
Undist. Expend. - Support Service - Admin. Information Tech.					
Purchased professional	5,300	573	5,873	5,290	583
Total Undist. Expend. - Support Service - Admin. Info. Tech.	5,300	573	5,873	5,290	583
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	55,102	16,134	71,236	61,638	9,598
General supplies	10,000	990	10,990	6,885	4,105
Other objects	1,000	-	1,000	300	700
Total Undist. Expend. - Required Maint. for School Facilities	66,102	17,124	83,226	68,823	14,403
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	375,004	25,297	400,301	378,785	21,516
Salaries of Non-Instructional Aids	74,979	(64,798)	10,181	4,000	6,181
Purchased professional and technical services	4,300	(1,350)	2,950	253	2,697
Cleaning, repair and maintenance services	8,000	1,057	9,057	2,477	6,580
Other purchased property services	33,000	-	33,000	29,039	3,961
Insurance	110,000	195	110,195	110,195	-
Travel	-	400	400	-	400
Miscellaneous purchased services	900	-	900	-	900
General supplies	33,000	21,018	54,018	21,837	32,181
Energy (Electricity)	93,000	234	93,234	70,318	22,916
Energy (Natural Gas)	65,940	-	65,940	55,059	10,881
Energy (Gasoline)	1,500	323	1,823	1,823	-
Other objects	4,800	1,324	6,124	2,027	4,097
Total Undist. Expend. - Other Operation & Maint. Of Plant	804,423	(16,300)	788,123	675,813	112,310
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning, repair and maintenance services	51,366	(21,102)	30,264	16,040	14,224
General supplies	5,000	6,503	11,503	10,305	1,198
Other Objects	500	-	500	338	162
Total Undist. Expend. - Care and Upkeep of Grounds	56,866	(14,599)	42,267	26,683	15,584
Undist. Expend. - Security					
Salaries	1,852	-	1,852	338	1,514
Cleaning, repair and maintenance services	68,573	9,070	77,643	70,656	6,987
General supplies	7,720	-	7,720	3,939	3,781
Total Undist. Expend. - Security	78,145	9,070	87,215	74,933	12,282

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Student Transportation Services					
Salaries of Non-Instructional Aids	\$ 35,000	\$ 80	\$ 35,080	\$ 35,080	\$ -
Salaries for pupil transportation (between home and school) - Regular	72,843	(5,657)	67,186	39,374	27,812
Salaries for pupil transportation (between home and school) - Special	19,982	7,171	27,153	24,328	2,825
Other purchased professional & tech services	103,279	(1,128)	102,151	30,026	72,125
Cleaning, repair and maintenance services	25,000	4,311	29,311	26,611	2,700
Lease purchase payments - School buses	20,000	-	20,000	18,613	1,387
Contract services (between home & school) - Vendors	66,000	-	66,000	39,535	26,465
Contract services (other than between home & school) - Vendors	4,500	-	4,500	-	4,500
Contract services (between home & school) - joint agreements	35,000	-	35,000	11,701	23,299
Contract services - (Sp Ed) - vendors	9,450	-	9,450	-	9,450
Contract services - (regular education students) - ESCs & CTSA	159,000	-	159,000	139,345	19,655
Contract services - (special education students) - ESCs & CTSA	311,000	10,000	321,000	317,560	3,440
Contract. Serv. - Aid in Lieu Pymts-NonPub Sch	7,000	1,184	8,184	8,184	-
Miscellaneous purchased services - Transportation	15,600	-	15,600	-	15,600
Transportation Supplies	17,000	(1,183)	15,817	6,245	9,572
Miscellaneous expenditures	1,200	-	1,200	355	845
Total Undist. Expend. - Student Transportation Services	<u>901,854</u>	<u>14,778</u>	<u>916,632</u>	<u>696,957</u>	<u>219,675</u>
Interest Earned on Current Expense Emergency Reserve					
Interest earned on current expense emergency reserve	500	(500)	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	<u>500</u>	<u>(500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interest Earned on Current Expense Maintenance Reserve					
Interest earned on current expense maintenance reserve	100	(100)	-	-	-
Total Interest Earned on Current Expense Maintenance Reserve	<u>100</u>	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	300	214	514	514	-
Social security contributions	138,852	10,000	148,852	147,014	1,838
Other Retirement Contributions - PERS	150,000	-	150,000	144,098	5,902
Other Retirement Contributions - DCRP	13,200	(214)	12,986	11,500	1,486
Other Retirement Contributions - Regular	24,377	-	24,377	17,850	6,527
Unemployment compensation	25,000	-	25,000	-	25,000
Workmen's compensation	132,500	-	132,500	103,259	29,241
Health benefits	1,613,169	(127,506)	1,485,663	1,335,897	149,766
Tuition reimbursement	7,000	10,000	17,000	-	17,000
Other employee benefits	77,000	(1)	76,999	42,832	34,167
TOTAL UNALLOCATED EMPLOYEE BENEFITS	<u>2,181,398</u>	<u>(107,507)</u>	<u>2,073,891</u>	<u>1,802,964</u>	<u>270,927</u>
On-behalf TPAF LTDI (non-budgeted)	-	-	-	728	(728)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	367,991	(367,991)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,174,246	(1,174,246)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	304,865	(304,865)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,847,830</u>	<u>(1,847,830)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>2,181,398</u>	<u>(107,507)</u>	<u>2,073,891</u>	<u>3,650,794</u>	<u>(1,576,903)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>11,870,259</u>	<u>(46,363)</u>	<u>11,823,896</u>	<u>12,588,424</u>	<u>(764,528)</u>
TOTAL GENERAL CURRENT EXPENDITURES	<u>15,838,227</u>	<u>52,579</u>	<u>15,890,806</u>	<u>16,431,785</u>	<u>(540,979)</u>
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction:					
Undistributed expenditures - Admin Info Tech.	15,000	525	15,525	9,967	5,558
Undistributed expenditures - Custodial services	-	-	-	-	-
Undistributed expenditures - Security	-	-	-	-	-
Undistributed expenditures - Required maintenance	13,800	20,189	33,989	10,867	23,122
Total Equipment	<u>28,800</u>	<u>20,714</u>	<u>49,514</u>	<u>20,834</u>	<u>28,680</u>

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Facilities Acquisition and Construction Services					
Legal	\$ -	\$ -	\$ -	\$ -	\$ -
Architectural/Engineering Services	-	40	40	-	40
Assessment for Debt Service on SDA Funding	32,350	-	32,350	32,350	-
Total Facilities Acquisition and Construction Services	<u>32,350</u>	<u>40</u>	<u>32,390</u>	<u>32,350</u>	<u>40</u>
Interest Deposit to Capital Reserve	1,000	(1,000)	-	-	-
TOTAL CAPITAL OUTLAY	<u>62,150</u>	<u>19,754</u>	<u>81,904</u>	<u>53,184</u>	<u>28,720</u>
TOTAL EXPENDITURES	<u>15,900,377</u>	<u>72,333</u>	<u>15,972,710</u>	<u>16,484,969</u>	<u>(512,259)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,659,953)</u>	<u>(72,333)</u>	<u>(1,732,286)</u>	<u>(32,130)</u>	<u>1,700,156</u>
Other Financing Sources:					
Transfer to cafeteria	-	-	-	-	-
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,659,953)</u>	<u>(72,333)</u>	<u>(1,732,286)</u>	<u>(32,130)</u>	<u>1,700,156</u>
Fund Balance, July 1	4,703,305	-	4,703,305	4,703,305	-
Prior Period Adjustment	-	-	-	13,314 **	13,314
Fund Balance, July 1, Restated	<u>4,703,305</u>	<u>-</u>	<u>4,703,305</u>	<u>4,716,619</u>	<u>13,314</u>
Fund Balance, June 30	<u>\$ 3,043,352</u>	<u>\$ (72,333)</u>	<u>\$ 2,971,019</u>	<u>\$ 4,684,489</u>	<u>\$ 1,713,470</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				1,310,503	
Emergency reserve				50,100	
Maintenance reserve				632,668	
Tuition reserve				1,000,000	
Excess surplus - current year				349,726	
Excess surplus - designated for subsequent year's expenditures				193,862	
Unemployment compensation				26,903	
Assigned Fund Balance:					
Year-end encumbrances				-	
Designated for subsequent year's expenditures				204,127	
Unassigned fund balance				<u>916,600</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				4,684,489	
Last state aid payment not recognized on GAAP basis				(802,205)	
Fund balance per governmental funds (GAAP) - B-1				<u><u>3,882,284</u></u>	

* Include interest earnings on the unemployment compensation bank account

** Represents unemployment fund net position as of June 30, 2020

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 20,819	\$ 20,819
State sources	1,362,707	(210,435)	1,152,272	759,702	(392,570)
Federal sources	805,544	9,702	815,246	800,246	(15,000)
Total Revenues	<u>2,168,251</u>	<u>(200,733)</u>	<u>1,967,518</u>	<u>1,580,767</u>	<u>(386,751)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	1,021,001	(432,389)	588,612	582,466	6,146
Other salaries for instruction	95,499	-	95,499	95,499	-
Purchased professional services	36,294	7,879	44,173	17,879	26,294
Tuition	271,972	-	271,972	271,972	-
Textbooks	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
General supplies	176,783	(4,091)	172,692	127,574	45,118
Total Instruction	<u>1,601,549</u>	<u>(428,601)</u>	<u>1,172,948</u>	<u>1,095,390</u>	<u>77,558</u>
Support services:					
Other professional staff salaries	33,667	(2,160)	31,507	31,507	-
Secretarial/clerical salaries	7,597	-	7,597	7,597	-
Personal services - employee benefits	206,356	(3,994)	202,362	202,362	-
Purchased professional - educational services	87,318	-	87,318	34,345	52,973
Other purchased professional services	15,000	-	15,000	-	15,000
Purchased technical services	46,065	(7,879)	38,186	38,186	-
Travel	-	-	-	-	-
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	15,000	-	15,000	15,000	-
Supplies & materials	100,341	40,220	140,561	135,561	5,000
Student Activities	-	-	-	23,960	(23,960) Note 1
Total support services	<u>511,344</u>	<u>26,187</u>	<u>537,531</u>	<u>488,518</u>	<u>49,013</u>
Facilities acquisition and const. serv.:					
Noninstructional Equipment	40,358	-	40,358	-	40,358
Instructional equipment	15,000	-	15,000	-	15,000
Total facilities acquisition and const. serv.	<u>55,358</u>	<u>-</u>	<u>55,358</u>	<u>-</u>	<u>55,358</u>
Total expenditures	<u>2,168,251</u>	<u>(402,414)</u>	<u>1,765,837</u>	<u>1,583,908</u>	<u>181,929</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>2,168,251</u>	<u>(402,414)</u>	<u>1,765,837</u>	<u>1,583,908</u>	<u>181,929</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ 201,681</u>	<u>\$ 201,681</u>	<u>(3,141)</u>	<u>\$ (204,822)</u>
Fund Balance, July 1					
Prior Period Adjustment				<u>72,458</u>	
Fund Balance, July 1 (Restated)				<u>72,458</u>	
Fund Balance, June 30				<u>\$ 69,317</u>	
Recapitulation:					
Restricted:					
Student Activities				69,317	
Total Fund Balance				<u>\$ 69,317</u>	

Note 1 - Not required to budget for these funds.

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 16,452,839	[C-2] \$ 1,580,767
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	63
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(1,174,246)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	829,251	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(802,205)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] <u>\$ 15,305,639</u>	[B-2] <u>\$ 1,580,830</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	[C-1] \$ 16,484,969	[C-2] \$ 1,583,908
Differences - budget to GAAP		
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(1,174,246)	
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	63
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$ 15,310,723</u>	[B-2] <u>\$ 1,583,971</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Year Ended June 30, 2021
(Unaudited)

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.0178010150%	0.0173962391%	0.0156900316%	0.0141010318%	0.0146919062%	0.0125048134%	0.0131722709%
District's proportionate share of the net pension liability	\$ 3,332,837	\$ 4,044,495	\$ 4,646,937	\$ 3,282,495	\$ 2,892,763	\$ 2,253,178	\$ 2,148,053
District's covered-employee payroll	-	277,585	226,561	273,887	948,062	946,328	897,119
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	1457.03%	2051.08%	1198.49%	305.12%	238.10%	239.44%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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

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

**UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions-PERS
For the Year Ended June 30, 2021
(Unaudited)**

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contributions	\$ 146,749	\$ 149,561	\$ 135,545	\$ 132,468	\$ 146,496	\$ 122,157	\$ 144,098
Contributions in relation to the contractually required contribution	<u>146,635</u>	<u>149,561</u>	<u>135,545</u>	<u>132,468</u>	<u>139,286</u>	<u>115,416</u>	<u>144,098</u>
Contribution deficiency (excess)	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,210</u>	<u>\$ 6,741</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 277,585	\$ 226,561	\$ 273,887	\$ 948,062	\$ 946,328	\$ 897,119	\$ 977,269
Contributions as a percentage of covered-employee payroll	0.00%	66.01%	49.49%	48.37%	15.48%	13.62%	14.74%

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

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Year Ended June 30, 2021
(Unaudited)

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the net pension liability associated with the District	0.0447031709%	0.0429608354%	0.0399501732%	0.0385521044%	0.0392111685%	0.0394820776%	0.0402197142%
State's proportionate share of the net pension liability associated with the District	\$ 23,892,390	\$ 27,153,083	\$ 31,427,350	\$ 25,993,219	\$ 24,945,303	\$ 24,230,524	\$ 26,484,198
District's covered-employee payroll	1,155,506	966,280	1,247,572	4,235,878	4,314,959	4,355,476	4,219,087
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	2067.70%	2810.06%	2519.08%	613.64%	578.11%	556.32%	627.72%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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

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

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

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

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the OPEB liability associated with the District				
Service cost	\$ 1,212,660	\$ 1,003,918	\$ 886,871	\$ 923,826
Interest cost	1,095,179	1,262,191	1,170,528	934,958
Differences between expected and actual experiences	-	(2,973,218)	(5,269,559)	7,351,668
Changes in assumptions	(4,500,100)	(3,413,389)	389,808	7,741,434
Member contributions	29,538	27,489	23,790	22,363
Gross benefit payments	<u>(802,183)</u>	<u>(795,371)</u>	<u>(802,540)</u>	<u>(737,807)</u>
Net change in total OPEB liability	(2,964,906)	(4,888,380)	(3,601,102)	16,236,442
Total state's OPEB liability - beginning	<u>37,598,298</u>	<u>34,633,392</u>	<u>29,745,012</u>	<u>26,143,910</u>
Total state's OPEB liability - ending	<u>\$ 34,633,392</u>	<u>\$ 29,745,012</u>	<u>\$ 26,143,910</u>	<u>\$ 42,380,352</u>
District's covered employee payroll	<u>\$ 6,242,521</u>	<u>\$ 6,381,614</u>	<u>\$ 6,339,122</u>	<u>\$ 6,109,729</u>
Total State's OPEB liability as a percentage of covered employee payroll	555%	466%	412%	694%

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

Union Beach School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2021

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

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

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

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

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

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

	<u>Student Activity 20/21</u>	<u>Title I Part A 20/21</u>	<u>Title II Part A 20/21</u>	<u>IDEA-Part B-Basic Reg Prog 20/21</u>
Revenues:				
Local sources	\$ 20,819	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	254,339	30,772	257,481
Total revenues	<u>20,819</u>	<u>254,339</u>	<u>30,772</u>	<u>257,481</u>
Expenditures:				
Instruction:				
Salaries of teachers	-	188,280	3,161	-
Other salaries/instruction	-	-	-	-
Purchased professional services	-	-	-	-
General supplies	-	16,112	-	-
Tuition	-	-	-	257,481
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	<u>-</u>	<u>204,392</u>	<u>3,161</u>	<u>257,481</u>
Support services:				
Other support services - students - special:				
Other professional staff salaries	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-
Purchased professional services	-	6,734	27,611	-
Other purchased professional services	-	-	-	-
Purchased technical services	-	-	-	-
Employee benefits	-	43,213	-	-
Travel	-	-	-	-
Miscellaneous purchased services	-	-	-	-
General supplies	-	-	-	-
Miscellaneous expenses	-	-	-	-
Student Activities	23,960	-	-	-
Total other support services - students - special	<u>23,960</u>	<u>49,947</u>	<u>27,611</u>	<u>-</u>
Total support services	<u>23,960</u>	<u>49,947</u>	<u>27,611</u>	<u>-</u>
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>23,960</u>	<u>254,339</u>	<u>30,772</u>	<u>257,481</u>
Excess (deficiency) of revenue over expenses	<u>(3,141)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	-	-	-	-
Prior Period Adjustment	72,458	-	-	-
Fund Balance, July 1 (Restated)	<u>72,458</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 69,317</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued on next page)

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

(continued from previous page)

	IDEA-Part B-Preschool Reg Prog 20/21	Cares Act 20/21	CRF 20/21	Pre-school Aid 20/21	Total 2021
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 20,819
State sources	-	-	-	759,702	759,702
Federal sources	14,491	187,310	55,853	-	800,246
Total revenues	<u>14,491</u>	<u>187,310</u>	<u>55,853</u>	<u>759,702</u>	<u>1,580,767</u>
Expenditures:					
Instruction:					
Salaries of teachers	-	29,785	-	361,240	582,466
Other salaries/instruction	-	-	-	95,499	95,499
Purchased professional services	-	-	-	17,879	17,879
General supplies	-	52,909	55,853	2,700	127,574
Tuition	14,491	-	-	-	271,972
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	<u>14,491</u>	<u>82,694</u>	<u>55,853</u>	<u>477,318</u>	<u>1,095,390</u>
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	31,507	31,507
Secretarial/Clerical salaries	-	-	-	7,597	7,597
Purchased professional services	-	-	-	-	34,345
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	38,186	38,186
Employee benefits	-	-	-	159,149	202,362
Travel	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-
General supplies	-	104,616	-	30,945	135,561
Miscellaneous expenses	-	-	-	15,000	15,000
Student Activities	-	-	-	-	23,960
Total other support services - students - special	<u>-</u>	<u>104,616</u>	<u>-</u>	<u>282,384</u>	<u>488,518</u>
Total support services	<u>-</u>	<u>104,616</u>	<u>-</u>	<u>282,384</u>	<u>488,518</u>
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>14,491</u>	<u>187,310</u>	<u>55,853</u>	<u>759,702</u>	<u>1,583,908</u>
Excess (deficiency) of revenue over expenses	-	-	-	-	(3,141)
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	72,458
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,458</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,317</u>

UNION BEACH SCHOOL DISTRICT
Special Revenue Fund
Schedule of Expenditures of Preschool Education Aid
Preschool - All Programs
Budgetary Basis
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 554,067	\$ 361,240	\$ 192,827
Other Salaries for Instruction	95,499	95,499	-
Purchased Professional & Technical Services	-	-	-
Other Purchased Services (400-500 series)	44,173	17,879	26,294
Tuition to Other LEAs Within the State - Regular	-	-	-
General Supplies	47,818	2,700	45,118
Other Objects	-	-	-
Total instruction	<u>741,557</u>	<u>477,318</u>	<u>264,239</u>
Support services:			
Salaries of Program Directors	-	-	-
Salaries of Supervisors of Instruction	-	-	-
Salaries of Other Professional Staff	31,507	31,507	-
Salaries of Secr. And Clerical Assistants	7,597	7,597	-
Other Salaries	-	-	-
Salaries of Community Parent Involvement Spec.	-	-	-
Salaries of Master Teachers	-	-	-
Personal Services - Employee Benefits	159,149	159,149	-
Purchased Educational Services - Contracted Pre-K	52,973	-	52,973
Purchased Professional - Educational Services	-	-	-
Other Purchased Professional Services	-	-	-
Cleaning, Repair, and Maintenance Services	15,000	-	15,000
Purchased Technical Services	38,186	38,186	-
Rentals	-	-	-
Contr. Serv.-Trans. (Bet. Home & Sch.)	-	-	-
Contr. Serv.-Trans. (Wrap Around Services)	-	-	-
Contr. Serv.-Trans. (Field Trips)	-	-	-
Travel	-	-	-
Other Purchased Services (400-500 series)	-	-	-
Supplies & Materials	35,945	30,945	5,000
Other Objects	15,000	15,000	-
Total support services	<u>355,357</u>	<u>282,384</u>	<u>72,973</u>
Facilities acquisition and cont. serv:			
Instructional equipment	15,000	-	15,000
Noninstructional Equipment	40,358	-	40,358
Total Facilities acquisition and cont. serv.	<u>55,358</u>	<u>-</u>	<u>55,358</u>
Contribution to Charter Schools			
	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to General Fund			
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 1,152,272</u>	<u>\$ 759,702</u>	<u>\$ 392,570</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2020-21 PreK/ECPA Aid Allocation	\$ 842,373
Add: Actual PreK/ECPA Aid Carryover June 30, 2020	309,899
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2020-21 Budget	<u>1,152,272</u>
Less: 2020-21 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>(1,152,272)</u>
Available & Unbudgeted Funds as of June 30, 2021	-
Add: June 30, 2021 Unexpended PreK Aid	392,570
2021- Actual Carryover - PreK Aid	<u>\$ 392,570</u>
2020-21 PreK Aid Carryover Budgeted in 2022-FY	<u>\$ -</u>

F. Capital Projects Fund
Not Applicable

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

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt
Not Applicable

STATISTICAL SECTION

**Union Beach School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	100-104
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	105-108
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	109-112
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	113-114
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	115-119

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 6,636,702	\$ 6,674,457	\$ 6,914,516	\$ 6,722,949	\$ 6,634,060	\$ 6,536,144	\$ 6,549,305	\$ 6,618,619	\$ 6,752,148	\$ 6,469,822
Restricted	1,528,816	1,773,680	1,260,194	1,314,193	1,945,724	3,819,235	2,973,343	3,369,514	4,214,870	3,633,079
Unrestricted	(1,125,797)	(988,485)	(1,023,207)	(4,279,408)	(4,373,730)	(5,314,043)	(3,942,086)	(3,219,701)	(3,979,781)	(3,112,928)
Total governmental activities net position	<u>\$ 7,039,721</u>	<u>\$ 7,459,652</u>	<u>\$ 7,151,503</u>	<u>\$ 3,757,734</u>	<u>\$ 4,206,054</u>	<u>\$ 5,041,336</u>	<u>\$ 5,580,562</u>	<u>\$ 6,768,432</u>	<u>\$ 6,987,237</u>	<u>\$ 6,989,973</u>
Business-type activities										
Net investment in capital assets	\$ 139,208	\$ 122,270	\$ 105,332	\$ 88,394	\$ 71,456	\$ 54,518	\$ 37,580	\$ 20,642	\$ 3,704	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	395,353	235,276	264,310	290,707	334,366	353,565	318,439	295,647	268,535	240,189
Total business-type activities net position	<u>\$ 534,561</u>	<u>\$ 357,546</u>	<u>\$ 369,642</u>	<u>\$ 379,101</u>	<u>\$ 405,822</u>	<u>\$ 408,083</u>	<u>\$ 356,019</u>	<u>\$ 316,289</u>	<u>\$ 272,239</u>	<u>\$ 240,189</u>
District-wide										
Net investment in capital assets	\$ 6,775,910	\$ 6,796,727	\$ 7,019,848	\$ 6,811,343	\$ 6,705,516	\$ 6,590,662	\$ 6,586,885	\$ 6,639,261	\$ 6,755,852	\$ 6,469,822
Restricted	1,528,816	1,773,680	1,260,194	1,314,193	1,945,724	3,819,235	2,973,343	3,369,514	4,214,870	3,633,079
Unrestricted	(730,444)	(753,209)	(758,897)	(3,988,701)	(4,039,364)	(4,960,478)	(3,623,647)	(2,924,054)	(3,711,246)	(2,872,739)
Total district net position	<u>\$ 7,574,282</u>	<u>\$ 7,817,198</u>	<u>\$ 7,521,145</u>	<u>\$ 4,136,835</u>	<u>\$ 4,611,876</u>	<u>\$ 5,449,419</u>	<u>\$ 5,936,581</u>	<u>\$ 7,084,721</u>	<u>\$ 7,259,476</u>	<u>\$ 7,230,162</u>

Source: CAFR Schedule A-1 and District records.

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

UNION BEACH SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,076,309	\$ 3,715,786	\$ 3,912,334	\$ 3,882,461	\$ 3,563,762
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	761,269	160,568	577,810	332,409	204,127
Unassigned	-	-	-	-	-	(396,782)	(381,652)	(385,869)	(340,816)	114,395
Reserved	1,575,284	1,788,149	2,182,930	2,682,507	3,006,219	-	-	-	-	-
Unreserved	(400,800)	(521,114)	(477,956)	(469,633)	(497,515)	-	-	-	-	-
Total general fund	<u>\$ 1,174,484</u>	<u>\$ 1,267,035</u>	<u>\$ 1,704,974</u>	<u>\$ 2,212,874</u>	<u>\$ 2,508,704</u>	<u>\$ 3,440,796</u>	<u>\$ 3,494,702</u>	<u>\$ 4,104,275</u>	<u>\$ 3,874,054</u>	<u>\$ 3,882,284</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special revenue fund	(46,468)	(14,469)	(23,589)	(14,850)	(10,415)	(18,343)	(45,926)	(69,122)	-	-
Student Activities	-	-	-	-	-	-	-	-	-	69,317
Total all other governmental funds	<u>\$ (46,468)</u>	<u>\$ (14,469)</u>	<u>\$ (23,589)</u>	<u>\$ (14,850)</u>	<u>\$ (10,415)</u>	<u>\$ (18,343)</u>	<u>\$ (45,926)</u>	<u>\$ (69,122)</u>	<u>\$ -</u>	<u>\$ 69,317</u>

Source: CAFR Schedule B-1 and District records.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax levy	\$ 6,371,285	\$ 6,498,711	\$ 5,599,563	\$ 5,756,058	\$ 5,871,180	\$ 6,498,711	\$ 6,628,685	\$ 6,628,685	\$ 6,761,259	\$ 6,986,014
Tuition charges	-	-	-	23,314	1,740	4,618	945	8,075	21,722	4,256
Interest earnings	259	2,741	3,330	4,992	-	8,107	9,960	3,066	9,893	7,836
Miscellaneous	17,676	228,499	142,751	101,396	8,659	990	11,870	149,222	238,134	70,169
State sources	9,416,614	9,492,697	9,410,906	9,259,437	9,233,312	9,364,016	9,386,034	9,288,416	9,367,400	9,013,980
Federal sources	540,525	845,606	941,611	567,477	566,349	536,989	519,994	697,224	554,639	804,214
Total revenue	16,358,569	17,068,254	16,098,161	15,712,674	15,681,240	16,413,431	16,557,488	16,774,688	16,953,047	16,886,469
Expenditures										
Instruction										
Regular Instruction	3,663,075	3,450,127	3,450,528	3,027,074	3,122,538	3,247,016	3,509,848	3,463,079	3,521,447	3,679,540
Special education instruction	834,897	917,104	914,164	1,038,462	1,087,527	1,214,808	1,229,124	1,364,312	1,349,154	1,199,736
Other special instruction	50,217	49,461	53,540	49,083	58,027	71,241	67,579	77,471	71,465	59,538
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	6,310,717	5,984,559	5,327,103	5,252,152	4,771,396	4,572,594	4,564,452	4,480,711	5,166,110	5,668,208
Student & inst. related services	202,760	222,305	201,964	208,988	202,977	237,744	226,880	237,911	225,442	188,383
General administration	316,984	269,592	295,011	285,427	319,402	314,476	307,912	327,574	394,701	402,439
School administrative services	201,083	202,384	220,908	220,470	199,165	207,752	219,510	216,155	238,651	222,769
Central services	244,875	179,191	159,839	180,681	179,429	192,899	196,134	204,650	192,062	163,940
Security	5,128	5,988	16,092	5,998	17,811	48,508	74,257	68,535	62,692	74,933
Plant operations and maintenance	832,713	969,968	897,607	839,033	854,149	919,143	803,887	798,693	874,336	744,636
Pupil transportation	603,818	999,808	617,939	769,047	733,239	772,040	702,496	757,135	932,976	696,957
Other Support Services	954,954	905,660	1,089,096	945,246	903,803	1,048,552	1,009,551	956,103	1,061,219	1,237,200
Care & upkeep of grounds	101,451	4,788	10,724	19,260	19,925	14,618	40,834	6,946	31,948	26,683
Employee benefits	1,735,703	1,733,626	1,924,555	1,712,495	1,843,333	1,721,937	2,058,243	2,079,452	1,764,012	1,802,964
Non-budgeted expenditures	807,664	915,576	802,704	654,395	673,775	665,776	689,961	670,706	651,485	673,584
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	34,610	133,567	586,715	144,718	238,926	239,222	334,383	348,529	576,446	53,184
Debt service:										
Principal	-	-	-	-	-	-	449,642	449,505	-	-
Interest and other charges	-	-	-	-	-	-	46,472	1,965	-	-
Total expenditures	16,900,649	16,943,704	16,568,489	15,352,529	15,225,422	15,488,326	16,531,165	16,509,432	17,114,146	16,894,694
Excess (Deficiency) of revenues over (under) expenditures	(542,080)	124,550	(470,328)	360,145	455,818	925,105	26,323	265,256	(161,099)	(8,225)
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	156,494	-	-	-	-	-	-
Repayment of CDL	-	-	-	-	(156,494)	-	-	-	-	-
Insurance proceeds for storm expense reimbursement	-	-	-	-	-	-	-	321,121	-	-
State school building aid - Section 15 grant	-	-	-	-	-	-	-	-	-	-
Original issue discount	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	156,494	(156,494)	-	-	321,121	-	-
Net change in fund balances	(542,080)	124,550	(470,328)	516,639	299,324	925,105	26,323	586,377	(161,099)	(8,225)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.06%	2.79%	0.00%	0.00%

Source: CAFR Schedule B-2 and District records.

Note: Noncapital expenditures are total expenditures less capital outlay.
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services

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

Fiscal Year Ending June 30,	Sale of Capital Assets	Donations	Rentals	Prior Year Refunds	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2012	-	-	-	-	-	17,676	17,676
2013	-	-	-	-	-	228,499	228,499
2014	-	-	-	-	-	14,942	14,942
2015	-	-	8,625	-	-	85,600	94,225
2016	-	-	-	-	-	8,659	8,659
2017	-	-	-	-	-	990	990
2018	-	-	-	-	-	11,870	11,870
2019	-	-	-	-	-	149,222	149,222
2020	-	-	-	-	-	5,000	5,000
2021	-	-	4,250	-	-	45,100	49,350

Source: District records

UNION BEACH SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qform	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2012	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2013	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2014	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2015	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2016	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2017	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2018	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2019	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2020	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2021	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Union Beach School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct J-7	Borough of Union Beach	Monmouth County	
2012	N/A	0.000	N/A	N/A	N/A	N/A
2013	N/A	0.000	N/A	N/A	N/A	N/A
2014	N/A	0.000	N/A	N/A	N/A	N/A
2015	N/A	0.000	N/A	N/A	N/A	N/A
2016	N/A	0.000	N/A	N/A	N/A	N/A
2017	N/A	0.000	N/A	N/A	N/A	N/A
2018	N/A	0.000	N/A	N/A	N/A	N/A
2019	N/A	0.000	N/A	N/A	N/A	N/A
2020	N/A	0.000	N/A	N/A	N/A	N/A
2021	N/A	0.000	N/A	N/A	N/A	N/A

Source: Municipal Tax Collector

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

Taxpayer	2021			Taxpayer	2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Not Available							
Total	\$ -		0.00%	Total	\$ -		0.00%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A

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

**UNION BEACH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities					Compensated Absences Payable	Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases					
2012	-	-	-	-	724,997	-	724,997	0.00%	-	
2013	-	-	-	-	467,371	-	467,371	0.00%	-	
2014	-	-	-	-	359,821	-	359,821	0.00%	-	
2015	-	-	-	-	484,415	-	484,415	0.00%	-	
2016	-	-	-	-	314,008	-	314,008	0.00%	-	
2017	-	-	-	-	340,747	-	340,747	0.00%	-	
2018	-	-	-	-	379,682	-	379,682	0.00%	-	
2019	-	-	-	-	397,621	-	397,621	0.00%	-	
2020	-	-	-	-	334,543	-	334,543	0.00%	-	
2021	-	-	-	-	308,543	-	308,543	0.00%	-	

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

UNION BEACH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

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

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

N/A At the time of CAFR completion, this data was not yet available

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Union Beach	0	0.000%	0
Monmouth County General Obligation Debt	0	0.000%	0
Other debt			
Subtotal, overlapping debt			0
Union Beach School District Direct Debt			<u>N/A</u>
Total direct and overlapping debt			<u>\$ -</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation

UNION BEACH SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years
UNAUDITED

	Equalized valuation basis	
	2021 \$	-
	2020 \$	-
	2019 \$	-
	[A] \$	<u>-</u>
	[A/3] \$	-
(3 % of average equalization value)	[B] \$	- a
Net bonded school debt	[C] \$	-
Legal debt margin	[B-C] \$	<u>-</u>

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**UNION BEACH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2012	N/A	N/A	N/A	10.9%
2013	N/A	N/A	N/A	10.9%
2014	N/A	N/A	N/A	10.9%
2015	N/A	N/A	N/A	10.9%
2016	N/A	N/A	N/A	10.9%
2017	N/A	N/A	N/A	10.9%
2018	N/A	N/A	N/A	10.9%
2019	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A

Source:

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

^b Personal income not available by municipality.

^c Per Capita Income not available by municipality

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

N/A At the time of CAFR completion, this data was not available

UNION BEACH SCHOOL DISTRICT
Principal Employers
Current Year and Ten Years Ago
UNAUDITED

Employer	2021			2012		
	Employees	Rank (Optional)	Percentage of Total Employment ^b	Employees	Rank (Optional)	Percentage of Total Employment ^b
		Not Available				
	-		0.00%			

Source: Borough of Union Beach Official Bond Statement

^b Total labor force provided by U.S. Department of Labor, Bureau of Labor Statistics

N/A At the time of CAFR completion, this data was not available

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	62	62	62	62	62	62	52	52	52	52
Special education	23	23	23	23	23	23	26	26	26	26
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	16	16	16	16	16	16	33	33	33	28
General administrative services	1	1	1	1	1	1	2	2	2	2
School administrative services	2	2	2	2	2	2	2	2	2	2
Other Administrative Services	5	5	5	5	5	5	6	6	6	6
Business administrative services	-	-	-	-	-	-	2	2	2	2
Plant operations and maintenance	10	10	10	10	10	10	7	7	7	7
Pupil transportation	4	4	4	4	4	4	5	5	5	3
Food Service	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Total	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>135</u>	<u>135</u>	<u>135</u>	<u>128</u>

Source: District Personnel Records

**UNION BEACH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2012	732	16,046,404	21,921	1.29%	83	8.8	0.0	0.0	732.0	732.0	-16.34%	100.00%
2013	690	16,251,085	23,552	7.44%	83	8.3	0.0	0.0	690.0	690.0	-40.41%	100.00%
2014	658	16,481,158	25,047	6.35%	83	7.9	0.0	0.0	658.0	658.0	-24.80%	100.00%
2015	635	14,869,096	23,416	-6.51%	85	7.5	0.0	0.0	658.0	658.0	-43.18%	100.00%
2016	628	15,232,920	24,256	3.59%	85	7.4	0.0	0.0	628.0	628.0	-45.77%	100.00%
2017	592	15,203,041	25,681	5.87%	85	7.0	0.0	0.0	628.0	628.0	-45.77%	100.00%
2018	637	16,018,262	25,146	-2.08%	78	8.2	0.0	0.0	637.0	637.0	-44.99%	100.00%
2019	642	15,709,433	24,470	-4.72%	78	8.2	0.0	0.0	642.0	642.0	-44.56%	100.00%
2020	648	15,838,227	24,442	-4.83%	78	8.3	0.0	0.0	648.0	648.0	-44.04%	100.00%
2021	648	16,484,969	25,440	-0.94%	78	8.3	0.0	0.0	648.0	648.0	0.00%	100.00%

Sources: District records and Schedules J-12, J-14

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS)

**UNION BEACH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
UNAUDITED**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District Building^a										
<u>Elementary</u>										
Memorial School										
Square Feet	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009
Capacity (students)	826	826	826	826	826	826	826	826	826	826
Enrollment	794	794	794	794	628	628	628	642	648	585
<u>Other</u>										
Central Administration										
Square Feet	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818
Number of Schools at June 30, 2021										
Elementary = 1										
Middle School = 0										
Other = 1										

Source: District Facilities Office

^a Increases in square footage and capacity are the result of additions
Enrollment is based on the annual October District count

^b At the time of CAFR completion, this data was not yet available

**UNION BEACH SCHOOL DISTRICT
Schedule of Required Maintenance By School
Last Ten Fiscal Years
UNAUDITED**

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

* School Facilities Project # (s)	Memorial School	Florence Avenue	Total
	<u> </u>	<u> </u>	<u> </u>
2012	95,968	5,051	101,019
2013	190,826	36,500	227,326
2014	71,169	36,500	107,669
2015	126,772	13,000	139,772
2016	138,160	-	138,160
2017	190,965	-	190,965
2018	183,203	-	183,203
2019	127,259	-	127,259
2020	270,643	-	270,643
2021	68,823	-	68,823
 Total School Facilities	 <u><u>\$ 1,463,788</u></u>	 <u><u>\$ 91,051</u></u>	 <u><u>\$ 1,554,839</u></u>

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

Source: District records

**UNION BEACH SCHOOL DISTRICT
Insurance Schedule
For the Year Ended June 30, 2021
UNAUDITED**

Company	Type of Coverage	Coverage	Deductible
Arthur J Gallagher Broker	Property Blanket Building & Contents Business Income & Extra Exp.	33,489,329	5,000
New Jersey School Boards	Flood	500,000	5,000
Insurance Group	Equipment Breakdown (Blanket) Per Breakdown	33,489,329	5,000
	Commercial Liability Bodily Injury & Property Damage Each Occurrence General Aggregate Damage to Premises Rented Medical Payments Personal & Advertising Injury Employee Benefits Liability		
	Crime Employee Theft Forgery or Alteration Computer Fraud	100,000	1,000
	Business Auto Combined Single Limit Personal Injury Protection Medical Payments Uninsured & Underinsured Comprehensive Deductible Collision Deductible	31,000,000	1,000
	School Board Legal Limit of Liability	31,000,000	5,000
	Worker's Compensation Each accident Each employee	3,000,000 3,000,000	-
	Student Accident Maximum Benefit	100,000	
	Bonds Business Adm./Board Sec'y.	250,000	1,000
	Environmental Policy Each Incident Aggregate	500,000	25,000
	CAP Program Each Occurrence Aggregate	25,000,000	

Source: District Records

SINGLE AUDIT SECTION

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

Honorable President and
Members of the Board of Education
Union Beach School District
County of Monmouth
Union Beach, New Jersey 07760

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Board of Education of the Union Beach School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Board of Education of the Union Beach School District basic financial statements, and have issued our report thereon dated December 16, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

Jump, Perry and Company, LLP
Toms River, New Jersey



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

December 16, 2021

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

Honorable President and
Members of the Board of Education
Union Beach School District
County of Monmouth
Union Beach, New Jersey 07760

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Respectfully submitted,

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



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

December 16, 2021

UNION BEACH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2020</u>	<u>Adjustment Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior years' Balances</u>	<u>Deferred Revenue at June 30, 2021</u>	<u>(Accounts Receivable) at June 30, 2021</u>	<u>Due to Grantor at June 30, 2021</u>
U.S. Department of Education											
General Fund:											
Medical Assistance Program	93.778	7/1/20-6/30/21	\$ 3,905	\$ -	\$ -	\$ 3,905	\$ (3,905)	\$ -	\$ -	\$ -	\$ -
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Food Distribution Program	10.550	7/1/20-6/30/21	5,628	-	-	5,628	(5,628)	-	-	-	-
Summer Food Service Program for Children	10.559	7/1/19-6/30/20	32,684	(5,180)	-	5,180	-	-	-	-	-
Summer Food Service Program for Children	10.559	7/1/20-6/30/21	134,367	-	-	123,118	(134,367)	-	-	(11,249)	-
Total U.S. Department of Agriculture				(5,180)	-	133,926	(139,995)	-	-	(11,249)	-
U.S. Department of Education											
Passed-through State Department of Education:											
Title I	84.010	9/1/19-8/31/20	255,375	(166,241)	-	166,241	-	-	-	-	-
Title I	84.010	9/1/20-8/31/21	254,339	-	-	-	(254,339)	-	-	(254,339)	-
Title II Part A	84.168	9/1/19-8/31/20	46,474	(27,228)	-	27,228	-	-	-	-	-
Title II Part A	84.168	9/1/20-8/31/21	30,772	-	-	-	(30,772)	-	-	(30,772)	-
CARES	84.425D	9/1/20-8/31/21	187,310	-	-	-	(187,310)	-	-	(187,310)	-
Coronavirus Relief Fund	84.425D	9/1/20-8/31/21	55,853	-	-	55,853	(55,853)	-	-	-	-
Special Education Cluster:											
I.D.E.A. Part B Basic Regular	84.027	9/1/20-8/31/21	257,481	-	-	215,730	(257,481)	-	-	(41,751)	-
I.D.E.A. Part B Preschool	84.173	9/1/20-8/31/21	14,491	-	-	14,491	(14,491)	-	-	-	-
Subtotal of Special Education Cluster				-	-	230,221	(271,972)	-	-	(41,751)	-
Total U.S. Department of Education				(193,469)	-	479,543	(800,246)	-	-	(514,172)	-
Total Expenditures of Federal Awards				\$ (198,649)	\$ -	\$ 617,374	\$ (944,146)	\$ -	\$ -	\$ (525,421)	\$ -

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

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020	Adjustment Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2021	(Accounts Receivable) at June 30, 2021	Due to Grantor at June 30, 2021	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	\$ 12,799	\$ -	\$ -	11,378	\$(12,799)	\$ -	\$ -	\$ -	\$ -	1,421	12,799
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	6,522,783	-	-	5,798,299	(6,522,783)	-	-	-	-	724,484	6,522,783
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	658,640	-	-	585,485	(658,640)	-	-	-	-	73,155	658,640
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	28,312	-	-	25,167	(28,312)	-	-	-	-	3,145	28,312
Extraordinary Aid	20-100-034-5120-473	7/1/19-6/30/20	177,245	(177,245)	-	177,245	-	-	-	-	-	-	-
Extraordinary Aid	21-100-034-5120-473	7/1/20-6/30/21	321,298	-	-	-	(321,298)	-	-	(321,298)	-	-	321,298
Nonpublic Transportation Aid	21-100-034-5120-068	7/1/20-6/30/21	9,816	-	-	-	(9,816)	-	-	(9,816)	-	-	9,816
Nonpublic Transportation Aid	20-100-034-5120-068	7/1/19-6/30/20	6,337	(6,337)	-	6,337	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	1,174,246	-	-	1,174,246	(1,174,246)	-	-	-	-	-	1,174,246
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/20-6/30/21	367,991	-	-	367,991	(367,991)	-	-	-	-	-	367,991
On-Behalf TPAF Long-Term Disability Ins	21-100-034-5095-004	7/1/20-6/30/21	728	-	-	728	(728)	-	-	-	-	-	728
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	7/1/19-6/30/20	317,524	(15,755)	-	15,755	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	7/1/20-6/30/21	304,865	-	-	289,767	(304,865)	-	-	(15,058)	-	-	304,865
Total General Fund				<u>(199,337)</u>	<u>-</u>	<u>8,452,398</u>	<u>(9,401,478)</u>	<u>-</u>	<u>-</u>	<u>(346,172)</u>	<u>-</u>	<u>802,205</u>	<u>9,401,478</u>
Special Revenue Fund:													
Preschool Education Aid	20-495-034-5120-086	7/1/19-6/30/20	512,733	309,899	(309,899)	-	-	-	-	-	-	-	-
Preschool Education Aid	21-495-034-5120-086	7/1/20-6/30/21	842,373	-	309,899	842,373	(759,702)	-	392,570	-	-	-	759,702
Total Special Revenue Fund				<u>309,899</u>	<u>-</u>	<u>842,373</u>	<u>(759,702)</u>	<u>-</u>	<u>392,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>759,702</u>
State Department of Agriculture													
Enterprise Fund													
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	2,269	(50)	-	50	-	-	-	-	-	-	-
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	3,229	-	-	2,764	(3,229)	-	-	(465)	-	-	3,229
Total Special Revenue Fund				<u>(50)</u>	<u>-</u>	<u>2,814</u>	<u>(3,229)</u>	<u>-</u>	<u>-</u>	<u>(465)</u>	<u>-</u>	<u>-</u>	<u>3,229</u>
Total Expenditures of State Awards				<u>110,512</u>	<u>-</u>	<u>9,297,585</u>	<u>(10,164,409)</u>	<u>-</u>	<u>392,570</u>	<u>(346,637)</u>	<u>-</u>	<u>802,205</u>	<u>10,164,409</u>
State Financial Assistance Not Subject to Single Audit Determination													
General Fund:													
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	1,174,246	-	-	1,174,246	(1,174,246)	-	-	-	-	-	1,174,246
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/20-6/30/21	367,991	-	-	367,991	(367,991)	-	-	-	-	-	367,991
On-Behalf TPAF Long-Term Disability Ins	21-100-034-5095-004	7/1/20-6/30/21	728	-	-	728	(728)	-	-	-	-	-	728
Total State Financial Assistance Not Subject to Single Audit Determination				<u>-</u>	<u>-</u>	<u>1,542,965</u>	<u>(1,542,965)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,542,965</u>
Total Expenditures of State Awards Subject to Single Audit Determination				<u>\$ 110,512</u>	<u>\$ -</u>	<u>\$ 7,754,620</u>	<u>\$ (8,621,444)</u>	<u>\$ -</u>	<u>\$ 392,570</u>	<u>\$ (346,637)</u>	<u>\$ -</u>	<u>\$ 802,205</u>	<u>\$ 8,621,444</u>

See accompanying notes to schedules of expenditures.

Union Beach School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2021

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

Union Beach School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2021

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,147,200) for the general fund and \$63 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 3,905	\$ 8,254,278	\$ 8,258,183
Special Revenue Fund	800,309	759,702	1,560,011
Debt Service Fund	-	-	-
Food Service Fund	<u>139,995</u>	<u>3,229</u>	<u>143,224</u>
Total awards and financial assistance	<u>\$ 944,209</u>	<u>\$ 9,017,209</u>	<u>\$ 9,961,418</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

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

The TPAF Post Retirement/Medical Benefits expenditures are not subject to New Jersey OMB Circular 15-08 and are not included in the above schedule.

6. Indirect Costs

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

Union Beach School District
Schedule of Findings and Questioned Costs
June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified? yes none reported

Noncompliance material to basic financial statements noted? yes no

Federal Awards:

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Special Education Cluster	
84.027	IDEA Part B Basic Regular
84.173	IDEA Part B Preschool
10.559	Summer Food Service Program for Children

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

Auditee qualified as low-risk auditee? yes no

Union Beach School District
 Schedule of Findings and Questioned Costs (continued)
 June 30, 2021

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

State Awards

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

Auditee qualified as low-risk auditee? X yes ___ no

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

Internal Control over major programs:

1) Material weakness(es) identified? ___ yes X no

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

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

Identification of major programs:

<u>State grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-086	Preschool Education Aid
State Aid-Cluster	
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid

Union Beach School District

Summary of Findings and Questioned Costs (continued)

June 30, 2021

Section II - Financial Statement Findings - N/A

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

Union Beach School District
Summary Schedule of Prior Year Audit Findings

June 30, 2021

Summary Schedule of Prior Year Audit Findings - N/A