

**SCHOOL DISTRICT OF THE
OCEAN TOWNSHIP
COUNTY OF MONMOUTH, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

BOARD OF EDUCATION

OCEAN TOWNSHIP

STATE OF NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

PREPARED BY

OCEAN TOWNSHIP BOARD OF EDUCATION

BOARD SECRETARY'S OFFICE

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INTRODUCTORY SECTION



February 8, 2023

Honorable President and
Members of the Board of Education
Township of Ocean School District
Monmouth County
Oakhurst, New Jersey

Dear Board Members:

The annual comprehensive financial report (ACFR) of the Township of Ocean School District (District) for the fiscal year ended June 30, 2022, is hereby submitted. This ACFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards (GASB), Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes Management's Discussion and Analysis, the Basic Financial Statements and notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information, as well as the auditor's report hereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis, as the information was available to us. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as amended, Title 2 U.S. *Code of Federal Regulations* 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 and compliance with applicable laws, regulation, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Township of Ocean School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Township of Ocean Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2021-2022 fiscal year with an enrollment of 3,196 students, which is 103 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

**Note: Below enrollments do not include 'out of district' tuition students.*

ACTUAL STUDENT ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2021-2022	3196	<3.12>%
2020-2021	3299	<0.18>%
2019-2020	3305	<3.53>%
2019-2018	3426	<1.95>%
2017-2018	3514	<1.95>%

PROJECTED STUDENT ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2022-2023	3,196	0.00%
2023-2024	3,196	0.00%
2024-2025	3,139	<1.78>%
2025-2026	3,090	<1.56>%

2) ECONOMIC CONDITION AND OUTLOOK: Typically, housing in Ocean Township experiences the conversion of former year round residences to summer living and winter rentals which have contributed to student enrollment decreases. The real estate market continues to slowly rebound from the economic downturn. However, since March 2020, the Global Pandemic has turned the local economy upside down. Enrollments are projected to plateau and be steady over the next several years.

3) MAJOR INITIATIVES: The Township of Ocean Schools strives to meet the educational needs of all students. The District has increased the instructional technology available to students by providing all students in grades kindergarten through twelve with Chromebook computers. With these devices, students conduct research, develop 21st century skills and take assessments. In addition, the District is in the beginning stages of major programmatic advances in the areas of 1) visual and performing arts with the implementation of the Spartan School of Visual and Performing Arts Academy, 2) science, technology, engineering and math (STEM) education, 3) career and technical education, and 4) elementary literacy. Major facility upgrades have been completed to address growth in these areas. Finally, the Township of Ocean School District has been successful in applying for state funds for an early childhood preschool program. For the 2023-2024 school year, we will add another 3 full day preschool classes for a total of 19 preschool classes with approximately 285 preschool students ages 3-4. As always, we encourage our students and staff to be innovative and creative. We foster a climate of discovery. We are proud of our diversity and the rich culture of our schools.

3) FACILITIES: The Township of Ocean School District operates 6 buildings as follows:

Building	Address	Year Built	Approximate Square Footage
Ocean Twp. High School	550 West Avenue	1964	224,295
Twp. of Ocean Intermediate School	1200 West Park Ave	1974	231,031
Wayside Elementary School	733 Bowne Road	1969	96,987
Ocean Twp. Elementary School	555 Dow Avenue	1957	77,797
Wanamassa Elementary School	901 Bendermere Ave	1930	80,529
Administration Office Bldg.	163 Monmouth Road	1900	46,850

4) INTERNAL ACCOUNTING CONTROLS: Management of the Township of Ocean School 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 regulations, contracts and grants.

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 BOE and/or voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balances at June 30, 2022.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to 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. A schedule of insurance coverage is found in Exhibit J-20.

9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Wielkocz & Co., P.A. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

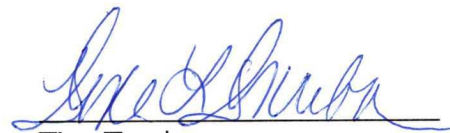
10) ACKNOWLEDGEMENTS:

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

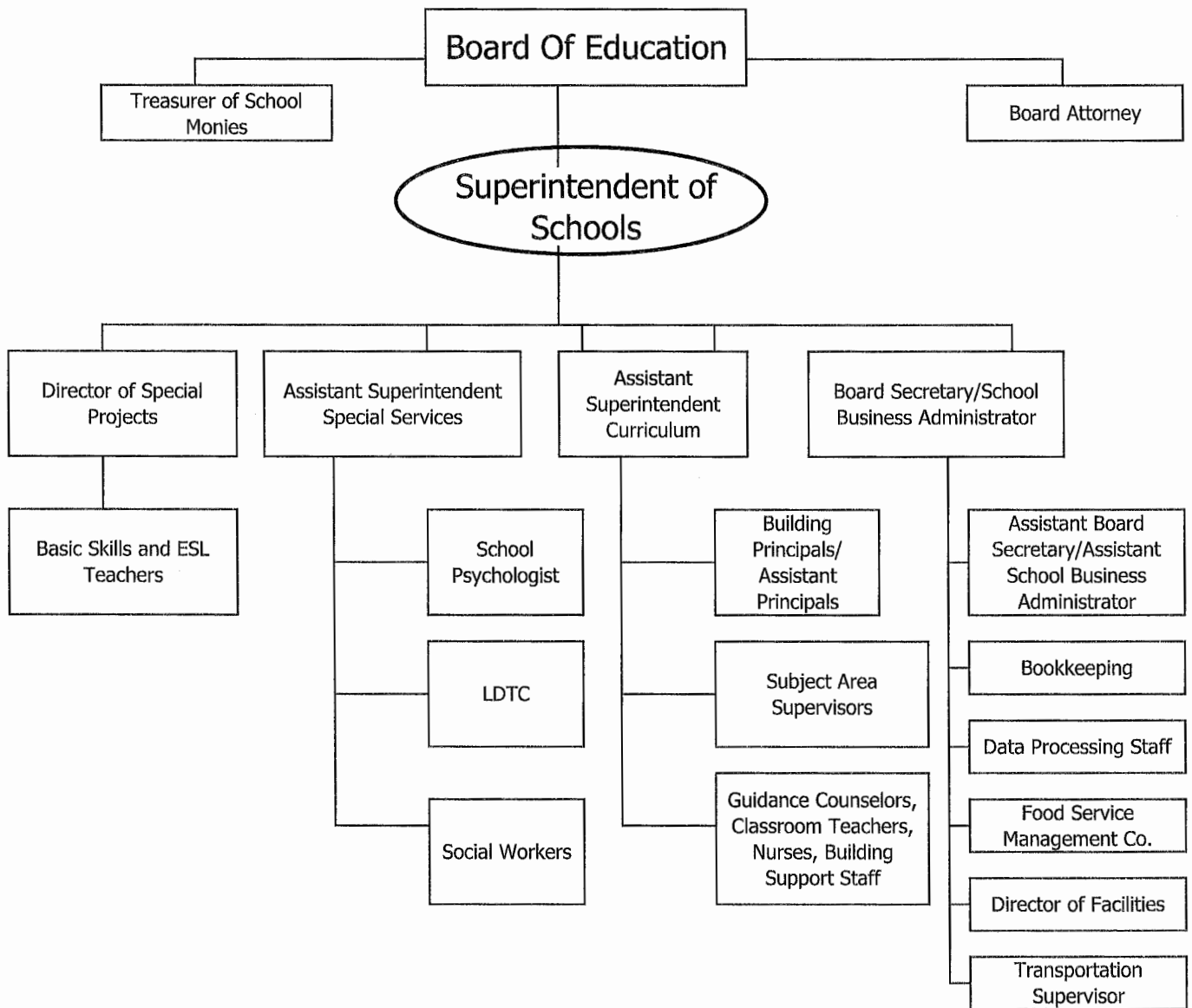
Respectfully submitted,



James Stefankiewicz
Superintendent of Schools



Tina Trueba
School Business Administrator/
Board Secretary



**OCEAN TOWNSHIP BOARD OF EDUCATION
OCEAN, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jeffrey Weinstein, President	2022
Irene Gilman, Vice President	2024
Amy McGovern	2022
GraceAnne Talarico	2022
Natalie Tortorello	2023
Alix Hayes	2023
Shawanda Beale	2023
Denise Parlamas	2024
John McCarthy	2024
Rio Jones - Student Representative	
Marilena Iosifides, Student Representative	

Other Officials

James Stefankiewicz, Superintendent of Schools
Tina Trueba, Board Secretary/School Business Administrator
Shannon Carey, Assistant School Business Administrator to June 30,2022
Elliot Kass, Assistant School Business Administrator From June 30, 2022
Robert Williams, Treasurer

OCEAN TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

Wielkottz & Company, LLC
Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

Cleary, Giacobbe, Alferi, Jacobs, LLC
955 State Route 34, Suite 200
Matawan, NJ 07747

Kenney, Gross, Kovats and Parton
130 Maple Avenue
Red Bank, NJ 07701

Schenk, Price, Smith & King, LLP
220 Park Avenue
Florham Park, NJ 07932

Official Depositories

Santander Bank
57 Monmouth Road
Oakhurst, NJ 07755

New Jersey Asset & Rebate Management Program
200 Princeton South Corporation Suite 270A
Ewing, NJ 08628

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Township of Ocean School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Township of Ocean Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Ocean Township Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Emphasis of Matter

Prior Period Restatement

The District restated capital assets and accumulated depreciation as a result of extensive inventory and update of their fixed asset accounting system. Additionally, the District recorded the balances in the Internal Service fund as an adjustment to the June 30, 2021 net position. These resulting adjustments and restatements are discussed in Note 21 to the financial statements.

Responsibilities of Management 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, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ocean Township Board of Education's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Honorable President and
Members of the Board of Education
Page 3.

In performing an audit in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Ocean Township Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ocean Township Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have



Honorable President and
Members of the Board of Education
Page 4.

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 Ocean Township Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Honorable President and
Members of the Board of Education
Page 5.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2023 on our consideration of the Ocean Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ocean Township Board of Education's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

February 8, 2023

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

As management of the Ocean Township Board of Education (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Ocean Township Board of Education for the fiscal year ended June 30, 2022.

The Management's Discussion and Analysis is provided at the beginning of the audit to provide in layman's terms the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, and Enterprise Fund. The NJ Department of Education has elected to require districts to treat each governmental fund as a major fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$9,880,185, net position of governmental activities increased \$9,511,785 while net position of business-type activity increased by \$368,400.
- General revenues accounted for \$102,221,774 in revenue or 91 percent of all governmental activity revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$10,419,826 or 9 percent of total revenues of \$112,641,600.
- Total assets of governmental activities increased by \$4,112,867 as cash and cash equivalents increased by \$1,376,847 receivables increased by \$2,989,431, and capital assets decreased by \$253,411.
- The School District had \$103,129,815 in governmental activities expenses; only \$10,419,826 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$102,221,774 were adequate to provide for these programs.

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**UNAUDITED
(CONTINUED)**

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This discussion and analysis is intended to serve as an introduction to the Ocean Township Board of Education's basic financial statements. The Ocean Township Board of Education's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

These statements are designed to provide readers with a broad overview of the Ocean Township Board of Education's finances, in a manner similar to a private-sector business. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The statement of net position presents information on all of the Ocean Township Board of Education's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Ocean Township Board of Education is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The causes of change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Program revenues are revenues generated by an activity's fees and charges or are received as operating or capital grants specifically for a certain function. Most of the General Revenues are property taxes and unrestricted aid from other governments –i.e., Equalization Aid, Transportation Aid, Special Education Aid, Security Aid, Adjustment Aid, etc.

Both of the government-wide financial statements distinguish functions of the Ocean Township Board of Education that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Ocean Township Board of Education include instruction and support services, operations and maintenance of plant facilities, pupil transportation and extracurricular activities. The business-type activities of the School District are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Safety Town enterprise funds are reported as business activities.

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**UNAUDITED
(CONTINUED)**

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR), (continued)

Reporting the District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Ocean Township Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District uses many funds to account for a multitude of financial transactions. All of these governmental funds of the School District can be divided into five categories: General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The District's activities are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The Ocean Township Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund, which are all considered to be major funds.

Enterprise Funds

The Ocean Township Board of Education maintains an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the District-wide financial statements. The Ocean Township Board of Education uses the enterprise fund to account for its food service program.

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**UNAUDITED
(CONTINUED)**

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR), (continued)

Internal Service Funds

The internal service fund are used to report any activity that provides good or services to other funds, departments or agencies of the District on a cost-reimbursement basis. The District accounts for its prescription drug costs provided to the Board of Education employees through the internal service fund.

Long Term Debt

A separate section is used to account for all long-term Debt including detail of serial bonds payable and obligations under capital leases.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary information for the District's major funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The School District as a Whole

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

The School District's net position was \$15,299,881 at June 30, 2022. Of this amount \$(19,112,754) was unrestricted balances. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis on the next page focuses on the net position (Table 1) and change in net position (Table 2) of the School District. Table 1 provides a summary of the School District's net position for 2022 and 2021.

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Table 1

**Net Position
June 30, 2022**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and Other Assets	19,872,925	15,506,647	811,722	759,889	20,684,647	16,266,536
Capital Assets	<u>42,873,095</u>	<u>43,126,506</u>	<u>296,586</u>	<u>6,406</u>	<u>43,169,681</u>	<u>43,132,912</u>
Total Assets	<u>62,746,020</u>	<u>58,633,153</u>	<u>1,108,308</u>	<u>766,295</u>	<u>63,854,328</u>	<u>59,399,448</u>
Deferred Outflows of Resources	<u>2,125,447</u>	<u>2,696,229</u>	_____	_____	<u>2,125,447</u>	<u>2,696,229</u>
Total Deferred Outflows of Resources	<u>2,125,447</u>	<u>2,696,229</u>	_____	_____	<u>2,125,447</u>	<u>2,696,229</u>
Current Liabilities	5,302,248	23,171,083	217,527	377,363	5,519,775	23,548,446
Non-Current Liabilities	<u>36,966,859</u>	<u>26,028,877</u>	_____	_____	<u>13,357,742</u>	<u>14,723,183</u>
Total Liabilities	<u>42,269,107</u>	<u>49,199,960</u>	<u>217,527</u>	<u>377,363</u>	<u>42,486,634</u>	<u>49,577,323</u>
Deferred Inflows of Resources	<u>8,193,260</u>	<u>7,640,828</u>	_____	_____	<u>8,193,260</u>	<u>7,640,828</u>
Total Deferred Inflows of Resources	<u>8,193,260</u>	<u>7,640,828</u>	_____	_____	<u>8,193,260</u>	<u>7,640,828</u>
Net Position						
Invested in Capital Assets						
Net of Debt	17,914,152	16,089,062	296,586	6,406	18,210,738	16,095,468
Restricted	16,201,897	12,924,802			16,201,897	12,924,802
Unrestricted	<u>(19,706,949)</u>	<u>(24,525,270)</u>	<u>594,195</u>	<u>382,526</u>	<u>(19,112,754)</u>	<u>(24,142,744)</u>
Total Net Position	<u>14,409,100</u>	<u>4,488,594</u>	<u>890,781</u>	<u>388,932</u>	<u>15,299,881</u>	<u>4,877,526</u>

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Table 2 below show the changes in net position for the fiscal year 2022 and 2021.

Table 2

**Changes in Net Position
Year Ended June 30, 2022**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
<u>Program Revenues:</u>						
Charges for Services & Sales	3,413,970	478,070	12,590	6,980	3,426,560	485,050
Operating Grants & Contributions	7,005,856	29,891,770	2,388,970	1,931,580	9,394,826	31,823,350
<u>General Revenues:</u>						
<u>Taxes:</u>						
Local Property Taxes	70,528,787	69,435,116			70,528,787	69,435,116
Federal & State Aid Not Restricted	30,473,534	7,708,526			30,473,534	7,708,526
Miscellaneous Income	<u>1,219,453</u>	<u>299,981</u>	<u> </u>	<u>0</u>	<u>1,219,453</u>	<u>299,981</u>
Total Revenues	<u>112,641,600</u>	<u>107,813,463</u>	<u>2,401,560</u>	<u>1,938,560</u>	<u>115,043,160</u>	<u>109,752,023</u>

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Functions/Program Expenses						
<u>Instruction:</u>						
Regular	25,108,795	44,071,466			25,108,795	44,071,466
Special Education	7,693,427	13,898,598			7,693,427	13,898,598
Other Special Instruction	1,403,322	2,785,244			1,403,322	2,785,244
Other Instruction	1,365,921	1,734,041			1,365,921	1,734,041
Support Services:						
Tuition, Student and Instruction Related Services	12,771,483	20,300,209			12,771,483	20,300,209
School Administrative Services	2,196,019	3,795,704			2,196,019	3,795,704
General Administrative Services	1,367,620	1,206,255			1,367,620	1,206,255
Central Service and Admin Info.	1,478,781	2,343,272			1,478,781	2,343,272
Plant Operations and Maintenance	6,368,884	7,560,920			6,368,884	7,560,920
Pupil Transportation	5,109,430	4,011,922			5,109,430	4,011,922
Personal Services-benefits	35,282,020				35,282,020	
Special schools	242,959	212,830			242,959	212,830
Charter school	307,813	142,235			307,813	142,235
Unallocated Depreciation	1,665,906				1,665,906	0
Non-depreciable capital outlay	79,086				79,086	
Interest on Long-Term Debt	688,349	728,250			688,349	728,250
Enterprise Fund			2,033,160	1,948,920	2,033,160	1,948,920
Total Expenses and Transfers	<u>103,129,815</u>	<u>102,790,946</u>	<u>2,033,160</u>	<u>1,948,920</u>	<u>105,162,975</u>	<u>104,739,866</u>
	<u>9,511,785</u>	<u>5,022,517</u>	<u>368,400</u>	<u>(10,360)</u>	<u>9,880,185</u>	<u>5,012,157</u>

As reported in the Statement of Activities, the cost of all of our governmental and business-type activities this year was \$105,162,975.

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**UNAUDITED
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Business-Type Activities

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

- Revenues exceeded expenditures by \$368,400 (gain).
- Charges for services represent \$12,590 of revenue. This represents the amounts paid by patrons for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and free milk, and donated commodities was \$2,388,970.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund and the special revenue fund.

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OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS (continued)

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2022</u>	<u>Net Cost of Services 2021</u>
Instruction	35,571,465	62,489,349	31,425,240	41,073,118
Support Services:				
Pupils and Instructional Staff	12,771,483	20,300,209	11,247,873	14,711,214
General Administration, School Administration, Business Services and Central Services	5,042,420	7,345,231	5,042,420	5,355,435
Operation and Maintenance of Facilities	6,368,884	7,560,920	6,368,884	6,828,969
Pupil Transportation	5,109,430	4,011,922	5,109,430	3,367,055
Personal services-benefits	35,282,020		31,868,050	
Interest and Fiscal Charges	688,349	728,250	688,349	728,250
Other	<u>2,295,764</u>	<u>355,065</u>	<u>959,743</u>	<u>355,065</u>
<u>Total Expenses</u>	<u>103,129,815</u>	<u>102,790,946</u>	<u>92,709,989</u>	<u>72,419,106</u>

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

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

General administration, school administration, central services and admin info tech includes expenses associated with administrative and financial supervision of the District.

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**UNAUDITED
(CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS (continued)

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition and in compliance with NJDEP and all applicable statutes.

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

Personel benefits includes costs related to group insurance, social security, retirement contributions, workmen's compensation, health benefits, tuition benefits and other employee benefits. In prior years these costs were allocated based on a percentage of salaries and wages as it relates to each programs cost, for fiscal year ending June 30, 2022 these costs were not allocated.

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

“Other” includes special schools and unallocated depreciation.

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OCEAN TOWNSHIP BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

UNAUDITED
(CONTINUED)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2022 the School District had \$85,738,427 invested in sites, buildings, and equipment. Of this amount \$42,568,746 in depreciation has been taken over the years. We currently have a net book value of \$43,169,681. Total additions for the year were \$2,375,107. Table 3 shows fiscal year 2022 balances compared to 2021.

Table 3

Capital Assets at June 30, 2022
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	984,968	984,968			984,968	984,968
Site Improvements	1,837,867	1,856,963			1,837,867	1,856,963
Buildings and Improvements	35,606,162	36,961,636			35,606,162	36,961,636
Machinery and Equipment	3,345,913	3,193,480	296,586	139,855	3,642,499	3,333,335
Construction in Progress	<u>1,098,185</u>	<u> </u>	<u> </u>	<u> </u>	<u>1,098,185</u>	<u> </u>
Total Net Assets	<u>42,873,095</u>	<u>42,997,047</u>	<u>296,586</u>	<u>139,855</u>	<u>43,169,681</u>	<u>43,136,902</u>

OCEAN TOWNSHIP BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Debt Administration

At June 30, 2022, the District had \$22,510,000 in outstanding bonds. In addition to this amount the District had, \$1,738,816 in compensated absences, \$2,448,943 is for capital lease obligations and 12,402,681 in net pension liability.

Table 4

Outstanding Serial Bonds at June 30, 2022

	<u>2022</u>	<u>2021</u>
Refunding School Bonds	\$	\$820,000
Refunding School Bonds - Series 2016	500,000	1,010,000
School Bonds - Series 2015	<u>22,010,000</u>	<u>23,215,000</u>
	<u>\$22,510,000</u>	<u>\$25,045,000</u>

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**UNAUDITED
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEARS' BUDGETS

The Board of Education continues to take necessary steps to institute cost savings measures on budgets, enabling the District to absorb the reductions in state aid. The goal of the 2022-2023 budget will be to address aging infrastructure concerns, maintain staffing levels and continue to build on curricular and technology advances that have already been made.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Ms. Tina Trueba
School Business Administrator/Board Secretary
Ocean Township Board of Education
163 Monmouth Road
Ocean, NJ 07755

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,479,664	\$ 565,264	\$ 9,044,928
Receivables from other governments	2,777,531	246,458	3,023,989
Receivables - Other	811,442		811,442
Restricted assets:			
Cash and cash equivalents	7,804,288		7,804,288
Capital assets; net			
Land/Construction in Process	2,083,153		2,083,153
Other Capital Assets, Net	40,789,942	296,586	41,086,528
Total Assets	<u>62,746,020</u>	<u>1,108,308</u>	<u>63,854,328</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to PERS	<u>2,125,447</u>		<u>2,125,447</u>
Total Deferred Outflows of Resources	<u>2,125,447</u>	-	<u>2,125,447</u>
LIABILITIES			
Cash Overdraft	170,756		170,756
Accounts payable and accrued liabilities	994,055	145,976	1,140,031
Accounts payable related to Pensions	1,267,758		1,267,758
Payroll deductions and withholdings	31,471		31,471
Other liability - Unemployment compensation	82,721		82,721
Payable to state government	12,559		12,559
Advanced revenue	609,347	71,551	680,898
Noncurrent liabilities:			
Due within one year	2,133,581		2,133,581
Due beyond one year	36,966,859		36,966,859
Total liabilities	<u>42,269,107</u>	<u>217,527</u>	<u>42,486,634</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to PERS	<u>8,193,260</u>		<u>8,193,260</u>
NET POSITION			
Invested in capital assets, net of related debt	17,914,152	296,586	18,210,738
Restricted for:			-
Capital Reserve	5,409,912		5,409,912
Maintenance Reserve	1,750,000		1,750,000
Unemployment compensation	597,767		597,767
Student Activities	373,801		373,801
Scholarship Funds	28,229		28,229
Internal Service Fund	536,316		536,316
Other purposes	7,505,872		7,505,872
Unrestricted	(19,706,949)	594,195	(19,112,754)
Total net position	<u>\$ 14,409,100</u>	<u>\$ 890,781</u>	<u>\$ 15,299,881</u>

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

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instruction:								
Regular	\$ 24,993,627	\$ 115,168	\$	\$ 4,146,225	\$ (20,962,570)	\$	\$ (20,962,570)	
Special education	7,693,427				(7,693,427)		(7,693,427)	
Other special instruction	1,321,465	81,857			(1,403,322)		(1,403,322)	
School-sponsored activities	1,365,921				(1,365,921)		(1,365,921)	
Support services:								
Tuition	3,195,891				(3,195,891)		(3,195,891)	
Student & instruction related services	9,575,592			1,523,610	(8,051,982)		(8,051,982)	
School administrative services	2,164,595	31,424			(2,196,019)		(2,196,019)	
General and business administrative services	1,361,403	6,217			(1,367,620)		(1,367,620)	
Central Services and Admin. Info Tech.	1,478,781				(1,478,781)		(1,478,781)	
Plant operations and maintenance	6,312,538	56,326			(6,368,864)		(6,368,864)	
Pupil transportation	4,739,268	370,162			(5,109,430)		(5,109,430)	
Personal Services-employee benefits	35,282,020 *		3,413,970		(31,868,050)		(31,868,050)	
Summer Schools	242,959				(242,959)		(242,959)	
Charter Schools	307,813				(307,813)		(307,813)	
Non-depreciable capital outlay	79,086				(79,086)		(79,086)	
Interest on long-term debt	688,349				(688,349)		(688,349)	
Unallocated depreciation	1,665,906			1,336,021	(329,885)		(329,885)	
Total governmental activities	102,468,661	661,154	3,413,970	7,005,856	(92,709,989)	-	(92,709,989)	
Business-type activities:								
Food Service	2,033,160		12,590	2,388,970		368,400	368,400	
Total business-type activities	2,033,160		12,590	2,388,970		368,400	368,400	
Total primary government	\$104,501,821	\$661,154	\$ 3,426,560	\$ 9,394,826	\$ (92,709,989)	\$ 368,400	\$ (92,341,589)	

General revenues:

Taxes:	
Property taxes, levied for general purposes	67,852,899
Property taxes, levied for debt service	2,675,888
Federal and State aid not restricted	30,473,534
Miscellaneous Income	1,219,453
Total general revenues, special items, extraordinary items and transfers	102,221,774
Change in Net Position	9,511,785
Net Position—beginning	4,488,584
Prior Period Adjustments	408,731
Net Position—beginning (Restated)	4,897,315
Net Position—ending	\$ 14,409,100
	\$ 850,781
	\$ 15,299,881

* Internal Service Fund revenue is reported as "charges for services" and expenses are included in personal service-benefits.

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

FUND FINANCIAL STATEMENTS

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 8,479,664			\$ 8,479,664
Receivables from other governments	1,724,245	1,053,286		2,777,531
Receivables - Other	214,486	18,536		233,022
Restricted cash and cash equivalents	7,757,679			7,757,679
Total assets	<u>\$ 18,176,074</u>	<u>\$ 1,071,822</u>	<u>\$ -</u>	<u>\$ 19,247,896</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash Overdraft		170,756		170,756
Accounts Payable	576,734	89,337		666,071
Advanced revenue		609,347		609,347
Payable to state government		12,559		12,559
Payroll deductions and withholdings payable	31,471			31,471
Unemployment Compensation claims payable	82,721			82,721
Total liabilities	<u>690,926</u>	<u>881,999</u>	<u>-</u>	<u>1,572,925</u>
Fund Balances:				
Restricted for:				
Excess surplus - current year	3,821,081			3,821,081
Excess surplus - prior year - designated for subsequent year's expenditures	3,684,791			3,684,791
Capital reserve	5,409,912			5,409,912
Maintenance reserve	1,750,000			1,750,000
Debt service				-
Unemployment compensation	597,767			597,767
Scholarship Fund		28,229		28,229
Student Activities		373,801		373,801
Assigned to:				
Other purposes	878,518			878,518
Designated for subsequent year's expenditures				-
Unassigned:				
General fund	1,343,079			1,343,079
Special Revenue Fund (Deficit)		(212,207)		(212,207)
Total Fund balances	<u>17,485,148</u>	<u>189,823</u>	<u>-</u>	<u>17,674,971</u>
Total liabilities and fund balances	<u>\$ 18,176,074</u>	<u>\$ 1,071,822</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$85,034,660 and the accumulated depreciation is \$42,161,565.	42,873,095
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(239,271)
Accounts payable for subsequent pension payment is not a payable in the funds.	(1,267,758)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred Outflows of Resources related to PERS pension liability	2,125,447
Deferred Inflows of Resources related to PERS pension liability	(8,193,260)
The assets and liabilities of the internal service fund are not reported in the governmental funds but are included as governmental activities on the statement of net position.	536,316
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.	(39,100,440)
Net position of governmental activities	<u>\$ 14,409,100</u>

See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Local tax levy	\$ 67,852,899		\$ 2,675,888	\$70,528,787
Tuition	226,119			226,119
Transportation Fees	147,855			147,855
Interest Earned on Investments	18,331			18,331
Unrestricted miscellaneous revenue	491,667	421,713		913,380
Other restricted miscellaneous revenue	233,986			233,986
Rental fees	101,495			101,495
Total - Local Sources	69,072,352	421,713	2,675,888	72,169,953
State sources	26,643,519	3,264,558	609,140	30,517,217
Federal sources	38,888	3,319,585		3,358,473
Total revenues	95,754,759	7,005,856	3,285,028	106,045,643
EXPENDITURES				
Current:				
Regular instruction	\$ 21,013,206	\$ 4,167,404		\$ 25,180,610
Special education instruction	7,693,427			7,693,427
Other special instruction	1,321,465			1,321,465
School-sponsored activities	1,365,921			1,365,921
Support services and undistributed costs:				
Tuition	3,195,891			3,195,891
Student & instruction related services	8,051,982	1,523,610		9,575,592
General administrative services	1,361,403			1,361,403
School administrative services	2,164,595			2,164,595
Central Services and Admin Info. Tech.	1,478,781			1,478,781
Plant operations and maintenance	6,588,798			6,588,798
Pupil transportation	4,006,529			4,006,529
Personal Services - employee benefits	31,609,787			31,609,787
Summer Schools	242,959			242,959
Charter Schools	307,813			307,813
Debt Service:				
Principal			2,535,000	2,535,000
Interest and other charges			750,029	750,029
Capital outlay	946,173	1,336,021		2,282,194
Total expenditures	91,348,730	7,027,035	3,285,029	101,660,794
Excess (Deficiency) of revenues over expenditures	4,406,029	(21,179)	(1)	4,384,849
OTHER FINANCING SOURCES (USES)				
Capital leases (non-budgeted)				-
Transfers in				-
Transfers out				-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	4,406,029	(21,179)	(1)	4,384,849
Fund balance—July 1	13,079,119	210,706	1	13,289,826
Prior Period Adjustments		296		296
Fund balance—July 1, restated	13,079,119	211,002	1	13,290,122
Fund balance—June 30	\$ 17,485,148	\$ 189,823	\$ -	\$ 17,674,971

See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY 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, 2022

Total net change in fund balances - governmental funds (from B-2)		\$	4,384,849
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	\$ (2,327,060)	
	Depreciable capital outlays	<u>2,203,108</u>	(123,952)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. In the current year, these amounts consist of:			
	Principal payments on bonds payable		2,535,000
	Capital lease principal payments		326,240
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.			
	Premium		45,468
	Capital lease proceeds		(782,739)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest change is an adjustment to the reconciliation.			
	Prior Year		255,483
	Current Year		(239,271)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).			
	Increase in compensated absences payable		186,983
The revenues and expenses of the internal service fund are not recognized in the governmental funds but are included as governmental activities on the statement of activities.			
			(1,570)
District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.			
	District Pension Contributions	1,226,099	
	Add: Pension Benefit	<u>1,699,195</u>	
	Decrease in Pension Expense		2,925,294
Per GASB No. 68 Non-employer contributing entities are required to record an increase in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements			
	Decrease in On-behalf State Aid TPAF Pension	(3,416,226)	
	Decrease in On-behalf TPAF Pension Expense	<u>3,416,226</u>	
Per GASB No. 75 Non-employer contributing entities are required to record a decrease in revenue and expense for On-behalf other post-retirement health benefits paid by the State of New Jersey on the Statement of Activities that are less than those amounts reported in the fund financial statements			
	Increase in On-behalf Other Post-Employment Health Benefits	6,598,213	
	Increase in On-behalf Other Post-Employment Health Benefits Expense	<u>(6,598,213)</u>	
Change in net position of governmental activities		\$	<u>9,511,785</u>

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

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2022

	Enterprise Fund	Governmental Activities -
	Food Service	Total Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 565,264	\$ 46,609
Accounts receivable	246,458	578,420
Noncurrent assets:		
Furniture, machinery & equipment	703,767	
Less accumulated depreciation	(407,181)	
Total noncurrent assets	296,586	625,029
Total assets	1,108,308	625,029
Current Liabilities:		
Accounts Payable	145,976	88,713
Deferred Revenue	71,551	
Total Liabilities	217,527	88,713
NET POSITION		
Net Investment in capital assets	296,586	
Unrestricted	594,195	536,316
Total net position	\$ 890,781	\$ 536,316

See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2022

	Enterprise Fund	Governmental Activities -
	Food Service	Total Internal Service Fund
Operating revenues:		
Charges for services:		
Board Contributions	\$ -	\$ 2,000,000
Rebates		\$ 1,413,970
Daily sales - non-reimbursable programs	8,431	
Miscellaneous	4,159	
Total operating revenues	12,590	3,413,970
Operating expenses:		
Contracted Services		3,415,540
Purchase services-fixed price contract	1,906,913	
Food Commodities	80,103	
Depreciation	15,268	
Total Operating Expenses	2,002,284	3,415,540
Operating income (loss)	(1,989,694)	(1,570)
Non-operating revenues (expenses):		
State sources:		
State school lunch program	41,750	
Federal sources:		
National school lunch program	1,772,624	
Snacks	7,813	
Breakfast Program	486,052	
P-EBT Administrative	628	
Food distribution program	80,103	
Cancelled receivables	(30,876)	
Total non-operating revenues (expenses)	2,358,094	-
Income (loss) before contributions & transfers	368,400	(1,570)
Transfers in (out)		
Change in net position	368,400	(1,570)
Total net position- July 1, 2021 as previously stated	388,932	0
Prior period adjustment	133,449	537,886
Total net position- July 1, 2021	522,381	537,886
Total net position-June 30, 2022	\$ 890,781	\$ 536,316

See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2022

	Enterprise Fund	Governmental Activities -
	Food Service	Total Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Board of Education		2,000,000.00
Receipts from Rebates		835,550.00
Receipts from customers and other funds	\$ 15,635	\$ (3,326,827)
Payments to management company and other suppliers	(2,364,376)	
Net cash provided by (used for) operating activities	(2,348,741)	(491,277)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources	57,363	
Federal sources	2,548,407	
Net cash provided by (used for) non-capital financing activities	2,605,770	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Net cash provided by (used for) investing activities	(26,023)	
Net increase (decrease) in cash and cash equivalents	231,006	(491,277)
Balances—beginning of year	334,258	537,886
Balances—end of year	\$ 565,264	\$ 46,609
Reconciliation of operating income (loss) to net cash provided		
(used) by operating activities:		
Operating income (loss)	\$ (1,989,694)	\$ (1,570)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	15,268	
(Increase) decrease in accounts receivable	3,048	(578,420)
Increase (decrease) in accounts payable	(377,363)	88,713
Total adjustments	(359,047)	0 (489,707)
Net cash provided by (used for) operating activities	\$ (2,348,741)	\$ (491,277)

See accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board 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. Description of the School District and Reporting Entity:

The Board of Education of the Ocean Township ("Board") School District (the "District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Ocean Township School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include four elementary schools and one high school, located in the Ocean Township. 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 Board'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.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

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

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School 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. Separate statements for each fund category - *government and proprietary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental and proprietary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

GOVERNMENTAL FUNDS, (continued)

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

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America 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 fixed 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 the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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 sale of bonds, lease purchases and other revenues. The Board currently has no funds in the capital project fund.

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

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

PROPRIETARY FUNDS, (continued)

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board 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 Board 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 Board's Enterprise Fund is comprised of the Food Service Fund.

Internal Service Fund - The internal service fund may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity on a cost reimbursement basis. The District accounts for its self-insured prescription drug plan costs provided to the Board of Education employees through the internal service fund.

C. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that 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.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(G)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. Budgets/Budgetary Control: (continued)

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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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.

F. Encumbrances:

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

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

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

G. Cash, Cash Equivalents and Investments:

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

G. Cash, Cash Equivalents and Investments: (continued)

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

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

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

H. Tuition Revenues/Receivable:

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

I. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board currently maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

M. Compensated Absences:

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

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 1(B) regarding the special revenue fund.

O. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

P. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

P. Accounting and Financial Reporting for Pensions: (continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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. Currently, the District has one items that qualify for reporting in this category, deferred amounts related to pension..

In addition to liabilities, the statement of financial 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

R. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

R. Fund Balances: (continued)

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

S. Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings 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 Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

T. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

U. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

V. 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 for personal services -benefits are reported separately in the Statement of Activities. 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 attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

W. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

X. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Y. New Accounting Standards:

During fiscal year 2022, the District adopted the following GASB Statement:

GASB Statement No. 87, Leases, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The implementation of this statement had no material impact on the financial statements.

Z. Reclassifications/Restatements:

Certain reclassifications have been made to the 2021 amounts to confor with the 2022 financial presentation.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

As of June 30, 2022, cash and cash equivalents of the Board consisted of the following:

Checking/Money Market Accounts	<u>\$19,146,801</u>
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During the period ended June 30, 2022, the Board did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022 was \$19,146,180 and the bank balance was \$21,974,702. The entire balance was covered by federal depository insurance and the collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based on banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments (established in New Jersey Statutes 18A:20-37) are treated as cash equivalents. As of June 30, 2022, \$0 of the Board's bank balance of \$21,974,702 was exposed to custodial credit risk.

Interest Rate Risk

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

Credit Risk

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

NEW JERSEY ASSET AND REBATE MANAGEMENT PROGRAM

The District participates in the New Jersey Asset and Rebate Management Program which is a joint investment trust for local governmental units in the State of New Jersey. It was formed to make available comprehensive investment management, accounting and rebate calculation services for the issuers of tax-exempt bonds and complies with New Jersey statutes which provide a convenient method for local governments to pool funds for temporary investing. These investments consist of United States Treasury Bills and notes with a maturity not greater than 397 days, and fully collateralized repurchase agreements. The carrying amount and fair value as of June 30, 2022 was \$9,664,181.

NOTE 3. RECEIVABLES:

Receivables at June 30, 2022, consisted of accounts receivable, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$1,724,245	\$3,065	\$1,727,320
Federal Aid	1,053,286	243,383	1,296,669
Other	<u>233,022</u>	<u>578,430</u>	<u>811,442</u>
	<u>\$3,010,553</u>	<u>\$824,878</u>	<u>\$3,835,431</u>

NOTE 4. INTERFUND BALANCES AND TRANSFERS:

The District had no interfund balances as of June 30, 2022.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 5. CAPITAL ASSETS:

The District had an appraisal performed by AM Consultants of all its Capital assets. The result of this appraisal was a net write down of capital assets in the amount of \$129,459. Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Restated Balance 6/30/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/22</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	984,968		\$	984,968
Construction in Progress	<u>0</u>	<u>1,098,185</u>	<u>0</u>	<u>1,098,185</u>
Total Capital Assets, Not Being Depreciated	<u>984,968</u>	<u>1,098,185</u>	<u> </u>	<u>2,083,153</u>
Capital Assets Being Depreciated				
Site Improvements	3,909,831	155,481		4,065,312
Buildings and Improvements	65,851,355	135,855		65,987,210
Machinery and Equipment	<u>12,085,398</u>	<u>813,587</u>	<u> </u>	<u>12,898,985</u>
Total Capital Assets, Being Depreciated	<u>81,846,584</u>	<u>1,104,923</u>	<u> </u>	<u>82,951,507</u>
Less Accumulated Depreciation:				
Site Improvements	2,052,868	174,577		2,227,445
Buildings and Improvements	28,889,719	1,491,329		30,381,048
Machinery and Equipment	<u>8,891,918</u>	<u>661,154</u>	<u> </u>	<u>9,553,072</u>
Total Accumulated Depreciation	<u>39,834,505</u>	<u>2,327,060</u>	<u>0</u>	<u>42,161,565</u>
Total Capital Assets, Being Depreciated, Net	<u>42,012,079</u>	<u>(1,222,137)</u>	<u> </u>	<u>40,789,942</u>
Governmental Activities Capital Assets, Net	<u>\$42,997,047</u>	<u>(\$123,952)</u>	<u>\$</u>	<u>\$42,873,095</u>
	<u>Balance 6/30/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/22</u>
Business-Type Activity				
Equipment	\$531,768	<u>171,999</u>	\$	\$703,767
Totals	<u>531,768</u>	<u>171,997</u>	<u> </u>	<u>703,767</u>
Less Accumulated Depreciation				
Equipment	<u>391,913</u>	<u>15,268</u>	<u> </u>	<u>407,181</u>
Total Accumulated Depreciation	<u>391,913</u>	<u>15,268</u>	<u> </u>	<u>407,181</u>
Business-Type Activity Capital Assets, Net	<u>\$139,855</u>	<u>\$41,289</u>	<u>\$</u>	<u>\$296,586</u>

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 5. CAPITAL ASSETS: (continued)

Depreciation expense was charged to functions as follows:

Regular Instruction	\$115,168
Other Instructional	81,857
General Administration	6,217
School Administration	31,424
Operation and Maintenance	56,326
Transportation	370,162
Unallocated	<u>1,665,906</u>
Total	<u>\$2,327,060</u>

NOTE 6. LONG-TERM DEBT OBLIGATIONS:

Changes in long-term obligations for the fiscal year ended June 30, 2022 are as follows:

	<u>Balance 6/30/21</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 6/30/22</u>	<u>Due Within One Year</u>
Financed Purchases Payable	\$1,992,444	\$782,739	\$326,240	\$2,448,943	\$388,581
Compensated Absences Payable	1,925,799		186,983	1,738,816	
Bonds Payable	25,045,000		2,535,000	22,510,000	1,745,000
Net Pension Obligation	<u>16,538,314</u>	<u>0</u>	<u>4,135,633</u>	<u>12,402,681</u>	<u> </u>
	<u>\$45,501,557</u>	<u>\$782,739</u>	<u>\$7,183,856</u>	<u>\$39,100,440</u>	<u>\$2,133,581</u>

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 6. LONG-TERM DEBT OBLIGATIONS: (continued)

A. Bonds Payable: (continued)

Schedule of Payments

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022-2023	1,745,000	677,956	2,422,956
2023-2024	1,290,000	636,981	1,926,981
2024-2025	1,335,000	598,281	1,933,281
2025-2026	1,380,000	558,231	1,938,231
2026-2027	1,430,000	516,831	1,946,831
2027-2040	<u>15,330,000</u>	<u>2,514,800</u>	<u>17,844,800</u>
	<u>\$22,510,000</u>	<u>\$5,503,080</u>	<u>\$28,013,080</u>

B. Bonds and Notes Authorized But Not Issued:

As of June 30, 2022, the District had no authorized but not issued bonds.

C. Financing Purchases Payable:

The District has Financed Purchases Agreements for energy conservation equipment, buses and copiers, all Financing Purchase Agreements are for a term of fifteen years. The following is the payment schedule at June 30, 2022:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	388,581	45,290	433,871
2024	356,144	53,990	410,134
2025	370,108	44,236	414,344
2026	386,271	34,092	420,363
2027	403,010	23,512	426,522
2028-2029	<u>544,829</u>	<u>16,334</u>	<u>561,163</u>
	<u>\$2,448,943</u>	<u>\$217,454</u>	<u>\$2,666,397</u>

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS:

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

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are 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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS: (continued)

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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to 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.

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

Benefits Provided

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

The following represents the membership tiers for PERS:

<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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS: (continued)

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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to 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.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

The Board's contribution to PERS and DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u>		
6/30/22	\$1,226,099	\$246,070
6/30/21	1,036,384	N/A
6/30/20	1,000,040	N/A

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS: (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement Medical	NCGI	Long-Term Disability
<u>Ending</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Premium</u>	<u>Insurance</u>
6/30/22	\$11,866,619	\$2,811,638	\$167,421	\$3,596
6/30/21	8,382,243	2,676,844	159,483	3,858
6/30/20	6,452,409	2,436,630	115,652	4,117

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,514,378 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2022, the District had a liability of \$12,402,681 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the District's proportion was .010469490 percent, which was an increase of .0000327880 percent from its proportion measured as of June 30, 2020.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS: (continued)

For the year ended June 30, 2022, the District recognized pension expense of \$(1,699,195) at June 30, 2022, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$195,606	\$88,789
Changes of assumptions	64,593	4,415,435
Net difference between projected and actual earnings on pension plan investments		3,267,192
Changes in proportion and differences between District contributions and proportionate share of contributions	597,490	421,844
District contributions subsequent to the measurement date	<u>1,267,758</u>	<u> </u>
Total	<u>\$2,125,447</u>	<u>\$8,193,260</u>

The \$1,267,758 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2022	(2,926,493)
2023	(2,089,509)
2024	(1,424,689)
2025	(1,070,942)
2026	416

Changes in Proportion

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 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,846,499,172	16,435,616,426
District's Proportion	.010469490%	.010141610%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. 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	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 Percent

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS: (continued)

Mortality Rates

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 based on Scale MP-2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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, 2021 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:

	June 30, 2021		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$17,069,983	\$12,402,681	\$8,686,227

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS: (continued)

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2022 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>138,629,050</u>
	<u>\$138,629,050</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2021, the proportion of the TPAF net pension liability associated with the District was .2883588268 %.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue of \$8,450,393 for contributions provided by the State in the District-Wide Financial Statements.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS: (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Mortality Rates

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 Health 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 a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS: (continued)

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, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 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 Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 8. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Required OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Required OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premium or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

General Information about the OPEB Plan, (continued)

State Health Benefit State Retired Employees Plan, (continued)

In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L. 2011, c.78, future retirees eligible for postemployment 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 State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

Total 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 No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnotices> OPEB.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2022 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>198,045,986</u>
	<u>\$198,045,986</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2021 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

Total Nonemployer OPEB Liability, (continued)

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-2021. 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-2021. 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-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits the initial trend rate is 6.75% and decreases to a 4.50% long term trend after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

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/board of trustees recognized on-behalf OPEB revenue and expense of \$9,409,851 in the district-wide financial statements as 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 No.75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Ocean Township School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

NOTE 9. DEFERRED COMPENSATION:

The Board offers its employees the following deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by the entity below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits participants to defer a portion of their salary until future years. All amounts of compensation deferred are held for the exclusive benefit of plan participants and beneficiaries. Amounts deferred under the plan are distributable upon separation from service, death, or unforeseeable emergency.

Participant's rights under the plan are equal to the fair market value of the deferred account for each participant. The District has no liability for losses under the plan and is not the plans trustee.

The plan administrators are as follows: AXA-Equitable, Metropolitan Life, Ameriprise, VALIC, Aspire, VOYA Annuities, National Life Teachers Pension and Lincoln Investments.

NOTE 10. COMPENSATED ABSENCES:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 10. COMPENSATED ABSENCES: (continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years.. Upon retirement, employees shall be paid by the District school for the unused sick leave in accordance with the District's school'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 benefit accrue to employees. As of June 30, 2022, a liability existed for compensated absences in the Food Service Fund in the amount of \$-0-.

NOTE 11. RISK MANAGEMENT:

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

Property and Liability Insurance - The District maintains insurance coverage through the New Jersey Schools Insurance Group (NJSIG), a public school insurance pool, is to ensure the availability of insurance to New Jersey public schools by offering the best coverage at the lowest possible cost while providing risk management education, training and service.

NJSIG provides coverage for workers' compensation, general and auto liability, property damage, crime, bonds, boiler and machinery, umbrella excess catastrophe, and school boards officials' errors and omissions. Reinsurance has been purchased by NJSIG to cap losses retained by the group. Retention levels have been set on a "per accident" basis. NJSIG encourages loss control among the school districts by giving cost reductions for good loss history and uses individual experience modifications in the calculation of premiums.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 11. RISK MANAGEMENT: (continued)

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

<u>Fiscal Year</u>	<u>Employee Contributions/ Interest Earnings/ District Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$83,847	\$0	\$597,767
2020-2021	N/A	N/A	N/A
2019-2020	N/A	N/A	N/A

Health Insurance - The District self-insures for employee prescription costs.. Costs associated with these risks are reported in the internal service fund.

Liabilities for unpaid claims are base on recommendation by third-party administrators. There have been no significant reductions in insurance coverage from coverage in priors years. The amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Board Contributions and Rebates</u>	<u>Claims Payments</u>	<u>Balance at end of the Fiscal Year</u>
2021-2022	\$536,236	\$3,413,620	(\$3,415,540)	\$536,316
2020-2021	1,038,620	2,525,000	(3,025,384)	538,236
2019-2020	846,916	2,725,000	(2,533,296)	1,038,620

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 12. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Ocean Township Board of Education and has since increased the reserve by additional budget appropriations and by the interest earned on investments 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1,	\$3,409,912
Deposits:	
Transfer Per Board Resolution - June 15, 2022	<u>2,000,000</u>
Ending balance, June 30, 2022	<u>\$5,409,912</u>

NOTE 13. MAINTENANCE RESERVE ACCOUNT:

A maintenance reserve account was established by the District for the accumulation of funds for use as maintenance expenditures in subsequent years. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$1,250,000
Deposits:	
Transfer Per Board Resolution - June 15, 2022	<u>500,000</u>
Ending balance, June 30, 2022	<u>\$1,750,000</u>

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 14. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$17,485,148 General Fund fund balance at June 30, 2022, \$878,518 is reserved for encumbrances; \$1,750,000 has been legally established as a maintenance reserve in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c.73; \$0 has been legally established as an emergency reserve in accordance with N.J.S.A. 18A:7F-41c(1); \$7,505,872 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$3,684,791 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2023); \$5,409,912 has been reserved in the Capital Reserve Account; \$597,767 is reserved for Unemployment Compensation; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2023; and \$1,343,079 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2022 of \$0 is restricted for the payment of debt service.

NOTE 15. CALCULATION OF EXCESS SURPLUS:

In accordance with *N.J.S.A. 18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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, 2022 is \$7,505,872 of which \$3,821,081 is the result of current year operations.

NOTE 16. ECONOMIC DEPENDENCY:

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

NOTE 17. TAX CALENDAR:

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy-based on the prior year's taxes. The second billing reflects adjustments to the current year's actual tax levy. The final tax bill is usually mailed on or before June 14, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are dividend into two dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges.

Taxes are collected by the municipality and are remitted to the District on predetermined, agreed-upon schedules.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 18. RELATED PARTIES AND ORGANIZATIONS:

Not included in the District’s financial statements are certain Parent-Teacher Associations (PTAs), Parent-Teacher-Student Association, athletic and band booster clubs. These agencies provide services to students and employees of the District but are separate legal entities having sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the District. The District does not account for these entities as component units or joint ventures; it does not maintain an ongoing financial interest or have responsibility for these entities.

NOTE 19. CONTINGENT LIABILITIES:

It is the best judgment of the District’s management that there are no pending or threatened litigation, unasserted claims or assessments that would have any adverse effect on the accompanying financial statements.

NOTE 20. PRIOR YEAR ADJUSTMENT:

During the year the District conducted an inventory and appraisal of its fixed assets which resulted in a net adjustment to Fixed Assets. In addition the District needed to correct the reporting of the Internal Service Fund self funded prescription plan and Special Revenue Fund Student Activity Account as follows:

	Balance June 30, 2021 as Previously <u>Reported</u>	Retroactive <u>Adjustments</u>	Balance June 30, 2021 as <u>Restated</u>
<u>Statement of Changes in Internal Service Fund:</u>			
Self Insurance Description			
Net Position - End of the Year	\$0	\$537,886	\$537,886
<u>Statement of Changes in Enterprise Fund:</u>			
Food Service Fund:	388,932	133,449	522,381

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 20. PRIOR YEAR ADJUSTMENT: (continued)

	Balance June 30, 2021 as Previously <u>Reported</u>	<u>Retroactive Adjustments</u>	Balance June 30, 2021 as <u>Restated</u>
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$4,877,516	\$542,180	\$5,419,696
<u>Statement of Revenues - Expenditures and Changes in Fund Balances - Governmental Funds:</u>			
Special Revenue Fund:			
Fund Balance - June 30	210,706	296	211,002

NOTE 21. DEFICIT FUND BALANCE:

As reflected on Exhibit B-1, Balance Sheet Governmental Funds, the District has an unassigned deficit fund balance of \$212,207 in the Special Revenue Fund as of June 30, 2022. This deficit is reported in the fund financial statements on a modified accrual basis. *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed on or more June State aid payments as revenue, for budget purposes only, in the current school year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payment (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the Special Revenue fund balance deficits do not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey stature and regulation nor in need of corrective action. The District deficits in the GAAP funds statements are less than the last state aid payment.

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$19,706,649 existed as of June 30, 2022 for governmental activities. The primary cause of this deficit is the recognition of the net pension liability as well as the District not recognizing the receivable for State aid payments and the recording of the long-term liability for compensated absences. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 21. DEFICIT FUND BALANCE: (continued)

However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place, and pension costs are recorded when due. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

NOTE 22. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through February 8, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 67,852,899	\$ -	\$ 67,852,899	\$ 67,852,899	\$ -
Tuition	150,000	-	150,000	226,119	76,119
Transportation Fees	-	-	-	147,855	147,855
Interest Earned on Investments	-	-	-	18,331	18,331
Unrestricted miscellaneous revenue	50,000	-	50,000	491,667	441,667
Other restricted miscellaneous revenue	100,000	-	100,000	233,986	133,986
Rental fees	240,000	-	240,000	101,495	(138,505)
Total - Local Sources	68,392,899	-	68,392,899	69,072,352	679,453
State Sources:					
Adjustment Aid	1,271,894	-	1,271,894	1,271,894	-
Transportation Aid	1,729,784	-	1,729,784	1,729,784	-
Special Education Categorical Aid	2,526,776	-	2,526,776	2,526,776	-
Security Aid	552,389	-	552,389	552,389	-
Extraordinary Aid	950,000	-	950,000	1,295,660	345,660
Other State Aid - Reimburse Nonpublic Transportation	-	-	-	115,981	115,981
Other State Aid - Alyssa's Law Security Aid	-	175,339	175,339	175,339	-
On-behalf TPAF Pension (non-budgeted)	-	-	-	11,866,619	11,866,619
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	167,421	167,421
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	2,811,638	2,811,638
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)	-	-	-	3,596	3,596
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	2,514,378	2,514,378
Total State Sources	7,030,843	175,339	7,206,182	25,031,475	17,825,293
Federal Sources:					
Medical Assistance Program	92,121	-	92,121	38,888	(53,233)
Total Federal Sources	92,121	-	92,121	38,888	(53,233)
Total Revenues	75,515,863	175,339	75,691,202	94,142,715	18,451,513

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 943,871	(18,361)	\$ 925,510	\$ 916,628	\$ 8,882
Grades 1-5 - Salaries of Teachers	7,221,256	235,442	7,456,698	7,414,176	42,522
Grades 6-8 - Salaries of Teachers	4,858,749	(187,602)	4,671,147	4,623,683	47,464
Grades 9-12 - Salaries of Teachers	6,789,161	(293,209)	6,495,952	6,402,452	93,500
Regular Programs - Home Instruction:					
Salaries of Teachers	44,000	16,110	60,110	55,318	4,792
Purchased Professional-Educational Services	30,000	(7,200)	22,800	9,723	13,077
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	271,649	(1,500)	270,149	224,216	45,933
Purchased Professional-Educational Services	55,000	-	55,000	10,000	45,000
Purchased Technical Services	351,688	-	351,688	305,471	46,217
Other Purchased Services (400-500 series)	50,110	405	50,515	28,723	21,792
General Supplies	785,982	120,808	906,790	777,265	129,525
Textbooks	298,932	(11,450)	287,482	233,074	54,408
Other Objects	21,605	(6,360)	15,245	12,477	2,768
TOTAL REGULAR PROGRAMS - INSTRUCTION	21,722,003	(152,917)	21,569,086	21,013,206	555,880
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,133,287	(138,440)	994,847	985,913	8,934
Other Salaries for Instruction	288,974	44,959	333,933	333,079	854
General Supplies	5,802	-	5,802	2,437	3,365
Total Learning and/or Language Disabilities	1,428,063	(93,481)	1,334,582	1,321,429	13,153
Behavioral Disabilities:					
Salaries of Teachers	59,000	(48,011)	10,989	10,989	
Other Salaries for Instruction	60,000	(20,200)	39,800	39,800	
General Supplies	500	(54)	446	418	28
Total Behavioral Disabilities	119,500	(68,265)	51,235	418	50,817
Multiple Disabilities:					
Salaries of Teachers	463,981	128,400	592,381	582,865	9,516
Other Salaries for Instruction	384,628	55,500	440,128	428,082	12,046
Other Purchased Services (400-500 series)	26,690	-	26,690	26,110	580
General Supplies	25,517	28,868	54,385	39,502	14,883
Textbooks	846	-	846	796	50
Total Multiple Disabilities	901,662	212,768	1,114,430	1,077,355	37,075

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	4,015,854	(93,660)	3,922,194	3,841,733	80,461
Other Salaries for Instruction	316,668	(48,000)	268,668	266,724	1,944
General Supplies	36,092	1,946	38,038	36,811	1,227
Textbooks	605	-	605	-	605
Total Resource Room/Resource Center	4,369,219	(139,714)	4,229,505	4,145,268	84,237
Preschool Disabilities - Part-Time:					
General Supplies	-	900	900	-	900
Total Preschool Disabilities - Part-Time		900	900		900
Preschool Disabilities - Full-Time:					
Salaries of Teachers	596,057	160,000	756,057	750,415	5,642
Other Salaries for Instruction	490,585	(81,500)	409,085	395,311	13,774
General Supplies	2,800	1,000	3,800	3,231	569
Total Preschool Disabilities - Full-Time	1,089,442	79,500	1,168,942	1,148,957	19,985
TOTAL SPECIAL EDUCATION - INSTRUCTION	7,907,886	(8,292)	7,899,594	7,693,427	206,167
Basic Skills/Remedial - Instruction					
Salaries of Teachers	403,746	(3,336)	400,410	397,283	3,127
Other Purchased Services (400-500 series)	200	-	200	47	153
General Supplies	12,384	10,447	22,831	17,589	5,242
Total Basic Skills/Remedial - Instruction	416,330	7,111	423,441	414,919	8,522

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Bilingual Education - Instruction:					
Salaries of Teachers	892,025	(6,000)	886,025	883,680	2,345
Other Salaries for Instruction	42,351	(26,000)	16,351	15,416	935
General Supplies	16,729	(1,530)	15,199	7,450	7,749
	<u>951,105</u>	<u>(33,530)</u>	<u>917,575</u>	<u>906,546</u>	<u>11,029</u>
Total Bilingual Education - Instruction					
School-Spon. Cocurricular Actvs. - Inst.					
Salaries	375,693	(16,000)	359,693	344,052	15,641
Purchased Services (300-500 series)	21,000	-	21,000	10,325	10,675
Supplies and Materials	31,502	-	31,502	16,812	14,690
Other Objects	2,203	1,000	3,203	1,569	1,634
Transfers to Cover Deficit (Custodial Funds)	3,000	-	3,000	3,000	-
	<u>433,398</u>	<u>(15,000)</u>	<u>418,398</u>	<u>375,758</u>	<u>42,640</u>
Total School-Spon. Cocurricular Actvs. - Inst.					
School-Spon. Athletics - Inst.					
Salaries	759,363	16,000	775,363	711,832	63,531
Purchased Services (300-500 series)	195,614	(250)	195,364	138,508	56,856
Supplies and Materials	69,000	(13,455)	55,545	46,232	9,313
Other Objects	13,350	-	13,350	8,591	4,759
Transfers to Cover Deficit (Custodial Funds)	85,000	-	85,000	85,000	-
	<u>1,122,327</u>	<u>2,295</u>	<u>1,124,622</u>	<u>990,163</u>	<u>134,459</u>
TOTAL SCHOOL-SPON. ATHLETICS - INST.	<u>32,553,049</u>	<u>(200,333)</u>	<u>32,352,716</u>	<u>31,394,019</u>	<u>958,697</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	11,330	24,665	35,995	16,991	19,004
Tuition to Other LEAs Within the State - Special	256,408	(10,000)	246,408	139,840	106,568
Tuition to CSSD & Regional Day Schools		-			
Tuition to County Vocational School Districts - Regular	486,489	-	486,489	473,076	13,413
Tuition to County Vocational School Districts - Special	97,920	-	97,920	84,288	13,632
Tuition to Private Schools for the Disabled - Within State	2,921,508	(158,500)	2,763,008	2,342,645	420,363
Tuition to Private Schools for the Disabled - Outside State	144,000	-	144,000	77,107	66,893
State Facilities	61,944	-	61,944	61,944	-
	<u>3,979,599</u>	<u>(143,835)</u>	<u>3,835,764</u>	<u>3,195,891</u>	<u>639,873</u>
Total Undistributed Expenditures - Instruction:					
Undistributed Expend. - Attend. & Social Work					
Salaries	86,535	500	87,035	86,951	84
Other Purchased Services (400-500 series)	200	-	200	-	200
	<u>86,735</u>	<u>500</u>	<u>87,235</u>	<u>86,951</u>	<u>284</u>
Total Undistributed Expend. - Attend. & Social Work					
Undist. Expend. - Health Services					
Salaries	452,654	200	452,854	452,354	500
Purchase Professional and Technical Services	125,000	18,725	143,725	135,144	8,581
Supplies and Materials	19,687	1,049	20,736	17,846	2,890
	<u>597,341</u>	<u>19,974</u>	<u>617,315</u>	<u>605,344</u>	<u>11,971</u>
Total Undistributed Expenditures - Health Services					

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Speech, OT, PT & Related Serv.					
Salaries	1,075,074	(22,000)	1,053,074	1,028,548	24,526
Purchased Professional - Educational Services	179,200	36,000	215,200	168,890	46,310
Supplies and Materials	10,048	209	10,257	6,459	3,798
Other Objects	600	-	600	207	393
Total Undist. Expend. - Speech, OT, PT & Related Serv.	1,264,922	14,209	1,279,131	1,204,104	75,027
Undist. Expend. - Other Support Serv. Students - Extr. Serv.					
Salaries	893,857	79,500	973,357	948,964	24,393
Total Undist. Expend. - Other Support Serv. Students - Extr. Serv.	893,857	79,500	973,357	948,964	24,393
Undist. Expend. - Guidance Services					
Salaries of Other Professional Staff	1,266,805	410	1,267,215	1,232,865	34,350
Salaries of Secretarial and Clerical Assistants	135,967	700	136,667	136,637	30
Other Purchased Services (400-500 series)	4,750	1,500	6,250	312	5,938
Supplies and Materials	64,895	1,424	66,319	46,011	20,308
Other Objects	11,000	-	11,000	9,194	1,806
Total Undist. Expend. - Other Supp. Serv. Students - Reg. Undist. Expend. Child Study Teams	1,483,417	4,034	1,487,451	1,425,019	62,432
Salaries of Other Professional Staff	1,925,445	(62,874)	1,862,571	1,729,790	132,781
Salaries of Secretarial and Clerical Assistants	170,638	1,220	171,858	159,616	12,242
Purchased Professional - Educational Services	40,000	(13,000)	27,000	19,600	7,400
Other Purchased Professional and Technical Services	54,276	(6,000)	48,276	36,105	12,171
Other Purchased Services (400-500 series)	40,250	(10,100)	30,150	21,909	8,241
Supplies and Materials	51,376	(25,150)	26,226	22,908	3,318
Other Objects	5,100	400	5,500	5,101	399
Total Undist. Expend. Child Study Teams	2,287,085	(115,504)	2,171,581	1,995,029	176,552
Undist. Expend. Imp. Of Instructional Services					
Salaries of Supervisor of Instruction	902,481	(1,650)	900,831	829,493	71,338
Salaries of Other Professional Staff	122,886	6,713	129,599	119,385	10,214
Salaries of Secretarial and Clerical Assistants	153,444	900	154,344	154,031	313
Other Purchased Services (400-500 series)	22,650	-	22,650	20,096	2,554
Supplies and Materials	3,100	3,840	6,940	5,566	1,374
Other Objects	3,980	-	3,980	3,894	86
Total Undist. Expend. Imp. Of Instructional Services	1,208,541	9,803	1,218,344	1,132,465	85,879
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	506,740	(1,600)	505,140	503,778	1,362
Purchased Professional and Technical Services	3,750	-	3,750	3,750	-
Supplies and Materials	61,875	2,043	63,918	56,381	7,537
Other Objects	360	(65)	295	295	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	572,725	378	573,103	564,204	8,899

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	68,758	100	68,858	68,857	1
Salaries of Secretarial and Clerical Assistants	10,512	150	10,662	10,641	21
Purchased Professional - Educational Services	750		750		750
Other Purchased Services (400-500 series)	23,700	(400)	23,300	10,404	12,896
Total Undist. Expend. - Instructional Staff Training Serv.	103,720	(150)	103,570	89,902	13,668
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	539,802	29,000	568,802	568,634	168
Legal Services	160,000	(44,660)	115,340	69,791	45,549
Audit Fees	41,000	20,000	61,000	57,261	3,739
Architectural/Engineering Services	20,000	393,815	413,815	188,342	225,473
Other Purchased Professional Services	90,000	(10,500)	79,500	67,508	11,992
Purchased Technical Services	25,000	3,950	28,950	28,673	277
Communications/Telephone	243,000	83,490	326,490	303,374	23,116
BOE Other Purchased Services	3,000	-	3,000	598	2,402
Misc. Purchased Services (400-500 series)	33,900	8,850	42,750	36,354	6,396
General Supplies	8,200	(2,455)	5,745	5,209	536
BOE In-House Training/Meeting Supplies	2,000	-	2,000	1,553	447
Miscellaneous Expenditures	36,000	175	36,175	34,106	2,069
BOE Membership Dues and Fees	350	-	350		350
Total Undist. Expend. - Supp. Serv. - General Admin.	1,202,252	481,665	1,683,917	1,361,403	322,514
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	1,095,154	74,010	1,169,164	1,166,835	2,329
Salaries of Other Professional Staff	251,706	300	252,006	251,973	33
Salaries of Secretarial and Clerical Assistants	573,631	14,727	588,358	583,023	5,335
Other Purchased Services (400-500 series)	108,434	3,993	112,427	98,076	14,351
Supplies and Materials	47,740	8,214	55,954	42,870	13,084
Other Objects	27,000	1,787	28,787	21,818	6,969
Total Undist. Expend. - Support Serv. - School Admin.	2,103,665	103,031	2,206,696	2,164,595	42,101
Undistributed Expenditures - Central Services					
Salaries	566,404	(37,660)	528,744	516,049	12,695
Purchased Professional Services	67,000	970	67,970	65,784	2,186
Purchased Technical Services	53,000	20,300	73,300	73,087	213
Misc. Purchased Services (400-500 series)	8,200	(300)	7,900	3,607	4,293
Supplies and Materials	11,500	10,929	22,429	21,600	829
Miscellaneous Expenditures	6,700	561	7,261	6,642	619
Total Undistributed Expenditures - Central Services	712,804	(5,200)	707,604	686,769	20,835

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	771,262	25,876	797,138	782,905	14,233
Other Purchased Services (400-500 series)	24,208	37,060	61,268	9,107	52,161
Total Undistributed Expenditures - Admin. Info. Tech.	795,470	62,936	858,406	792,012	66,394
Undist. Expend. - Required Maintenance for School Facilities					
Salaries	567,139	14,375	581,514	544,146	37,368
Cleaning, Repair, and Maintenance Services	287,600	(2,350)	285,250	225,540	59,710
Lead Testing of Drinking Water					
General Supplies	187,100	34,438	221,538	173,781	47,757
Other Objects					
Total Undist. Expend. - Required Maintenance for School Facilities	1,041,839	46,463	1,088,302	943,467	144,835
Undist. Expend. - Custodial Services					
Salaries	2,307,826	(72,523)	2,235,303	2,198,621	36,682
Salaries of Non-Instructional Aides	86,000	6,425	92,425	91,615	810
Purchased Professional and Technical Services	25,000	4,555	29,555	26,967	2,588
Cleaning, Repair and Maintenance Services	177,450	16,625	194,075	138,192	55,883
Rental of Land building Other than Lease Purchase Agreement	16,500	-	16,500	9,475	7,025
Lease Purchases Payments - Energy Savings Improvement Program	245,510	(5,026)	240,484	247,120	4,167
Other Purchased Property Services	549,905	(55,815)	494,090	223,084	17,400
Insurance	600	-	600	493,742	348
Miscellaneous Purchased Services	344,200	(28,324)	315,876	268	332
General Supplies	500,000	187,754	687,754	293,490	22,386
Energy (Natural Gas)	790,000	72,780	862,780	684,126	3,628
Energy (Electricity)				740,779	122,001
Energy (Oil)					
Energy (Gasoline)					
Other Objects	26,000	3,050	29,050	26,668	2,382
Interest - Energy Savings Impr. Prog. Bonds					
Principal - Energy Savings Impr. Prog. Bonds					
Total Undist. Expend. - Custodial Services	5,320,278	129,501	5,449,779	5,174,147	275,632
Total Undist. Expend. - Care and Upkeep of Grounds:					
Salaries	144,259	(650)	143,609	99,622	43,987
Cleaning, Repair, and Maintenance Services	18,300	17,725	36,025	17,475	18,550
General Supplies	76,000	(20,725)	55,275	35,829	19,446
Total Undist. Expend. - Care & Upkeep of Grounds	238,559	(3,650)	234,909	152,926	81,983
Security:					
Salaries	349,085	104	349,189	316,539	32,650
Purchased Professional and Technical Services	100,000	(5,000)	95,000	-	95,000
General Supplies	3,600	-	3,600	1,719	1,881
Total Security	452,685	(4,896)	447,789	318,258	129,531
Total Undist. Expend. - Oper. & Maint. Of Plant	7,053,561	167,418	7,220,779	6,588,798	631,981

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	103,874	2,837	106,711	106,067	644
Sal. For Pup. Trans. (Bet. Home and School) - Regular	1,543,594	63,869	1,607,463	1,599,494	7,969
Sal. For Pup. Trans. (Bet. Home and School) - Special	293,571	271	293,842	279,625	14,217
Sal. For Pup. Trans. (Other than Bet. Home and School)	55,000	(4,428)	50,572	36,612	13,960
Other Purchased Professional and Technical Services	136,000	39,545	195,545	195,219	326
Cleaning, Repair and Maintenance Services	488,000	42,320	530,320	512,524	17,796
Lease Purchase Payments - School Buses		50,000	50,000	50,000	-
Contract Services - Aid in Lieu Payments - Non Public	135,000	57,152	192,152	190,410	1,742
Contract Services - (Between Home and School) - Vendors	580,000	(60,633)	519,367	467,460	51,907
Contract Services - (Between Home and School) - Joint Agreements	10,000	(1,995)	8,005	2,718	5,287
Contract Services (Special Ed Students)- Vendors	280,000	(62,892)	217,108	154,707	62,401
Misc. Purchased Serv. - Transportation	101,140	36,400	137,540	116,945	20,595
General Supplies	5,000	2,251	7,251	5,133	2,118
Transportation Supplies	199,000	89,000	288,000	279,715	8,285
Other Objects	12,000	(241)	11,759	9,900	1,859
Total Undist. Expend. - Student Transportation Serv.	3,962,179	253,456	4,215,635	4,006,529	209,106
UNALLOCATED BENEFITS					
Group Insurance	9,000	-	9,000	4,840	4,160
Social Security Contributions	1,042,463	(10,400)	1,032,063	1,021,249	10,814
Other Retirement Contributions - PERS	1,250,000	-	1,250,000	1,235,700	14,300
Other Retirement Contributions - ERIP	18,000	500	18,500	18,437	63
Other Retirement Contributions - Regular	90,000	15,300	105,300	104,372	928
Workmen's Compensation	740,000	(6,800)	733,200	570,674	162,526
Health Benefits	13,579,740	(819,014)	12,760,726	10,921,721	1,839,005
Tuition Reimbursement	170,000	9,828	179,828	112,046	67,782
Other Employee Benefits	91,800	166,400	258,200	257,096	1,104
TOTAL UNALLOCATED BENEFITS	16,991,003	(644,186)	16,346,817	14,246,135	2,100,682

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
On-behalf TPAF Pension (non-budgeted)		-		11,866,619	(11,866,619)
On-behalf TPAF NCGI Premium (non-budgeted)		-		167,421	(167,421)
On-behalf TPAF Post Retirement Medical (non-budgeted)		-		2,811,638	(2,811,638)
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)		-		3,596	(3,596)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		2,514,378	(2,514,378)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>17,363,652</u>	<u>(17,363,652)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	16,991,003	(644,186)	16,346,817	31,609,787	(15,262,970)
TOTAL UNDISTRIBUTED EXPENDITURES	45,298,676	288,029	45,586,705	58,457,766	(12,871,061)
TOTAL GENERAL CURRENT EXPENSE	<u>77,851,725</u>	<u>87,696</u>	<u>77,939,421</u>	<u>89,851,785</u>	<u>(11,912,364)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1-5					
Grades 6-8					
Undistributed Expenditures - School Administration	423,045	32,739	455,784	78,275	377,509
Undistributed Expenditures - Req. Maintenance for School Fac.	-	94,763	94,763	94,763	-
Undistributed Expenditures - Care and Upkeep of Grounds	10,000	88,191	98,191	98,071	120
Undistributed Expenditures - Student Trans.-Non-Inst. Equip.	20,000	-	20,000	7,278	12,722
School Buses - Regular	285,000	67,007	352,007	288,903	63,104
Total Equipment	<u>738,045</u>	<u>282,700</u>	<u>1,020,745</u>	<u>567,290</u>	<u>453,455</u>
Facilities Acquisition and Construction Services					
Construction Services	120,000	198,990	318,990	318,791	199
Assessment for Debt Service on SDA Funding	60,092	-	60,092	60,092	-
Total Facilities Acquisition and Construction Services	<u>180,092</u>	<u>198,990</u>	<u>379,082</u>	<u>378,883</u>	<u>199</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
General Administration					
Student Transportation					
Assets Acquired Under Capital Leases (non-budgeted)					
TOTAL CAPITAL OUTLAY	<u>918,137</u>	<u>481,690</u>	<u>1,399,827</u>	<u>946,173</u>	<u>453,654</u>

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
SPECIAL SCHOOLS					
Summer School - Instruction	177,145	18,000	195,145	117,123	78,022
Salaries of Teachers	137,800	(18,000)	119,800	116,067	3,733
Other Salaries for Instruction	5,750	-	5,750	5,343	407
Purchased Professional and Technical Services	5,000	91	5,091	4,426	665
General Supplies	325,695	91	325,786	242,959	82,827
Total Summer Schools - Instruction	325,695	91	325,786	242,959	82,827
TOTAL SPECIAL SCHOOLS					
Transfer of Funds to Charter Schools	149,773	158,500	308,273	307,813	460
TOTAL EXPENDITURES	79,245,330	727,977	79,973,307	91,348,730	(11,375,423)
Over (Under) Expenditures	(3,729,467)	(552,638)	(4,282,105)	2,793,985	7,076,090
Other Financing Sources (Uses):	-	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources	(3,729,467)	(552,638)	(4,282,105)	2,793,985	7,076,090
Over (Under) Expenditures and Other Financing Uses				15,289,427	
Fund Balance, July 1					
Fund Balance, June 30	\$ (3,729,467)	\$ (552,638)	\$ (4,282,105)	\$ 18,083,412	\$ 7,076,090

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Recapitulation of excess (deficiency) of revenues under expenditures:					
Increase in Capital Reserve - Principal				(2,000,000)	(2,000,000)
Increase in Maintenance Reserve - Principal				(500,000)	(500,000)
Adjustment for prior year encumbrances		(552,638)	(552,638)	149,983	149,983
Increase in Restricted Fund Balance - Unemployment			(3,729,467)	5,696,640	9,426,107
Budgeted Fund Balance	(3,729,467)		(3,729,467)	2,793,985	7,076,090
Total	<u>(3,729,467)</u>	<u>(552,638)</u>	<u>(4,282,105)</u>		
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				3,959,912	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,450,000	
Maintenance Reserve				1,611,964	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				138,036	
Excess Surplus - Designated for Subsequent Year's Expenditures				3,684,791	
Excess Surplus - Current Year				3,821,081	
Unemployment Compensation				597,767	
Committed Fund Balance:					
Year End Encumbrances				878,518	
Unassigned Fund Balance				1,941,343	
				<u>18,083,412</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(598,264)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 17,485,148</u>	

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ -	\$ 34,035	\$ 34,035	\$ 421,922	\$ 387,887
State Sources	2,577,924	864,978	3,402,902	3,333,906	(68,996)
Federal Sources	1,191,175	6,136,434	7,327,609	3,586,771	(3,740,838)
Total Revenues	3,729,099	7,035,447	10,764,546	7,342,599	(3,421,947)
EXPENDITURES:					
Instruction					
Salaries of Teachers	462,101	1,825,237	2,287,338	1,578,467	708,871
Other Salaries for Instruction	81,478	281,932	363,410	250,399	113,011
Purchased Professional - Educational Services	405,697	643,399	1,049,096	1,031,598	17,498
Tuition	631,321	484,748	1,116,069	1,116,069	-
General Supplies	2,020,930	(1,526,379)	494,551	127,938	366,593
Textbooks	29,819	28,400	58,219	56,237	1,982
Other Objects	-	-	-	-	-
Total Instruction	3,631,346	1,737,337	5,368,683	4,160,728	1,207,955
Support Services					
Salaries	239,000	239,000	239,000	228,213	10,787
Personal Services - Employee Benefits	934,823	934,823	934,823	656,604	278,219
Purchased Professional and Technical Services	530,070	530,070	627,823	492,099	135,724
Purchased Property Services	3,659	3,659	3,659	2,985	674
Purchased Professional - Educational Services	88,862	88,862	88,862	62,368	26,494
General Supplies	818	818	818	350	468
Other Objects	111	111	111	-	111
Scholarships Awarded	-	-	-	9,188	(9,188)
Student Activities	-	-	-	340,448	(340,448)
Total Support Services	97,753	1,797,343	1,895,096	1,792,255	102,841
Facilities Acquisition and Construction Services:					
Non-instructional Equipment	-	3,641,163	3,641,163	1,335,816	2,305,347
Total Facilities Acquisition and Construction Services	-	3,641,163	3,641,163	1,335,816	2,305,347
Total Expenditures	3,729,099	7,175,843	10,904,942	7,288,799	3,616,143
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ (140,396)	\$ (140,396)	\$ 53,800	\$ 194,196
Fund Balances, July 1				347,934	
Prior Period Adjustment				296	
Fund Balances, July 1 (Restated)				348,230	
Fund Balance, June 30				402,030	
Recapitulation:					
Restricted:					
Scholarship				28,229	
Student Activities				373,801	
Total Fund Balance				402,030	

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Fiscal Year Ended June 30, 2022

**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]&[C-2]	\$94,142,715	\$ 7,342,599
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			18,216
Less Current Year Encumbrances			(279,980)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		(598,264)	(212,207)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		2,210,308	137,228
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$95,754,759	\$ 7,005,856
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	\$91,348,730	\$ 7,288,799
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			18,216
Less Current Year Encumbrances			(279,980)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	[B-2]	\$91,348,730	\$ 7,027,035

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
Last 10 Fiscal Years*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	District's Covered Payroll -PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2014	0.04956637%	\$19,038,744	\$6,924,348	274.95%	48.72%
2015	0.04984458%	\$19,364,539	\$7,306,958	265.02%	52.08%
2016	0.05101445%	\$23,553,440	\$7,219,151	326.26%	47.93%
2017	0.05254898%	\$31,008,009	\$7,130,014	434.89%	40.14%
2018	0.05035807%	\$24,637,193	\$7,335,862	335.85%	48.10%
2019	0.04712067%	\$20,447,449	\$7,224,113	283.04%	40.45%
2020	0.04501075%	\$18,524,738	\$7,287,888	254.19%	42.04%
2021	0.04277934%	\$16,538,314	\$7,533,520	219.53%	42.90%
2022	0.00327880%	\$12,402,681	\$7,644,565	162.24%	70.33%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
Last 10 Fiscal Years*

Fiscal Year Ending June30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
2014	\$750,592	(\$750,592)		\$6,924,348	10.85%
2015	852,645	(852,645)		\$7,306,958	11.67%
2016	902,069	(902,069)		7,219,151	12.50%
2017	930,106	(930,106)		7,130,014	13.04%
2018	980,468	(980,468)		7,335,862	13.37%
2019	1,032,967	(1,032,967)		7,224,113	14.30%
2020	1,000,040	(1,000,040)		7,287,888	13.72%
2021	1,036,384	(1,036,384)		7,533,520	14.73%
2022	1,226,099	(1,226,099)		7,644,565	16.04%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
Last 10 Fiscal Years*

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll -TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2014	0.0000000000%	0.3055418000%	\$ 154,418,423	\$ 29,765,972	0.00%	33.76%
2015	0.0000000000%	0.3000610200%	\$ 160,666,363	\$ 30,953,607	0.00%	33.64%
2016	0.0000000000%	0.3042984900%	\$ 192,329,639	31,415,277	0.00%	28.71%
2017	0.0000000000%	0.3120932900%	\$ 245,512,453	31,553,108	0.00%	22.33%
2018	0.0000000000%	0.3073114900%	\$ 207,200,489	31,635,815	0.00%	25.41%
2019	0.0000000000%	0.3049740000%	\$ 194,017,908	31,717,809	0.00%	26.49%
2020	0.0000000000%	0.2983911500%	\$ 183,125,465	31,228,688	0.00%	26.95%
2021	0.0000000000%	0.2941761300%	\$ 193,711,441	32,374,498	0.00%	24.60%
2022	0.0000000000%	0.2883588268%	\$ 138,629,050	34,351,416	0.00%	35.52%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was no change in the discount rate from 7.00%.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was no change in the discount rate from 7.00%.

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Costs	\$ 8,936,123	\$ 5,129,804	\$ 5,040,013	\$ 5,677,196	\$ 6,834,986
Interest on Total OPEB Liability	\$ 5,137,522	4,985,697	6,152,717	6,508,440	5,624,888
Changes in Benefit Terms	\$ (210,796)				
Changes in Assumptions	195,387	41,179,643	2,075,561	(17,901,608)	(22,869,891)
Gross Benefit Payments	(4,046,928.00)	(3,924,677.00)	(4,273,184)	(4,171,344)	
Differences Between Actual and Expected Experience	(37,533,934)	38,742,667	(25,915,094)	(12,377,049)	(4,125,607)
Contribution from the Member	131,341	118,957	126,669	144,168	151,915
Net Changes in total Share of OPEB Liability	(27,391,285)	86,232,091	(16,793,318)	(22,120,197)	(14,383,709)
Total OPEB Liability - Beginning	225,437,271	139,205,180	155,998,498	178,118,695	192,502,404
Total OPEB Liability - Ending	\$ 198,045,986	\$ 225,437,271	\$ 139,205,180	\$ 155,998,498	\$ 178,118,695
District's Proportionate Share of OPEB Liability					
State's Proportionate Share of OPEB Liability	198,045,986	225,437,271	139,205,180	155,998,498	178,118,695
Total OPEB Liability - Ending	<u>\$ 198,045,986</u>	<u>\$ 225,437,271</u>	<u>\$ 139,205,180</u>	<u>\$ 155,998,498</u>	<u>\$ 178,118,695</u>
District's Covered Employee Payroll	<u>\$ 34,351,416</u>	<u>\$ 39,908,018</u>	<u>\$ 38,516,576</u>	<u>\$ 38,941,922</u>	<u>\$ 38,971,677</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%

Notes to Schedule:

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

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Notes to Required Schedules of Supplementary Information OPEB Liability
For the fiscal year ended June 30, 2022

Change in benefit terms	None
Change in assumptions	Assumptions used in calculating the OPEB liability are presented in Note 8.

Other Supplementary Information

SPECIAL REVENUE FUND

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
 Special Revenues Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1a)	Title I		Title II, Part A		Title III, Part A		Title III, Immigrant		I.D.E.A. Basic		I.D.E.A. Preschool		Totals 2022
		\$		\$		\$		\$		\$		\$		
REVENUES														
Local Sources	\$ 431,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 421,922
State Sources	3,333,906	445,541	89,023	33,763	11,949	972,472	42,926	16,909	197,625	16,909	3,333,906			3,586,771
Federal Sources	1,776,563													
Total Revenues	5,532,391	445,541	89,023	33,763	11,949	972,472	42,926	16,909	197,625	16,909	7,542,599			
EXPENDITURES:														
Instruction:														
Salaries of Teachers	901,413	285,915	44,008	23,695	11,100	832,084	42,926	16,909	165,470	16,909	1,266,131			1,266,131
Other Salaries for Instruction	312,336										312,336			312,336
Purchased Professional - Educational Services	250,399										250,399			250,399
Other Purchased Professional Services	1,024,558	7,040				832,084	42,926	16,909	165,470	16,909	1,031,598			1,031,598
Tuition	58,680										58,680			58,680
General Supplies	126,257	1,701									127,958			127,958
Textbooks	56,237										56,237			56,237
Other Objects	-										-			-
Total Instruction	2,729,880	294,656	44,008	23,695	11,100	832,084	42,926	16,909	165,470	16,909	4,160,728			
Support services:														
Salaries of Supervisors	46,230										46,230			46,230
Other Salaries for Instruction	181,985										181,985			181,985
Personal Services - Employee Benefits	471,981	150,535	23,171	10,068	849	140,383			32,155		656,604			656,604
Purchased Professional and Technical Services	297,712		21,844								492,099			492,099
Other Purchased Professional Services	62,368										62,368			62,368
Purchased Property Services	2,985										2,985			2,985
General Supplies	9,188	350									9,538			9,538
Scholarships Awarded	340,448										340,448			340,448
Student Activities														
Total support services	1,412,895	150,885	45,015	10,068	849	140,383			32,155		1,792,255			
Facilities acquisition and const. serv.:														
Buildings	-										-			-
Instructional Equipment	1,335,816										1,335,816			1,335,816
Non-Instructional Equipment	1,335,816										1,335,816			1,335,816
Total facilities acquisition and const. serv.	5,478,591	445,541	89,023	33,763	11,949	972,472	42,926	16,909	197,625	16,909	7,288,799			
Total Expenditures	5,532,391	445,541	89,023	33,763	11,949	972,472	42,926	16,909	197,625	16,909	7,288,799			
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,800										53,800			53,800
Fund Balance, July 1	347,934										347,934			347,934
Prior Period Adjustment	296										296			296
Fund Balance, July 1 (restated)	348,230										348,230			348,230
Fund Balance, June 30	402,030										402,030			402,030

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	C.A.R.E.S. ESSERF	ESSER II	LEARNING ACCELERATION	MENTAL HEALTH	ARP MENTAL HEALTH	PERKINS	ACRSERS	EMERGENT CAP	PRESCHOOL EDUCATION AID	Donations	Scholarship Fund	Student Activity Funds	Total Carried Forward
REVENUES													
Local Sources	-	-	-	-	-	-	-	-	-	\$ 18,486	\$ 9,729	\$ 393,707	\$ 421,922
State Sources	1,240,789	1,252,460	82,206	39,374	204,607	17,050	123,548	46,273	2,093,117	-	-	-	\$ 3,333,906
Federal Sources	-	-	-	-	-	-	-	-	-	-	-	-	\$ 1,776,563
Total Revenues	1,240,789	1,252,460	82,206	39,374	204,607	17,050	123,548	46,273	2,093,117	18,486	9,729	393,707	5,532,391
EXPENDITURES:													
Instruction:													
Salaries of Teachers	-	60,185	55,246	-	118,008	9,680	-	-	660,294	-	-	-	901,413
Other Salaries for Instruction	-	29,000	-	-	-	320	-	-	272,336	11,000	-	-	312,336
Purchased Professional - Educational Services	139,994	88,896	1,099	-	-	-	-	-	-	-	-	-	250,989
Other Purchased Professional Services	1,024,558	-	-	-	-	-	58,680	-	-	-	-	-	1,024,558
Tuition	-	-	-	-	-	280	-	-	118,491	7,486	-	-	58,680
General Supplies	-	-	-	-	-	-	-	-	-	-	-	-	126,257
Textbooks	56,237	-	-	-	-	-	-	-	-	-	-	-	56,237
Other Objects	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Instruction	1,240,789	178,171	54,345	-	118,008	10,280	58,680	-	1,051,121	18,486	-	-	2,729,880
Support services:													
Salaries of Supervisors	-	-	-	-	-	-	-	-	46,230	-	-	-	46,230
Other Salaries for Instruction	-	-	-	-	-	-	2,300	-	179,483	-	-	-	181,983
Personal Services - Employee Benefits	-	4,604	4,073	-	86,599	765	-	-	375,940	-	-	-	471,981
Purchased Professional and Technical Services	-	-	23,788	39,374	-	-	62,368	-	217,500	-	-	-	297,712
Other Purchased Professional Services	-	-	-	-	17,050	-	-	-	-	-	-	-	62,368
Purchased Property Services	-	-	-	-	-	-	-	-	2,985	-	-	-	2,985
General Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-	-	-	-	9,188	-	-	9,188
Student Activities	-	-	-	-	-	-	-	-	-	-	340,448	-	340,448
Total support services	-	4,604	27,861	39,374	86,599	765	64,868	-	822,138	-	9,188	340,448	1,412,895
Facilities acquisition and const. serv.:													
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Instructional Equipment	-	1,069,685	-	-	-	-	-	46,273	219,838	-	-	-	1,335,816
Non-instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	1,069,685	-	-	-	-	-	46,273	219,838	-	-	-	1,335,816
Total Expenditures	1,240,789	1,252,460	82,206	39,374	204,607	17,050	123,548	46,273	2,093,117	18,486	9,188	340,448	5,478,591
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	541	53,259	53,800
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	27,689	330,245	347,934
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	296	296
Fund Balance, July 1 (restated)	-	-	-	-	-	-	-	-	-	-	27,689	330,541	548,230
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	28,220	-	373,800	402,020

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

For the Fiscal Year Ended June 30, 2022

	N.J. Non-Public Nursing Aid	N.J. Non-Public Textbook Aid	N.J. Non-Public Security Aid	N.J. Non-Public Technology Aid	N.J. Nonpublic Auxiliary Services Chapter 192		N.J. Nonpublic Handicapped Services Chapter 193		Total Carried Forward	
					Compensatory	ESL	Supplemental Instruction	Examination & Classification		Corrective Speech
REVENUES										
Local Sources	119,313	56,237	185,094	40,681	488,391	3,472	101,648	201,127	44,826	\$ 1,240,789
State Sources										
Federal Sources										
Total Revenues	119,313	56,237	185,094	40,681	488,391	3,472	101,648	201,127	44,826	1,240,789
EXPENDITURES										
Instruction:										
Salaries of Teachers										0
Other Salaries for Instruction										0
Purchased Professional - Educational Services										0
Purchased Professional and Technical Services	119,313		185,094	40,681	488,391	3,472	101,648	201,127	44,826	1,024,538
Other Purchased Professional Services										0
Tuition										0
General Supplies		56,237								56,237
Textbooks										1,240,789
Other Objects										
Total instruction	119,313	56,237	185,094	40,681	488,391	3,472	101,648	201,127	44,826	1,240,789
Support services:										
Salaries of Other Professional Staff										0
Personal Services - Employee Benefits										0
Purchased Professional - Educational Services										0
Other Purchased Professional Services										0
Travel										0
General Supplies										0
Textbooks										0
General Supplies										0
Other Objects										0
Total support services	-	-	-	-	-	-	-	-	-	0
Facilities acquisition and const. serv.:										
Building										0
Instructional Equipment										0
Non-instructional Equipment										0
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-	-	0
Total Expenditures	119,313	56,237	185,094	40,681	488,391	3,472	101,648	201,127	44,826	1,240,789
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Preschool Education Aid Revenue and Expenditures
Budgetary Basis
Year Ended June 30, 2022

	Original Budget	Budget Transfers	Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 586,817	\$ 82,526	\$ 669,343	\$ 660,294	\$ 9,049
Other Salaries for Instruction	362,124	(86,000)	276,124	272,336	3,788
Purchased Professional Educational Services	3,000	(3,000)			-
Other Purchased Services (400-500 series)	3,000	(3,000)			-
Tuition to Other LEAs Within the State - Regular		0			-
General Supplies	70,000	48,557	118,557	118,491	66
Other Objects	4,000	(4,000)			-
Total Instruction	<u>1,028,941</u>	<u>35,083</u>	<u>1,064,024</u>	<u>1,051,121</u>	<u>12,903</u>
Support services:					
Salaries of Program Directors	60,000	(60,000)	-	-	-
Salaries of Supervisors of Instruction	15,000	31,300	46,300	46,230	70
Salaries of Other Professional Staff	108,000	(74,284)	33,716	33,712	4
Salaries of Secr. And Clerical Assistants	30,000	(11,155)	18,845	18,254	591
Other Salaries	5,000	49,121	54,121	46,842	7,279
Salaries of Community Parent Involvement Spec.	5,000	(5,000)			-
Salaries of Facilitator/Coach		80,675	80,675	80,675	-
Salaries of Master Teachers	40,000	(40,000)			-
Personal Services - Employee Benefits	417,711	0	417,711	375,940	41,771
Purchased Educational Services - Contracted Pre-K	210,000	7,571	217,571	217,500	71
Purchased Professional - Educational Services	21,000	(21,000)			-
Other Purchased Professional Services		0			-
Cleaning, Repair, and Maintenance Services	20,000	(16,341)	3,659	2,985	674
	-	0	-	-	-
Total support services	<u>931,711</u>	<u>(59,113)</u>	<u>872,598</u>	<u>822,138</u>	<u>50,460</u>
Facilities acquisition and cont. serv:					
Instructional equipment	60,278	160,000	220,278	219,858	420
Noninstructional Equipment	135,970	(135,970)			-
Total Facilities acquisition and cont. serv.	<u>196,248</u>	<u>24,030</u>	<u>220,278</u>	<u>219,858</u>	<u>420</u>
Contribution to Charter Schools					-
Transfer to General Fund					-
Total Expenditures	<u>\$ 2,156,900</u>	<u>\$ -</u>	<u>\$ 2,156,900</u>	<u>\$ 2,093,117</u>	<u>\$ 63,783</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2021-22 PreK/ECPA Aid Allocation	\$ 2,156,900
Add: Actual PreK/ECPA Aid Carryover June 30, 2021	214,713
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2021-22 Budget	2,371,613
Less: 2021-22 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(2,156,900)
Available & Unbudgeted Funds as of June 30, 2022	214,713
Add: June 30, 2022 Unexpended PreK Aid	63,783
2022- Actual Carryover - PreK Aid	<u>\$ 278,496</u>
2021-22 PreK Aid Carryover Budgeted in 2023-FY	<u>\$ 214,713</u>

PROPRIETARY FUNDS

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2022

	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 565,264	\$ 565,264
Accounts receivable	246,458	246,458
Total current assets	811,722	811,722
Noncurrent assets:		
Furniture, machinery & equipment	703,767	703,767
Less accumulated depreciation	(407,181)	(407,181)
Total noncurrent assets	296,586	296,586
Total assets	1,108,308	1,108,308
Current Liabilities:		
Accounts Payable	145,976	145,976
Deferred Revenue	71,551	71,551
	217,527	217,527
NET POSITION		
Net Investment in capital assets	296,586	296,586
Unrestricted	594,195	594,195
Total net position	\$ 890,781	\$ 890,781

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2022

	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ -	\$ -
Daily sales - non-reimbursable programs	8,431	8,431
Miscellaneous	4,159	4,159
Total operating revenues	12,590	12,590
 Operating expenses:		
Purchase services-fixed price contract	1,906,913	1,906,913
Food Commodities	80,103	80,103
Depreciation	15,268	15,268
Total Operating Expenses	2,002,284	2,002,284
Operating income (loss)	(1,989,694)	(1,989,694)
 Non-operating revenues (expenses):		
State sources:		
State school lunch program	41,750	41,750
Federal sources:		
National school lunch program	1,772,624	1,772,624
Snacks	7,813	7,813
Breakfast Program	486,052	486,052
P-EBT Administrative	628	628
Food distribution program	80,103	80,103
Cancelled receivables	(30,876)	(30,876)
Total non-operating revenues (expenses)	2,358,094	2,358,094
Income (loss) before contributions & transfers	368,400	368,400
Transfers in (out)		
Change in net position	368,400	368,400
 Total net position- July 1, 2021 as previously stated	388,932	388,932
 Prior period adjustment asset revaluation	133,449	133,449
 Total net position- July 1, 2021	522,381	522,381
 Total net position-June 30, 2022	\$ 890,781	\$ 890,781

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2022

	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and other funds	\$ 15,635	\$ 15,635
Payments to management company and other suppliers	(2,364,376)	(2,364,376)
Net cash provided by (used for) operating activities	(2,348,741)	(2,348,741)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources	57,363	57,363
Federal sources	2,548,407	2,548,407
Net cash provided by (used for) non-capital financing activities	2,605,770	2,605,770
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(26,023)	(26,023)
Net cash provided by (used for) investing activities	(26,023)	(26,023)
Net increase (decrease) in cash and cash equivalents	231,006	231,006
Balances—beginning of year	334,258	334,258
Balances—end of year	\$ 565,264	\$ 565,264
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (1,989,694)	\$ (1,989,694)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	15,268	15,268
(Increase) decrease in accounts receivable	3,048	3,048
Increase (decrease) in accounts payable	(377,363)	(377,363)
Total adjustments	(359,047)	(359,047)
Net cash provided by (used for) operating activities	\$ (2,348,741)	\$ (2,348,741)

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Net Position
Internal Service Fund
June 30, 2022

	Self Insurance	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 46,609	\$ 46,609
Accounts receivable	578,420	578,420
Total current assets	625,029	625,029
 LIABILITIES		
Current liabilities:		
Accounts payable	88,713	88,713
Total current liabilities	88,713	88,713
Total liabilities	88,713	88,713
 NET POSITION		
Restricted:		
Prescription Drug Reserve	536,316	536,316
Total net position	\$ 536,316	\$ 536,316

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Fund
For the Year Ended June 30, 2022

	Internal Service	Total
Operating revenues:		
Charges for services:		
Board Contributions	\$ 2,000,000	\$ 2,000,000
Rebates	1,413,970	1,413,970
Total operating revenues	3,413,970	3,413,970
 Operating expenses:		
Contracted services	3,415,540	3,415,540
Total Operating Expenses	3,415,540	3,415,540
Operating income (loss)	(1,570)	(1,570)
 Transfers in (out)		-
Change in net position	(1,570)	(1,570)
 Total net position—beginning (restated)	537,886	537,886
 Total net position—ending	\$ 536,316	\$ 536,316

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Cash Flows
Internal Service Fund
For the Year Ended June 30, 2022

	Internal Service Fund	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Board of Education	\$ 2,000,000	\$ 2,000,000
Receipts from Rebates	\$ 835,550	\$ 835,550
Payments for insurance	(3,326,827)	(3,326,827)
	-	-
Net cash provided by (used for) operating activities	<u>(491,277)</u>	<u>(491,277)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash provided by (used for) investing activities	-	-
Net increase (decrease) in cash and cash equivalents	(491,277)	(491,277)
Balances—beginning of year (restated)	537,886	537,886
Balances—end of year	<u>\$ 46,609</u>	<u>\$ 46,609</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (1,570)	\$ (1,570)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
(Increase) decrease in accounts receivable	(578,420)	(578,420)
Increase (decrease) in accounts payable	88,713	88,713
Total adjustments	<u>(489,707)</u>	<u>(489,707)</u>
Net cash provided by (used for) operating activities	<u>\$ (491,277)</u>	<u>\$ (491,277)</u>

LONG-TERM DEBT

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Bonds Payable
 Year Ended June 30, 2022

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
			Date	Amount					
2010 Refunding	10/20/2010	\$ 8,585,000				820,000	820,000	-	
						\$ 820,000	\$ 820,000	\$ -	
2016 Refunding	9/1/2016	\$ 2,650,000	9/1/2022	500,000	1.450%	1,010,000	510,000	500,000	
						\$ 1,010,000	\$ 510,000	\$ 500,000	
2015 Referendum	15-Feb-15	\$ 28,944,000	3/15/2023	1,245,000	3.000%	\$ 23,215,000	\$ 1,205,000	\$ 22,010,000	
			3/15/2024	1,290,000	3.000%				
			3/15/2025	1,335,000	3.000%				
			3/15/2026	1,380,000	3.000%				
			3/15/2027	1,430,000	3.000%				
			3/15/2028	1,480,000	3.000%				
			3/15/2029	1,530,000	3.000%				
			3/15/2030	1,585,000	3.000%				
			3/15/2031	1,640,000	3.000%				
			3/15/2032	1,695,000	3.000%				
			3/15/2033	1,755,000	3.125%				
			3/15/2034	1,820,000	3.125%				
			3/15/2035	1,880,000	3.250%				
			3/15/2036	1,945,000	3.250%				
						\$ 23,215,000	\$ 1,205,000	\$ 22,010,000	
Grand Total						\$ 25,045,000	\$ 2,535,000	\$ 22,510,000	

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
 General Long-Term Debt Account Group
 Statement of Obligations Under Financed Purchase Agreements
 For the Fiscal Year Ended June 30, 2022

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Orig. Issue</u>	<u>Amount Outstanding July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2022</u>
Energy Saving Improvement Project	2.610%	3,433,934	1,889,126		199,165	1,689,961
Districtwide Copy Machines	Various	137,725	103,318		78,020	25,298
Buses	2.898%	782,739		782,739	49,055	733,684
			<u>\$ 1,992,444</u>	<u>\$ 782,739</u>	<u>\$ 326,240</u>	<u>\$ 2,448,943</u>

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,675,888		\$ 2,675,888	\$ 2,675,888	\$ -
State Sources:					
Debt Service Aid Type II	609,140		609,140	609,140	-
Total - State Sources	609,140	-	609,140	609,140	-
Total Revenues	3,285,028	-	3,285,028	3,285,028	-
EXPENDITURES:					
Regular Debt Service:					
Interest	750,029		750,029	750,029	-
Redemption of Principal	2,535,000		2,535,000	2,535,000	-
Total expenditures	3,285,029	-	3,285,029	3,285,029	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	-	(1)	(1)	-
Other Financing Sources:					
Operating Transfers In:					
Transfer from Other Funds					-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1)	-	(1)	(1)	-
Fund Balance, July 1	1		1	1	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
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Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
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Demographic and Economic Information

- J-14 Demographic and Economic Statistics
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- J-16 Full-time Equivalent District Employees by Function/Program
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- J-18 School Building Information*
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- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
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.	J-10 to J-13
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.	J-14 to J-15
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.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

OCEAN TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
Accrual Basis of Accounting
Unaudited

	Fiscal year ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Invested in capital assets, net of related debt	\$ 23,103,432	\$ 26,199,311	\$ 1,851,705	\$ 1,897,901	\$ 3,982,607	\$ 10,878,904	\$ 12,849,190	\$ 14,571,110	\$ 16,089,062	\$ 17,914,152
Restricted	8,599,305	7,421,919	33,319,170	24,916,071	10,800,884	5,532,025	7,078,899	10,200,395	12,924,802	16,201,897
Unrestricted	(3,018,695)	(2,932,839)	(21,706,190)	(22,387,040)	(24,236,674)	(26,300,884)	(26,550,959)	(26,117,261)	(24,525,270)	(19,706,949)
Total governmental activities net position	\$ 28,684,042	\$ 30,688,391	\$ 13,464,685	\$ 4,426,932	\$ (9,453,183)	\$ (9,889,955)	\$ (6,622,870)	\$ (1,345,756)	\$ 4,488,594	\$ 14,409,100
Business-type activities										
Invested in capital assets, net of related debt	\$ 64,921	\$ 55,812	\$ 47,283	\$ 39,095	\$ 30,906	\$ 23,259	\$ 17,868	\$ 12,478	\$ 6,406	\$ 296,586
Unrestricted	55,533	38,867	25,142	51,636	90,561	130,924	258,675	386,815	382,526	594,195
Total business-type activities net position	\$ 120,454	\$ 94,679	\$ 72,425	\$ 90,731	\$ 121,467	\$ 154,183	\$ 276,543	\$ 399,293	\$ 388,952	\$ 890,781
District-wide										
Invested in capital assets, net of related debt	\$ 23,168,353	\$ 26,255,123	\$ 1,898,988	\$ 1,936,996	\$ 4,013,513	\$ 10,902,163	\$ 12,867,058	\$ 14,583,588	\$ 16,095,468	\$ 18,210,738
Restricted	8,599,305	7,421,919	33,319,170	24,916,071	10,800,884	5,532,025	7,078,899	10,200,395	11,469,888	16,201,897
Unrestricted	(2,963,162)	(2,893,972)	(21,681,048)	(22,335,404)	(24,146,113)	(26,169,960)	(26,292,284)	(25,730,446)	(22,687,830)	(19,112,754)
Total district-wide net position	\$ 28,804,496	\$ 30,783,070	\$ 13,537,110	\$ 4,517,663	\$ (9,331,716)	\$ (9,735,772)	\$ (6,346,327)	\$ (946,463)	\$ 4,877,526	\$ 15,299,881

Source: District records

Note: GASB 68 was implemented during the 2015 fiscal year, which required restatement of beginning net position of (\$18,257,948). This amount is not reflected in the June 30, 2014 net position above.

Note: The years 2016, 2017 and 2022 were restated due to a revaluation of capital assets.

OCEAN TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting
Unaudited

	Fiscal year ending June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 31,710,830	\$ 32,519,106	\$ 37,890,451	\$ 40,522,362	\$ 45,892,122	\$ 45,781,920	\$ 40,219,547	\$ 36,527,743	\$ 44,071,466	\$ 25,108,795
Special education	7,949,249	8,250,188	10,042,126	11,419,006	12,793,370	13,894,752	12,419,261	11,968,267	13,898,598	7,683,427
Other special education	1,779,028	2,057,503	2,304,209	2,531,521	3,029,437	2,621,320	2,261,234	2,419,379	2,785,244	1,403,522
Other instruction	1,568,092	1,644,512	1,721,308	1,831,733	1,809,805	1,825,577	1,798,851	1,806,874	1,734,041	1,365,921
Support Services										
Instruction	4,702,295	4,020,710	4,211,098	4,319,884	4,420,757	3,480,737	4,052,082	4,666,511	5,078,332	3,195,891
Student & instruction-related services	9,072,914	9,144,162	10,997,582	11,863,986	13,544,060	14,068,119	13,079,032	12,710,658	15,221,877	9,575,592
School administrative services	3,022,176	3,071,142	3,494,178	3,750,253	4,023,127	2,917,325	2,541,108	2,333,637	3,795,704	2,196,019
General administrative services	1,217,809	1,300,236	1,399,030	1,485,649	1,097,739	2,036,664	1,919,850	2,120,913	1,206,255	1,367,620
Central services and administrative information technology	1,555,888	1,668,114	1,933,809	1,855,649	2,113,122	2,166,689	2,099,998	2,148,660	2,343,272	1,478,781
Plant operations and maintenance	6,580,843	6,952,515	7,662,856	7,627,965	7,510,703	7,639,931	7,534,832	7,150,169	7,560,920	6,568,884
Pupil transportation	4,245,998	3,908,356	3,904,511	3,998,919	4,076,488	4,418,551	4,613,008	4,239,783	4,011,922	5,109,430
Personal Services-employee benefits	159,880	188,275	207,251	227,710	223,586	239,036	273,088	271,731	212,830	242,959
Special Schools	43,184	47,307	15,745	25,462	-	43,098	147,800	285,494	142,235	307,813
Charter schools										79,086
Non-depreciable capital assets										688,349
Interest on long-term debt	627,280	545,646	674,061	1,127,442	939,956	918,227	854,701	791,717	728,250	1,665,906
Unallocated depreciation										35,282,020
Total governmental activities expenses	\$ 74,236,466	\$ 75,317,772	\$ 85,798,215	\$ 91,741,166	\$ 101,474,272	\$ 101,991,946	\$ 93,814,392	\$ 89,445,556	\$ 102,790,946	\$ 103,129,815
Business-type activities:										
Food service	1,173,646	1,202,792	1,229,862	1,129,632	1,089,540	1,132,300	1,023,704	841,880	1,948,920	2,033,160
Total business-type activities expense	\$ 1,173,646	\$ 1,202,792	\$ 1,229,862	\$ 1,129,632	\$ 1,089,540	\$ 1,132,300	\$ 1,023,704	\$ 841,880	\$ 1,948,920	\$ 2,033,160
Total district expenses	\$ 75,410,112	\$ 76,520,564	\$ 87,028,077	\$ 92,870,798	\$ 102,563,812	\$ 103,124,246	\$ 94,838,096	\$ 90,287,416	\$ 104,739,866	\$ 105,162,975
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 259,327	\$ 273,683	\$ 273,485	\$ 292,954	\$ 138,091	\$ 233,095	\$ 310,487	\$ 243,678	\$ 169,845	\$ 3,413,970
Support services	6,813	66,021	65,142	19,248	35,804	41,499	102,755	130,427	308,225	7,005,856
Special schools										10,419,826
Personal Services-employee benefits	9,107,433	7,932,435	16,411,370	20,327,982	27,188,389	27,313,539	20,483,014	17,071,672	29,891,770	31,931,970
Operating grants and contributions	9,373,573	8,272,139	16,749,997	20,640,184	27,645,263	27,860,465	21,191,700	17,564,028	30,369,840	10,419,826
Total governmental activities program revenues	\$ 25,924,446	\$ 24,584,267	\$ 50,854,844	\$ 61,951,304	\$ 72,917,526	\$ 79,368,338	\$ 52,167,205	\$ 45,189,378	\$ 91,663,380	\$ 53,781,562
Business-type activities:										
Charges for services:										
Food service	634,851	645,088	600,395	560,319	543,772	582,923	575,561	394,145	6,980	12,590
Operating grants and contributions	467,684	531,929	607,213	587,619	576,504	582,093	570,503	570,485	1,931,580	2,388,970
Total business-type activities program revenues	\$ 1,102,535	\$ 1,177,017	\$ 1,207,608	\$ 1,147,938	\$ 1,120,276	\$ 1,165,016	\$ 1,146,064	\$ 964,630	\$ 1,938,560	\$ 2,401,560
Total district program revenues	\$ 10,476,108	\$ 9,449,156	\$ 17,957,605	\$ 21,788,122	\$ 28,765,539	\$ 29,025,481	\$ 22,337,764	\$ 18,528,658	\$ 32,308,400	\$ 12,821,386
Net (Expense) Revenue										
Governmental activities	\$ (64,862,893)	\$ (67,045,633)	\$ (69,048,218)	\$ (71,100,982)	\$ (73,829,009)	\$ (74,131,485)	\$ (72,622,692)	\$ (71,881,508)	\$ (72,421,106)	\$ (92,709,989)
Business-type activities	(71,111)	(25,775)	(22,254)	18,306	30,736	32,716	122,360	122,750	(10,360)	368,400
Total district-wide net expense	\$ (64,934,004)	\$ (67,071,408)	\$ (69,070,472)	\$ (71,082,676)	\$ (73,798,273)	\$ (74,098,769)	\$ (72,500,332)	\$ (71,758,758)	\$ (72,431,466)	\$ (92,341,589)

OCEAN TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting
Unaudited

	Fiscal year ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 56,734,353	\$ 57,501,584	\$ 58,643,552	\$ 60,221,552	\$ 61,425,948	\$ 62,765,948	\$ 64,307,696	\$ 65,573,829	\$ 66,718,681	\$ 67,852,899
Taxes levied for debt service	3,092,317	3,055,830	3,025,867	2,246,346	3,501,658	2,160,996	2,751,686	2,739,488	2,716,435	2,675,888
Federal and state aid not restricted	7,983,334	7,927,627	8,170,339	8,302,180	8,416,244	8,494,157	8,380,488	8,328,016	7,706,526	30,473,534
Investment earnings	18,898	15,354	10,300	89,927	25,179	95,283	233,879	228,763	16,603	-
Transfers	(150,000)	116	20,858	-	-	-	-	-	-	-
Gain on disposal of capital assets	275,047	549,471	211,544	228,156	117,262	178,326	216,028	288,526	283,378	1,219,453
Miscellaneous income	67,953,949	69,049,982	70,082,460	71,088,161	73,486,291	73,694,710	75,889,777	77,158,622	77,443,623	102,221,774
Total governmental activities										
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	150,000	-	-	-	-	-	-	-	-	-
Total business-type activities	150,000	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 68,103,949	\$ 69,049,982	\$ 70,082,460	\$ 71,088,161	\$ 73,486,291	\$ 73,694,710	\$ 75,889,777	\$ 77,158,622	\$ 77,443,623	\$ 102,221,774
Change in Net Position										
Governmental activities	\$ 3,091,056	\$ 2,004,349	\$ 1,034,242	\$ (12,821)	\$ (342,718)	\$ (436,775)	\$ 3,267,085	\$ 5,277,114	\$ 5,022,517	\$ 9,511,785
Business-type activities	78,889	(25,775)	(22,254)	18,306	30,736	32,716	122,360	122,750	(10,360)	368,400
Total district	\$ 3,169,945	\$ 1,978,574	\$ 1,011,988	\$ 5,485	\$ (311,982)	\$ (404,059)	\$ 3,389,445	\$ 5,399,864	\$ 5,012,157	\$ 9,880,185

Note: Prior to FY 2022 personal services employee benefits and unallocated depreciation was allocated to Instruction and support services.

Source: District records

OCEAN TOWNSHIP SCHOOL DISTRICT
 Fund Balances-Governmental Funds
 Last Ten Fiscal Years
 Modified Accrual Basis of Accounting
 Unaudited

	Fiscal year ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Reserved	\$ 8,599,304	\$ 7,242,923	\$ 6,123,377	\$ 5,117,680	\$ 5,105,507	\$ 5,210,074	\$ 7,041,912	\$ 10,200,394	\$ 13,174,593	\$ 15,263,551
Unreserved	293,642	346,530	364,431	247,902	242,073	63,177	(88,916)	(75,994)	(95,474)	2,221,597
Total general fund	<u>\$ 8,892,946</u>	<u>\$ 7,589,453</u>	<u>\$ 6,487,808</u>	<u>\$ 5,365,582</u>	<u>\$ 5,347,580</u>	<u>\$ 5,273,251</u>	<u>\$ 6,952,996</u>	<u>\$ 10,124,400</u>	<u>\$ 13,079,119</u>	<u>\$ 17,485,148</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ 22,089,092	\$ 18,613,673	\$ 798,529	\$ 53,915	\$ -	\$ -	\$ 347,934	\$ 402,030
Unreserved:										
Special revenue fund	-	-	-	-	-	-	-	(65,204)	(137,228)	(212,207)
Capital projects fund	-	175,206	5,106,702	1,184,718	4,896,847	246,473	36,986	-	-	-
Debt service fund	1	1	-	-	21,562	21,563	1	1	1	1
Total all other governmental funds	<u>\$ 1</u>	<u>\$ 175,207</u>	<u>\$ 27,195,794</u>	<u>\$ 19,798,391</u>	<u>\$ 5,716,938</u>	<u>\$ 321,951</u>	<u>\$ 36,987</u>	<u>\$ (65,203)</u>	<u>\$ 210,707</u>	<u>\$ 189,823</u>

Source: District records

OCEAN TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances-Governmental Funds
Last Ten Fiscal Years
Modified Basis of Accounting
Unaudited

	Fiscal Year ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 59,826,670	\$ 60,557,414	\$ 61,669,419	\$ 62,467,898	\$ 64,927,606	\$ 64,926,944	\$ 67,059,382	\$ 68,313,317	\$ 69,435,116	\$ 70,528,787
Tuition charges	6,813	66,021	65,142	19,248	138,091	233,095	310,487	118,251	169,845	226,119
Transportation fee	-	-	-	15,938	35,804	41,499	102,755	130,427	55,709	147,855
Interest earnings	18,898	15,470	31,159	89,927	65,917	95,283	233,879	228,763	16,603	18,331
Miscellaneous	428,034	630,085	426,357	480,347	400,091	443,050	496,029	488,775	544,966	1,248,861
State sources	15,227,408	14,229,523	15,438,917	16,788,459	17,778,805	20,193,940	20,641,162	21,491,646	24,037,242	30,517,217
Federal sources	1,863,358	1,630,537	1,774,391	1,733,629	1,823,755	1,839,188	1,824,905	1,868,222	2,487,286	3,358,473
Total revenue	77,371,181	77,129,050	79,405,285	81,595,446	85,170,069	87,772,999	90,668,599	92,639,401	96,746,767	106,045,643
Expenditures										
Instruction:										
Regular instruction	21,787,047	22,544,366	22,675,022	22,811,686	22,700,708	22,999,240	22,495,108	22,223,282	23,537,863	25,180,610
Special education instruction	5,308,236	5,619,296	5,855,639	6,249,695	6,104,371	6,837,150	6,843,019	6,969,798	7,197,179	7,693,427
Other special instruction	1,187,303	1,380,015	1,321,236	1,359,701	1,422,138	1,231,576	1,191,662	1,360,980	1,360,951	1,321,465
Other instruction	1,251,072	1,296,007	1,335,311	1,418,439	1,356,764	1,350,530	1,344,459	1,353,019	1,290,174	1,365,921
Support Services:										
Instruction	4,702,295	4,020,710	4,211,098	4,319,884	4,420,757	3,480,737	4,052,082	4,668,511	5,078,332	3,195,891
Student & inst. related services	6,224,530	6,279,647	6,691,253	6,781,825	6,929,989	7,221,656	7,382,372	7,609,724	7,899,000	9,575,592
General & business administrative services	1,033,549	1,107,951	1,054,071	985,129	1,187,648	1,075,568	1,089,835	1,058,674	1,055,439	1,361,403
School administrative services	2,120,028	2,160,457	2,191,915	2,224,084	2,135,743	2,066,397	2,008,350	2,004,905	2,157,208	2,164,595
Central services	646,807	657,179	813,562	689,750	706,557	711,319	686,612	715,993	685,790	686,769
Administrative information technology	532,987	587,607	600,211	601,763	679,446	696,270	742,095	778,153	933,972	792,012
Plant operations and maintenance	5,663,134	5,949,808	6,050,497	6,542,703	6,290,964	6,426,800	6,354,390	5,967,578	6,588,991	6,588,798
Pupil transportation	3,236,620	3,184,955	3,210,016	3,309,559	3,326,902	3,582,846	3,780,708	3,365,342	3,204,476	4,006,529
Unallocated benefits	18,004,332	17,981,725	19,408,640	21,158,651	23,449,483	25,872,166	26,509,581	26,588,577	28,759,023	31,609,787
Administrative costs									386	
Special Schools	159,880	188,278	207,251	227,710	223,586	239,036	273,088	271,731	212,830	242,959
Transfer to Charter Schools	43,184	47,307	15,745	25,462	-	43,098	147,800	285,494	142,235	307,813
Capital outlay	1,261,704	5,534,939	4,774,762	8,999,641	14,665,669	6,007,343	1,008,175	1,182,416	917,255	2,282,194
Debt service:										
Principal	2,645,000	2,690,000	2,745,000	1,265,000	2,599,000	2,400,000	2,440,000	2,470,000	2,515,000	2,535,000
Interest and other charges	634,248	554,442	469,214	1,169,218	1,069,949	1,008,188	939,923	877,164	813,897	750,029
Total expenditures	76,441,956	81,784,689	83,630,443	90,139,900	99,269,674	93,249,923	89,289,259	89,751,341	94,327,971	101,660,794
Excess (Deficiency) of revenues over (under) expenditures	929,225	(4,655,639)	(4,225,058)	(8,544,454)	(14,099,605)	(5,476,924)	1,379,340	2,888,060	2,418,796	4,384,849

OCEAN TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances-Governmental Funds
Last Ten Fiscal Years
Modified Basis of Accounting
Unaudited

	Fiscal year ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing sources (uses)										
Capital leases (non-budgeted)	\$ -	\$ 6,688	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from bonds	-	3,433,934	28,944,000	-	-	2,650,000	-	-	-	-
Payments to refunding bond escrow	-	-	-	-	-	(2,650,000)	-	-	-	-
Premium on sale of bonds	-	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-	-
FEMA Reimbursement	-	83,042	-	-	-	-	-	-	-	-
Sale of assets	-	3,688	-	24,825	150	7,608	15,441	43,429	-	-
Transfers in	-	116	20,859	-	40,738	10,478	1,800	282	-	-
Transfers out	(150,000)	(116)	(20,858)	-	(40,738)	(10,478)	(1,800)	(282)	-	-
Total other financing sources (uses)	(150,000)	3,527,352	30,144,001	24,825	150	7,608	15,441	181,154	-	-
Net change in fund balances	\$ 779,225	\$ (1,128,287)	\$ 25,918,943	\$ (8,519,629)	\$ (14,099,455)	\$ (5,469,316)	\$ 1,394,781	\$ 3,069,214	\$ 2,418,796	\$ 4,384,849
Debt service as a percentage of noncapital expenditures	4.36%	4.26%	4.08%	3.00%	4.34%	3.91%	3.83%	3.78%	3.56%	3.31%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

OCEAN TOWNSHIP SCHOOL DISTRICT
General Fund-Other Local Revenue by Source
 Last Ten Fiscal Years
 Modified Accrual Basis of Accounting
Unaudited

Description	Fiscal year ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sale of energy and utility rebates	\$ 3,990	\$ 3,884	\$ 4,480	\$ -	\$ 6,898	\$ 2,410	\$ -	\$ -	\$ 28,448	\$ 228,771
FEMA Reimbursement	-	83,042	-	-	-	-	-	3,000	193,610	-
Grants and Donations	-	193,279	25,000	1,620	-	-	-	333,514	6,703	25,070
Facility charge	259,327	273,683	273,485	277,016	282,979	272,332	295,444	40,508	66,667	93,966
Prior-year insurance refunds	-	-	-	41,466	-	720	560	30,958	10,962	-
Prior-year miscellaneous refunds	85,174	74,840	31,424	95,136	6,681	12,934	33,146	10,500	7,600	10,500
Sponsorship	27,250	24,250	25,800	23,100	25,100	23,600	16,500	10,500	-	85,779
Sale of assets	-	3,688	-	-	-	7,608	925	523	-	-
Tuition	6,813	66,021	65,142	19,248	138,091	233,095	310,487	118,251	21,115	-
Transportation fees	25,223	21,055	17,718	15,938	35,804	41,499	102,755	114,127	55,709	-
Interest	17,625	15,394	10,301	13,907	25,179	84,805	232,079	228,481	16,603	18,331
Cancellation of prior year checks	-	-	-	-	22,996	-	15,085	-	28,745	-
OTEA/OT	-	-	-	-	-	-	17,851	-	-	-
Shared services	26,233	38,584	30,090	27,529	47,447	110,740	105,619	47,177	60,842	5,750
Spartan Football Club Stipend	-	-	-	-	-	-	-	12,500	-	-
Advertising- School Buses	-	-	-	-	-	-	6,300	2,100	-	-
Rental Fees	-	-	-	-	-	-	-	-	-	-
Miscellaneous	2,110	510	18,360	14,480	7,990	12,706	4,599	5,545	25,782	101,495
Total other local revenue	\$ 453,745	\$ 798,190	\$ 501,800	\$ 529,440	\$ 599,165	\$ 802,449	\$ 1,141,350	\$ 947,184	\$ 522,786	\$ 845,479

Source: District Records

OCEAN TOWNSHIP SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property - Township of Ocean
Last Ten Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2013	83,425,400	3,425,911,290	1,196,900	4,800	596,484,760	-	157,243,600	4,264,266,750	-	4,531,727	4,268,796,477	4,566,355,552	1.362
2014	84,477,500	3,378,704,730	1,196,900	4,800	580,553,450	-	152,764,100	4,197,701,480	-	3,778,433	4,201,479,913	4,473,944,524	1.408
2015	84,178,000	3,382,560,000	1,111,900	4,700	573,206,000	-	151,604,900	4,192,665,500	-	3,785,482	4,196,450,982	4,539,382,409	1.431
2016	71,704,300	3,397,753,500	1,074,900	3,800	583,675,400	-	163,311,500	4,217,523,400	-	3,628,655	4,221,152,055	4,673,821,521	1.458
2017	71,984,400	3,897,335,500	1,273,700	3,900	631,943,700	-	218,542,400	4,821,083,600	-	4,034,953	4,825,118,553	4,759,112,032	1.323
2018	75,981,300	4,082,025,000	1,294,200	4,100	584,516,000	-	236,536,800	4,980,357,400	-	4,022,460	4,984,379,860	4,888,118,749	1.324
2019	79,745,200	4,326,880,300	1,311,000	4,100	608,674,920	-	242,693,900	5,259,309,420	213,680	4,064,174	5,263,159,914	5,269,784,142	1.286
2020	75,553,700	4,549,307,800	6,357,900	4,100	626,777,020	-	251,064,000	5,509,064,520	213,680	4,113,022	5,512,963,862	5,431,068,013	1.249
2021	75,277,000	4,723,221,400	6,344,800	4,100	631,128,957	1,744,600	262,583,600	5,700,304,457	421,743	4,345,832	5,704,228,546	5,647,489,912	1.227
2022	80,393,800	5,616,407,500	6,666,600	4,100	643,946,657	1,744,600	276,377,300	6,625,540,557	421,743	4,765,890	6,629,884,704	6,433,018,954	1.068

Source: New Jersey's Monmouth County Board of Taxation Website

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by the County Board of Taxation.

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

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

^b Tax rates are per \$100.

OCEAN TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Per \$100 of Assessed Valuation
Last Ten Years
Unaudited

Township of Ocean

Fiscal Year Ended June 30,	Township of Ocean Board of Education Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Township of Ocean	Monmouth County	
2013	1.292	0.070	1.362	0.470	0.323	2.155
2014	1.339	0.069	1.408	0.492	0.321	2.221
2015	1.361	0.070	1.431	0.493	0.326	2.250
2016	1.396	0.062	1.458	0.493	0.328	2.279
2017	1.252	0.071	1.323	0.442	0.286	2.051
2018	1.280	0.044	1.324	0.428	0.287	2.039
2019	1.233	0.053	1.286	0.415	0.285	1.986
2020	1.199	0.050	1.249	0.415	0.276	1.940
2021	1.180	0.047	1.227	0.415	0.272	1.914
2022	1.027	0.041	1.068	0.370	0.250	1.688

Source: Borough Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy, when added to other components of the District's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- b** Rates for debt service are based on each year's requirements.

OCEAN TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

	2021	
	Taxable Assessed Value	% of Total District Net Assessed Value
Woodshire Apartments	\$ 74,558,100	1.31%
Seaview Acquisition LLC	57,609,837	1.01%
Continental Land Developers, LLC	33,197,000	0.58%
Cold Indian Spring Corp	27,666,400	0.49%
Aline Gold Shlinger Trust, Etals	27,092,300	0.48%
Sunset Arcadia Center Inc	25,853,100	0.45%
Primrose Estates, LLC	24,428,000	0.43%
Westwood Oaks Associates	20,500,000	0.36%
Hollywood Golf Club	17,956,000	0.32%
Continental Enterprise Apart, LLC	15,807,200	0.28%
TOTAL	\$ 324,667,937	5.71%

	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value
Seaview Square, LLC c/o Linque Management	\$ 60,000,000	1.40%
Woodshire Apartments	48,393,500	1.13%
Ocean Seniors, LLC	23,987,300	0.56%
Westwood Oaks Associates	23,107,100	0.54%
Sears Roebuck & Co.	22,517,600	0.52%
Cold Indian Springs Corp	20,046,600	0.47%
Gold Enterprises c/o Salem Management	19,222,700	0.45%
Continental Land Developers, LLC	16,453,000	0.38%
Hollywood Golf Club	15,398,300	0.36%
Sunset Arcadia Center, Inc.	11,970,000	0.28%
TOTAL	\$ 261,096,100	6.09%

Source: Municipal Tax Assessor

Note: Values are assessed at January 1 of the audit year.

OCEAN TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years
Unaudited

Collected within the Fiscal Year of the Levy ^a

<u>Fiscal Year Ended June,</u>	<u>Total Tax Levy for the Fiscal Year</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>
2013	59,826,670	59,826,670	100.00%	-
2014	60,557,414	60,557,414	100.00%	-
2015	61,669,419	61,669,419	100.00%	-
2016	62,467,898	62,467,898	100.00%	-
2017	64,927,606	64,927,606	100.00%	-
2018	64,926,944	64,926,944	100.00%	-
2019	67,059,382	67,059,382	100.00%	-
2020	68,313,317	68,313,317	100.00%	-
2021	69,435,116	69,435,116	100.00%	-
2022	70,528,777	70,528,777	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form) from Municipal Tax Assessor.

^a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

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

OCEAN TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2013	15,055,000	97,909	15,152,909	0.87%	554
2014	12,365,000	3,510,707	15,875,707	0.87%	582
2015	38,564,000	4,146,230	42,710,230	2.24%	1,566
2016	37,299,000	3,523,750	40,822,750	2.10%	1,498
2017	34,870,000	3,081,295	37,951,295	1.88%	1,425
2018	32,470,000	2,675,426	35,145,426	1.65%	1,311
2019	30,030,000	2,256,278	32,286,278	1.46%	1,209
2020	27,560,000	2,207,040	29,767,040	N/A	1,120
2021	25,045,000	1,992,444	27,037,444	N/A	1,008
2022	22,510,000	2,448,943	24,958,943	N/A	894

Source: District records

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

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

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

OCEAN TOWNSHIP SCHOOL DISTRICT
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Township of Ocean

Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ^a	Net Bonded Debt Per Capita ^b
2013	14,513,020	-	14,513,020	0.34%	535.52
2014	11,959,428	-	11,959,428	0.28%	442.42
2015	37,297,867	-	37,297,867	0.89%	1,382.22
2016	36,068,208	-	36,068,208	0.85%	1,339.28
2017	33,794,526	-	33,794,526	0.70%	1,268.85
2018	32,470,000	-	32,470,000	0.65%	1,210.89
2019	30,030,000	-	30,030,000	0.57%	1,124.80
2020	27,560,000	-	27,560,000	0.50%	1,036.83
2021	25,045,000	-	25,045,000	0.44%	933.78
2022	22,510,000	-	22,510,000	0.34%	806.46

Sources: Assessed valuations were provided by the Abstract of Ratables, Monmouth County Board of Taxation. School district population data was provided by school district officials.

Note: Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements.

a See Exhibit J-6 for property tax data.

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

OCEAN TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2022
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Ocean	\$ 32,987,295	100.00%	\$ 32,987,295
Monmouth County General Obligation Debt	469,997,108	4.170%	19,598,879
Other debt			-
Subtotal overlapping debt			52,586,174
Ocean Township School District Direct Debt			22,510,000
Total Direct and Overlapping Debt			\$ 75,096,174

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation. Debt outstanding data was obtained from the December 31, 2021 entities annual debt statement.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

- a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

OCEAN TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
For The Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2021	\$ 6,433,018,954
2020	5,647,489,912
2019	5,513,177,542
	<u>\$ 17,593,686,408</u>
Average equalized valuation of taxable property	\$ 5,864,562,136
Debt limit (4% of average equalization value)	234,582,485 ^a
Total Net Debt Applicable to Limit	<u>22,510,000</u>
Legal debt margin	<u>\$ 212,072,485</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 200,266,753	\$ 189,054,243	\$ 146,622,630	\$ 124,268,127	\$ 192,172,462	\$ 163,570,407	\$ 171,887,912	\$ 182,585,747	\$ 193,942,214	\$ 212,072,485
Total net debt applicable to limit	15,055,000	12,365,000	38,564,500	37,299,000	34,870,000	32,470,000	30,030,000	27,560,000	25,045,000	22,510,000
Legal debt margin	<u>\$ 185,211,753</u>	<u>\$ 176,689,243</u>	<u>\$ 108,058,130</u>	<u>\$ 86,969,127</u>	<u>\$ 157,302,462</u>	<u>\$ 131,100,407</u>	<u>\$ 141,857,912</u>	<u>\$ 155,025,747</u>	<u>\$ 168,897,214</u>	<u>\$ 189,562,485</u>

Total net debt applicable to the limit as a percentage of debt limit	7.52%	6.54%	26.30%	30.01%	18.15%	19.85%	17.47%	15.09%	12.91%	10.61%
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Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation as posted on the Monmouth County Board of Taxation Website.

^a Limit set by NUSA 18A-24-19 for a K through 12 district; other percentage limits would be applicable for other district types.

OCEAN DISTRICT SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Years
Unaudited

Township of Ocean

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2013	27,101	1,731,293,183	63,883	7.00%
2014	27,032	1,821,740,544	67,392	5.60%
2015	26,984	1,907,175,152	70,678	4.30%
2016	26,931	1,967,875,101	73,071	3.90%
2017	26,634	2,021,946,744	75,916	3.50%
2018	26,815	2,131,014,865	79,471	3.20%
2019	26,698	2,203,946,598	82,551	8.90%
2020	26,581	N/A	N/A	N/A
2021	26,821	N/A	N/A	N/A
2022	27,912	N/A	N/A	N/A

Sources:

- a** Population information provided by the NJ Dept. of Labor and Workforce Development. Estimate is based on July 1 of the audit year.
- b** Personal income has been estimated based upon the municipal population and per capita personal income presented.
- c** Per capita personal income by municipality not available. The Per Capita Personal Income amounts presented represent the figures available for Monmouth County, NJ as provided by the State of New Jersey, Department of Education, Division of Finance.
- d** Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

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

**OCEAN TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
*Unaudited***

TOWNSHIP OF OCEAN

Employer	2022		2013	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
N/A			N/A	

N/A - At the time of the completion of the CAFR, this information was not available.

OCEAN TOWNSHIP SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction:										
Regular	263.5	266.8	267.4	267.9	265.4	256.0	255.0	256.0	257.0	252.0
Special education	111.7	116.0	126.4	133.5	142.4	141.2	138.3	130.0	131.7	131.0
Other special education	31.0	31.0	20.5	25.0	25.0	21.0	18.5	25.0	25.0	31.0
Other instruction	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Support Services:										
Student and instruction related services	82.0	87.0	97.0	93.0	103.0	105.0	101.8	91.0	87.8	102.0
General administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
School administration services	25.0	25.0	25.0	25.0	24.0	23.0	23.0	23.0	27.0	25.0
Central services	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0
Administrative information technology	9.0	11.0	11.0	11.0	11.0	13.0	13.0	13.0	13.0	13.0
Plant operations and maintenance	57.0	56.0	61.5	62.0	61.0	63.5	67.0	53.0	51.0	51.0
Pupil transportation	43.0	44.0	45.0	45.0	44.0	44.0	46.0	42.0	36.0	36.0
Total	640.2	654.8	671.8	680.4	693.8	684.7	679.6	650.0	645.5	658.0

Source: District records.

OCEAN TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	3,852	71,901,004	18,666	6.65%	375	11.3:1	9.8:1	11.3:1	3,811	3,645	-3.15%	95.64%
2014	3,816	73,005,308	19,131	2.49%	371	10.3:1	9.4:1	11.4:1	3,781	3,618	-0.79%	95.69%
2015	3,750	76,176,388	20,314	6.18%	367	10.3:1	9.2:1	11.2:1	3,726	3,571	-1.45%	95.84%
2016	3,655	78,706,041	21,534	6.01%	370	9.9:1	8.6:1	11.3:1	3,629	3,485	-2.60%	96.03%
2017	3,584	80,935,056	22,582	4.87%	369	9.8:1	8.6:1	10.9:1	3,560	3,410	-1.90%	95.79%
2018	3,514	83,834,392	23,857	5.65%	364	9.8:1	8.6:1	10.7:1	3,485	3,335	-2.11%	95.70%
2019	3,426	84,901,161	24,781	3.87%	355	9.5:1	9.3:1	10.2:1	3,400	3,243	-2.44%	95.38%
2020	3,305	85,221,761	25,786	4.06%	411	7.5:1	8.4:1	8.4:1	3,253	3,148	-4.32%	96.77%
2021	3,274	90,081,819	27,514	6.70%	416	7.3:1	8.1:1	8.4:1	3,251	3,094	-0.06%	95.17%
2022	3,196	94,181,396	29,469	7.11%	426	7.0:1	7.9:1	8.2:1	3,203	3,081	-1.48%	96.19%

Sources: District Records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total governmental expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

OCEAN TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Elementary										
Wanamassa Elementary School	59,580	59,580	59,580	59,580	59,580	80,529	80,529	80,529	80,529	80,529
Square feet	477	477	477	477	477	477	477	477	477	477
Capacity (students)	342	325	318	295	315	309	316	305	325	328
Enrollment										
Ocean Township Elementary School	76,160	76,160	76,160	76,160	76,160	77,797	77,797	77,797	77,797	77,797
Square feet	609	609	609	609	609	609	609	609	609	609
Capacity (students)	440	460	419	411	386	426	396	366	380	390
Enrollment										
Wayside Elementary School	147,375	147,375	147,375	147,375	147,375	96,987	96,987	96,987	96,987	96,987
Square feet	713	713	713	713	713	713	713	713	713	713
Capacity (students)	602	630	677	660	652	606	585	566	570	569
Enrollment										
Middle School										
Ocean Township Intermediate School	257,400	257,400	257,400	257,400	257,400	231,031	231,031	231,031	231,031	231,031
Square feet	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951
Capacity (students)	1,230	1,175	1,135	1,081	1,075	1,053	1,050	1,029	977	950
Enrollment										
High School										
Ocean Township High School	200,215	200,215	200,215	200,215	200,215	224,295	224,295	224,295	224,295	224,295
Square feet	1,326	1,326	1,326	1,326	1,326	1,326	1,326	1,326	1,326	1,326
Capacity (students)	1,238	1,226	1,201	1,208	1,156	1,120	1,079	1,039	1,022	1,008
Enrollment										

Number of Schools at June 30, 2022

Elementary = 3
 Middle = 1
 High = 1

Source: District records

Note: Increases in square footage and capacity are the results of additions. Enrollment is based on the annual October district count.

OCEAN TOWNSHIP SCHOOL DISTRICT
General Fund
Schedule of Allowable Maintenance Expenditures by School Facilities
Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities 11-000-261-XXX	Gross Square Footage	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
School facilities											
Ocean Township Elementary School	77,797	\$ 93,120	\$ 124,610	\$ 122,247	\$ 100,822	\$ 128,875	\$ 120,169	\$ 97,900	\$ 87,684	\$ 173,340	\$ 103,286
Ocean Township High School	224,295	305,615	308,456	423,187	319,849	270,142	323,544	298,983	287,527	456,594	297,781
Ocean Township Intermediate School	231,031	376,229	276,040	324,327	322,773	274,200	288,107	294,184	285,759	441,068	306,724
Wanamassa Elementary School	80,529	69,039	75,967	77,613	76,277	76,810	114,669	97,457	87,965	171,393	106,913
Wayside Elementary School	96,987	156,815	152,939	155,759	158,277	157,805	141,516	104,926	115,700	195,879	128,763
Total School Facilities		<u>1,000,818</u>	<u>938,012</u>	<u>1,103,133</u>	<u>977,998</u>	<u>907,832</u>	<u>988,005</u>	<u>893,450</u>	<u>864,635</u>	<u>1,438,274</u>	<u>943,467</u>
Grand Total		<u>\$ 1,000,818</u>	<u>\$ 938,012</u>	<u>\$ 1,103,133</u>	<u>\$ 977,998</u>	<u>\$ 907,832</u>	<u>\$ 988,005</u>	<u>\$ 893,450</u>	<u>\$ 864,635</u>	<u>\$ 1,438,274</u>	<u>\$ 943,467</u>

Source: District Records

Required maintenance, defined in N.J.A.C. 6:24, The Educational Facilities Construction and Financing Act, includes expenditures for systems warranty purposes that are approved for repairs and replacements for the purpose of keeping a school facility open, comfortable and safe for use or in its original condition, include repairs and replacements to a school facility's heating, lighting, ventilation, security and other fixtures to keep the facility or fixtures in effective working condition. Required maintenance includes periodic or occasional inspection; adjustment, lubrication, and cleaning (non-janitorial) of buildings or fixtures; replacement of parts; and other actions to assure

OCEAN TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2022
Unaudited

	<u>Coverage</u>	<u>Deductible/ Self-Insured Retention</u>
Through the New Jersey Schools Insurance Group:		
Property coverage- Real and personal		
Limit of Liability, per Occurrence	\$ 500,000,000	\$ 5,000
Electronic Data Processing Equipment		
Limit of Liability, per Occurrence	\$ 5,881,900	\$ 5,000
Equipment Breakdown		
Limit of Liability, per Loss	\$ 100,000,000	\$ 25,000
Crime		
Public Employee Dishonesty	\$ 1,000,000	\$ 1,000
Theft, Disappearance and Destruction- Money and Securities	\$ 25,000	\$ 500
Theft, Disappearance and Destruction- Money Orders and Counterfeit Paper Currency	\$ 100,000	\$ 500
Forgery or Alteration	\$ 250,000	\$ 1,000
Computer Fraud	\$ 1,000,000	\$ 1,000
Comprehensive General Liability		
Limit of Liability, per Occurrence	\$ 11,000,000	\$ -
Automobile		
Liability- any Auto		
Bodily Injury and Property Damage		
Limit of Liability, per Accident	\$ 11,000,000	\$ -
Terrorism, per Occurrence/Annual NJSIG Aggregate	\$ 1,000,000	\$ -
Physical Damage- Scheduled Vehicles only		
Comprehensive, Collision and Hired Car Physical Damage	\$ -	\$ 1,000
Workers' Compensation		
Workers' compensation		
Limit of Liability	Statutory	\$ -
Employers Liability/Occupational Disease		
Limit of Liability, per Occurrence	\$ 3,000,000	\$ -
School Leaders Errors and Omissions Liability		
Limit of Liability, Each Policy Period	\$ 11,000,000	\$ -
Each Claim	\$ -	\$ 20,000
Bonds:		
Treasurer	\$ 375,000	\$ 1,000
Through Federal Insurance Company:		
Supplemental Indemnity Program- Business Travel Accident		
Limit of Liability, per Accident	\$ 130,000	\$ -
Through Catlin Insurance Company Incorporated:		
Student Accident- Basic		
Total Benefit Maximum for all Accidental Medical		
School Coverage	\$ 25,000	\$ -
Sports Coverage	\$ 25,000	\$ -
Accidental Death and Dismemberment		
Accidental Death	\$ 25,000	\$ -
Accidental Single Dismemberment	\$ 25,000	\$ -
Accidental Double Dismemberment	\$ 50,000	\$ -

OCEAN TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2022
Unaudited

	<u>Coverage</u>	<u>Deductible/ Self-Insured Retention</u>
Through United States Fire Insurance Company:		
Student Accident- Catastrophic		
Accident Death Benefit, per Occurrence Annually	\$ 10,000	\$ -
Benefit Period of Ten Years with a Maximum Benefit Amount	\$ 5,000,000	\$ 25,000
Through National Union Fire Insurance Company of Pittsburgh, PA:		
Crisis Management		
Expenses, Each Insured Event	\$ 1,000,000	\$ -
Judgements, Each Insured Event	\$ 1,000,000	\$ -
Death or Dismemberment, Each Insured Event	\$ 2,500,000	\$ -
Death or Dismemberment, Each Insured Person	\$ 250,000	\$ -
Disappearance, Each Insured Event	\$ 250,000	\$ -
Disappearance, Each Insured Person	\$ 250,000	\$ -
Threat, Each Insured Event	\$ 250,000	\$ -
Through BCS Insurance Company		
Cyber Liability		
Aggregate Sublimit of Liability	\$ 1,000,000	\$ -
Through Ironshore Specialty Insurance Company		
Environmental		
Policy Aggregate Limit	\$ 11,000,000	\$ 50,000
Through Aspen Specialty Insurance Company		
Demolition and Rebuild following an Active Assailant Incident		
Policy Aggregate Limit	\$ 10,000,000	\$ -
Through Lloyd's Insurance Company		
Terrorism		
Policy Aggregate Limit	\$ 100,000,000	\$ -

SINGLE AUDIT SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education Township of Ocean School District, in the County of Monmouth, New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 8, 2023.

Internal Control Over Financial Reporting

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



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

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


Compliance and Other Matters


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

We noted certain matters that were required to be reported to the Board of Education of the Township of Ocean School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated February 8, 2023.

Purpose of this Report

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


Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816


WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

February 8, 2023



WIELKOTZ & COMPANY LLC

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY UNIFORM GUIDANCE
AND N.J. OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Township of Ocean School District in the County of Monmouth, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Woodland Park Board of Education's major federal and state programs for the year ended June 30, 2022. The Township of Ocean Board of Education'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.

In our opinion, the Township of Ocean Board of Education 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, 2022.

Basis for Opinion on Each Major Federal and State Program

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 (Uniform Guidance) and N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Township of Ocean Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Township of Ocean Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Township of Ocean Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Township of Ocean Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Township of Ocean Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Township of Ocean Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Township of Ocean Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Township of Ocean Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Honorable President and
Members of the Board of Education

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



Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

February 8, 2023

OCEAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	From	To	Balance at June 30, 2021	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO Cumulative Total Expenditures
												(Accounts Receivable)	Deferred Revenue	
U.S. Department of Health and Human Services														
General Fund:														
Medical Assistance Program (SEMI)	93.778	2105NJSMAP	N/A	34,141	7/1/2021	6/30/2022	-	-	38,888	(38,888)	-	-	-	38,888
Total General Fund														
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
Title I-A	84.010	S010A210030	N/A	454,612	7/1/2021	9/30/2022	(183,244)	-	311,733	(445,541)	-	(133,818)	-	445,541
Title I-B	84.010	S010A210030	N/A	510,085	7/1/2020	9/30/2021	-	-	183,244	-	-	-	-	183,244
Title II, Part A	84.367A	S867A210029	N/A	83,738	7/1/2021	9/30/2021	(43,341)	-	53,903	(89,023)	-	(35,030)	-	89,023
Title II, Part A	84.367A	S867A210029	N/A	112,918	7/1/2020	9/30/2021	-	-	43,341	-	-	(11,690)	-	33,763
Title III	84.365	S865A210030	N/A	34,564	7/1/2021	9/30/2021	(12,381)	-	22,073	(33,763)	-	(848)	-	11,949
Title III	84.365	S865A210030	N/A	33,912	7/1/2020	9/30/2021	-	-	12,381	-	-	-	-	12,381
Title III Immigrant	84.365A	S865A210030	N/A	12,076	7/1/2020	9/30/2021	-	-	11,101	(11,949)	-	-	-	11,949
Sub-Total														
IDEA Part B, Basic Regular	84.027	H027A210100	IDEA440021	997,824	7/1/2021	9/30/2022	(34,251)	-	943,670	(972,472)	-	(28,802)	-	972,472
IDEA Part B, Basic Regular	84.027	H027A210100	IDEA440020	1,013,447	7/1/2020	9/30/2021	-	-	34,251	-	-	-	-	34,251
IDEA Part B, Preschool	84.173	H173A210114	IDEA440021	42,936	7/1/2021	9/30/2022	(41,938)	-	42,926	(42,926)	-	-	-	42,926
IDEA Part B, Preschool	84.173	H173A210114	IDEA440020	41,938	7/1/2020	6/30/2021	-	-	41,938	-	-	(2,827)	-	197,625
ARP IDEA BASIC	84.027X	H027X210100		198,429	3/13/2020	9/30/2024	-	-	194,798	(197,625)	-	-	-	16,909
ARP IDEA PRESCHOOL	84.173X	H173X210114		16,909	3/13/2020	9/30/2024	-	-	16,909	(16,909)	-	-	-	16,909
Sub-Total														
ESSER II	84.425D	S425D210027	N/A	1,482,681	3/13/2020	9/30/2023	(10,873)	-	762,232	(1,252,460)	-	(490,238)	-	1,252,460
ESSER II	84.425D	S425D210027	N/A	95,151	3/13/2020	9/30/2023	-	-	78,133	(82,206)	-	(4,073)	-	82,206
MENTAL HEALTH	84.425D	S425D210027	N/A	45,000	3/13/2020	9/30/2023	-	-	40,467	(39,374)	-	-	-	39,374
CARES Emergency Relief Act	84.425D	S425D230027	N/A	461,623	3/13/2020	9/30/2022	(326,028)	-	18,219	(3,184,248)	-	(707,316)	-	3,184,248
Special Revenue Fund:														
ARP ESSER	84.425U	S425U210027	N/A	3,352,229	3/13/2020	9/30/2024	-	-	-	(204,607)	-	(204,607)	-	204,607
ARP Mental Health	84.425U	S425U210027	N/A	45,000	3/13/2020	9/30/2024	-	-	-	(17,050)	-	(17,050)	-	17,050
Career and Technical Education - Teacher Pathway	84.051D	V051D170008	N/A	100,000	7/1/2020	6/30/2021	(28,905)	-	28,905	-	-	(765)	-	11,045
Perkins	84.048	V048A2300630	N/A	11,156	7/1/2021	6/30/2022	(2,475)	-	10,280	(11,045)	-	(765)	-	11,045
Perkins	84.048	V048A2300630	N/A	16,857	7/1/2020	6/30/2021	(31,380)	-	2,475	(232,702)	-	(222,422)	-	232,702
Total Special Revenue Fund														
U.S. Department of Agriculture														
Passed-through State Department of Education														
Enterprise Fund:														
Food Distribution Program	10.569	211N1304N1099	N/A	80,103	7/1/2021	6/30/2022	(89,697)	-	80,103	(80,103)	-	(38,666)	-	80,103
School Breakfast Program	10.553	211N1304N1099	N/A	486,052	7/1/2021	6/30/2022	-	-	447,386	(486,052)	-	-	-	486,052
School Breakfast Program	10.553	211N1304N1099	N/A	563,511	7/1/2020	6/30/2021	(89,697)	-	89,697	-	-	(71,551)	-	71,551
COVID-Supply Chain Assistance Award	10.555	N/A	N/A	71,551	7/1/2021	6/30/2022	-	-	628	(628)	-	-	-	628
P-EBT Administrative	10.649	202222900941	N/A	628	7/1/2021	6/30/2022	(283,323)	-	1,647,271	(1,780,437)	-	(133,166)	-	1,780,437
National School Lunch Program	10.555	211N1304N1099	N/A	1,780,437	7/1/2021	6/30/2022	-	-	283,323	-	-	-	-	283,323
National School Lunch Program	10.555	201N1304N1099	N/A	1,243,063	7/1/2020	6/30/2021	(373,020)	-	2,548,408	(2,347,220)	-	(243,383)	-	2,347,220
Total Enterprise Fund														
Total Federal Financial Awards														
							\$ (730,428)	\$ -	\$ 5,440,355	\$ (5,803,058)	\$ -	\$ (1,173,121)	\$ 72,644	\$ 7,346
														\$ 3,803,058

See accompanying Notes to the Schedules of Expenditures of Awards and Financial Assistance.

OCEAN TOWNSHIP SCHOOL DISTRICT
Schedule of State Financial Assistance
for the Fiscal Year Ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2021		Carryover/(Walkover) Amount	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO	
				Deferred Revenue (Accts. Receivable)	Due to Grantor			(Accounts Receivable)	Deferred Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education											
General Fund											
22-495-034-5120-0685		\$	6/30/2022								
Transportation Aid		1,271,894	7/1/2021								
22-495-034-5120-0114		1,729,784	7/1/2021								
Special Education Categorical Aid		2,526,776	7/1/2021								
22-495-034-5120-0899		552,389	7/1/2021								
Security Aid		1,295,660	7/1/2021								
22-495-034-5120-0484		1,461,096	7/1/2021	(1,461,096)							
Extraordinary Aid		115,981	7/1/2021								
22-495-034-5120-0444		193,825	7/1/2021	(73,825)							
Non-Public Transportation Aid		189,524	7/1/2021	(14,255)							
22-495-034-5120-0114			6/30/2022								
State Future Bond Act			6/30/2022								
22-495-034-5094-0002			6/30/2022								
On-Behalf TPAF Pension			6/30/2022								
22-495-034-5094-0004			6/30/2022								
On-Behalf TPAF NCGI Premium			6/30/2022								
22-495-034-5094-0001			6/30/2022								
On-Behalf TPAF Post Retirement Medical			6/30/2022								
22-495-034-5094-0004			6/30/2022								
On-Behalf TPAF Long-Term Disability			6/30/2022								
22-495-034-5094-0003			6/30/2022								
Reimbursed TPAF Social Security Contrib.			6/30/2021								
21-495-034-5094-0003			6/30/2021								
Reimbursed TPAF Social Security Contrib.			6/30/2021								
21-495-034-5120-5109			6/30/2021								
Security Aid			6/30/2021								
21-100-034-5120-5109			6/30/2021								
Security Aid			6/30/2021								
22-100-034-5120-0667			6/30/2022								
Compensatory Education			6/30/2022								
22-100-034-5120-0667			6/30/2022								
Compensatory Education			6/30/2022								
22-100-034-5120-0667			6/30/2022								
English as a Second Language			6/30/2022								
21-100-034-5120-0667			6/30/2021								
English as a Second Language			6/30/2021								
22-100-034-5120-0666			6/30/2022								
Standardized Test Preparation			6/30/2022								
22-100-034-5120-0666			6/30/2022								
Examination & Classification			6/30/2022								
21-100-034-5120-0666			6/30/2021								
Examination & Classification			6/30/2021								
22-100-034-5120-0666			6/30/2022								
Corrective Speech			6/30/2022								
21-100-034-5120-0666			6/30/2021								
Corrective Speech			6/30/2021								
19-100-034-5120-0700			6/30/2019								
Nursing Services			6/30/2019								
22-495-034-5120-0700			6/30/2022								
Preschool Education Aid			6/30/2022								
22-495-034-5120-0886			6/30/2022								
Emergent Cap			6/30/2022								
22-100-034-5120-0117			6/30/2022								
Additional or Comp. Sp. Ed. and Related Services			6/30/2022								
22-100-334-5120-0444			6/30/2021								
Additional or Comp. Sp. Ed. and Related Services			6/30/2021								
22-495-034-5120-0755			6/30/2022								
Debt Service Fund			6/30/2022								
Debt Service Aid			6/30/2022								
22-495-034-5120-0755			6/30/2022								
Debt Service Aid			6/30/2022								
22-100-010-3350-0233			6/30/2022								
Enterprise Fund			6/30/2022								
State School Lunch Program			6/30/2021								
21-100-010-3350-0233			6/30/2021								
State School Lunch Program			6/30/2021								
22-100-010-3350-0233			6/30/2022								
State School Lunch Program			6/30/2022								
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State School Lunch Program			6/30/2022								
22-100-010-3350-0233			6/30/2022								
State School Lunch Program			6/30/2022								
22-100-010-3350-0233			6/30/2022								

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Board of Education, Ocean Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS: (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is 1,612,044 for the general fund and 336,534 for the special revenue fund. See C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$38,888	\$26,643,519	\$26,682,407
Special Revenue Fund	3,319,585	3,264,558	6,584,143
Debt Service Fund		609,140	609,140
Food Service Fund	<u>2,347,220</u>	<u>41,750</u>	<u>2,388,970</u>
Total Financial Awards	<u>\$5,705,693</u>	<u>\$30,558,967</u>	<u>\$36,264,660</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2022.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District’s financial statements and the amounts subject to State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	445,541
Title II, Part A: Improving Teacher Quality State Grants	89,023
Title III:	11,949
Title IIIA	<u>33,763</u>
Total	<u>\$580,276</u>

**OCEAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? _____ yes _____ X no

Federal Awards

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance? _____ yes _____ X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A180100	I.D.E.A. Part B Basic
Child Nutrition Cluster		
10.555	22NJ304N1099	National School Lunch Program
10.533	22NJ304N1099	School Breakfast Program
84.25D	5425D2100027	Esser II

Dollar threshold used to distinguish between type A and type B programs: \$750,000
 Auditee qualified as low-risk auditee? _____ X yes _____ no

**OCEAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(continued)**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

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

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

Internal Control over major programs:

- 1. Material weakness(es) identified? _____ yes X no
- 2. 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 NJ OMB Circular Letter 15-08, as applicable? _____ yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
22-495-034-5120-084	State Aid Public Cluster
22-495-034-5120-085	Categorical Security Aid
22-495-034-5120-089	Adjustment Aid
22-495-034-5120-086	Categorical Special Education Aid
22-495-034-5094-003	Preschool Education Aid
22-495-034-5120-044	Reimbursed TPAF Social Security Contributions
22-495-034-5120-014	Extraordinary Special Education Costs Aid
	Transportation Aid

**OCEAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II - Financial Statement Findings

None

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

Not Applicable

**OCEAN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Status of Prior Year Findings

There were corrective action taken on all prior year items.