

SCHOOL DISTRICT

Oceanport School District
Of Monmouth County

Oceanport, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Of the

Oceanport Board of Education
of Monmouth County

Oceanport, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

Oceanport Board of Education
Finance Department

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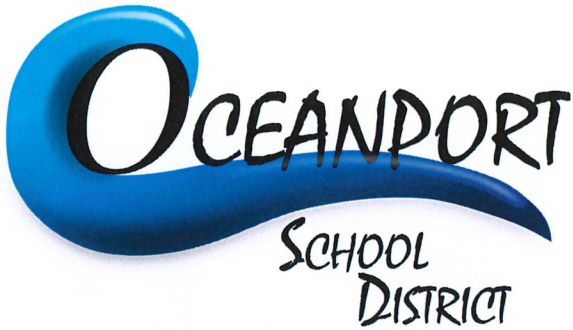
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INTRODUCTORY SECTION



Oceanport School District

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

Edmund Zalewski
SCHOOL BUSINESS ADMINISTRATOR

TEL: 732-542-0683

February 10, 2023

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

Dear Board Members/Citizens:

The comprehensive annual financial report of the Oceanport School District (District) for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosure, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present the financial position and results of operations of the various funds and account groups of the district fairly. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

REPORTING ENTITY AND ITS SERVICES:

The Oceanport School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the district are included in this report. The Oceanport Board of Education and its schools constitute the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels Pre-School through Eighth Grade. These services include regular as well as special education programs. The district completed the 2021-2022 fiscal year with an enrollment of 558 students.

ECONOMIC CONDITION AND OUTLOOK:

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

The Oceanport Public School District has spent considerable time evaluating the facilities' conditions over the past years and researching possible solutions to support curricular initiatives. As a result, the district held a referendum vote in December 2019. The voters of Oceanport supported these solutions and initiatives by passing the bond issue. Renovations began in the 2020-2021 school year and are expected to be completed during the 2024-25 school year. Our buildings will be transformed to support 21st Century classroom learning and the improvement of building environments in both district schools.

MAJOR INITIATIVES:

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

The district underwent a Strategic Plan endeavor with the input of multiple parties to develop a five-year outlook for the district.

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

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

Wolf Hill School: Revamped the intervention and referral process and provided more Tier 3 support. Lastly, an emphasis was placed on utilizing data to drive differentiation.

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

Facility Improvements:

Wolf Hill School: Upgrades through referendum projects included a secure vestibule, new windows and doors, a new front office, new unit ventilators in every room for heating and AC, and a new fire alarm and suppression system. Outside lighting and a digital school sign were added. The Wolf Hill Addition Project continued to progress; it is slated to be completed in September 2022, providing a much larger cafeteria space and a state-of-the-art media center and playground. Renovated Kindergarten rooms are expected to be online in October 2022, and additional classrooms are scheduled for 2023.

Maple Place School: Upgrades through referendum projects included a secure vestibule, a new front office, new doors, new windows, and new phones throughout the building. The front of the building was upgraded with new walkways and a new awning. A mechanical area was covered and doored, creating more storage space. New Sprinkler and Fire Alarm systems are expected to be completed by February 2023.

INTERNAL CONTROLS

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

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

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

BUDGETARY CONTROLS

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

An encumbrance accounting system records outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or included as a re-appropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance on June 30, 2022.

ACCOUNTING SYSTEM AND REPORTS

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

Cash Management

The investment policy of the district is guided in large part by State statute as detailed in "Notes to the Financial Statement, Note 2. The district has adopted a cash management plan which requires it to deposit

public funds in the public depositories protected from loss under the Governmental Unit Deposit Protection Act (GUDPA) provisions. GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT:

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

INDEPENDENT AUDIT

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

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

ACKNOWLEDGMENTS

We want to express our appreciation to the members of the Oceanport School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district, 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 our business office staff's efficient and dedicated services.

Respectfully submitted,

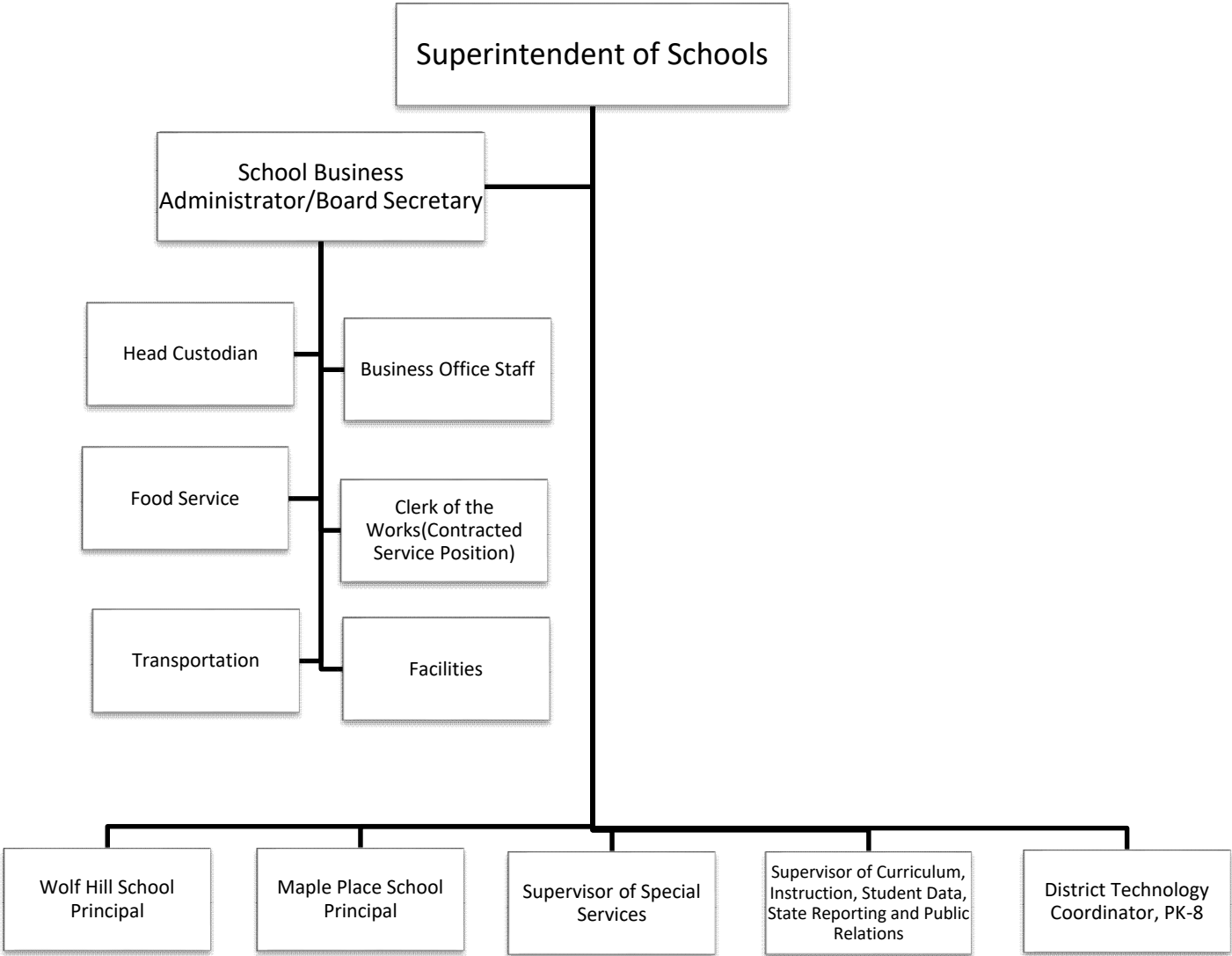


Dr. Laura Godlesky
Superintendent of Schools



Edmund Zalewski
School Business Administrator/
Board Secretary

OCEANPORT PUBLIC SCHOOL DISTRICT – 2021 ORGANIZATION CHART



Oceanport Board of Education
Oceanport, New Jersey

Roster of Officials
June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mark Patterson, President	2022
Deidre Bova, Vice President	2023
Samantha Mahoney	2024
Neal Usatin	2024
Jamie Gough	2023
Patricia Kelly	2023
Patrick McSorley	2024
Daniel Peltz	2024
Marion Wilhalme	2022

Other Officials

Dr. Laura Godlesky, Superintendent of Schools

Edmund Zalewski Business Administrator/Board Secretary

Oceanport School District
Consultants and Advisors

Audit Firm

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

Attorney

Machado Law Group
1 Cleveland Place
Springfield NJ, 07081

Official Depositories

Investors Savings Bank
169 Broadway
Long Branch, New Jersey 07740

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Oceanport 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 School 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, the business-type activities, each major fund, and the aggregate remaining fund information of Oceanport School District in the County of Monmouth, State of New Jersey as of June 30, 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Oceanport School District and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Oceanport School District's ability to continue as a going concern for 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 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment 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 Oceanport School District'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oceanport School District'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.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Oceanport School District's basic financial statements. The accompanying 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2023 on our consideration of Oceanport School District'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 the effectiveness of the Oceanport School District internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oceanport School District's internal control over financial reporting and compliance.

Respectfully Submitted,

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


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

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Oceanport School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

The discussion and analysis of Oceanport School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2022 are as follows:

Net position totaled \$3,140,878, which represents a 56.13 percent increase from June 30, 2021.

General revenues accounted for \$13,481,184 in revenue or 87.80 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,873,268 or 12.20 percent of total revenues of \$15,354,452.

Total assets increased by \$406,015 as current assets increased by \$(10,428,143) and capital assets, net increased by \$10,834,158.

The School Board had \$14,225,256 in expenses; only \$1,873,268 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$13,481,184 were adequate to provide for these programs.

Among major funds, the General Fund had \$13,107,343 in revenues and \$12,778,671 in expenditures and transfers. The General Fund's balance increased \$328,672 over June 30, 2021. The General Fund's balance is \$2,339,244.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statement

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

Governmental Funds

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

Enterprise Fund

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

The School Board as a Whole

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

Table 1 provides a summary comparison of the School Board's net position for June 30, 2022 and 2021.

Table 1

Net Position as of June 30, 2022 and June 30, 2021

	June 30, 2022			June 30, 2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 20,089,286	\$ 41,036	\$ 20,130,322	\$ 30,549,040	\$ 9,425	\$ 30,558,465
Capital assets, net	20,142,891	16,313	20,159,204	9,315,325	9,721	9,325,046
Total assets	40,232,177	57,349	40,289,526	39,864,365	19,146	39,883,511
Deferred outflow of resources	202,952	-	202,952	356,289	-	356,289
Liabilities:						
Current liabilities	893,891	19,295	913,186	1,055,702	5,387	1,061,089
Long-term liabilities outstanding	35,431,344	-	35,431,344	36,071,097	-	36,071,097
Total liabilities	36,325,235	19,295	36,344,530	37,126,799	5,387	37,132,186
Deferred inflow of resources	1,007,070	-	1,007,070	1,095,932	-	1,095,932
Net position:						
Net investment in capital assets	3,613,280	-	3,613,280	8,594,095	-	8,594,095
Restricted	1,599,571	-	1,599,571	29,595,926	-	29,595,926
Unrestricted	(2,110,027)	38,054	(2,071,973)	(36,192,098)	13,759	(36,178,339)
Total Net Position	\$ 3,102,824	\$ 38,054	\$ 3,140,878	\$ 1,997,923	\$ 13,759	\$ 2,011,682

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

The School Board's combined net position was \$3,140,878 on June 30, 2022. This is a change of 56.13% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2022 and 2021.

Table 2

Changes in Net Position

	June 30, 2022			June 30, 2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 150,095	\$ 11,477	\$ 161,572	\$ 74,338	\$ 27,561	\$ 101,899
Operating and capital grants and contributions	1,480,593	231,103	1,711,696	1,208,221	192,931	1,401,152
General revenues:						
Property taxes	12,207,577	-	12,207,577	10,845,713	-	10,845,713
Federal and state aid	1,198,669	-	1,198,669	755,937	-	755,937
Investment earnings	55,236	41	55,277	96,242	21	96,263
Miscellaneous	19,661	-	19,661	80,685	-	80,685
Total revenues	15,111,831	242,621	15,354,452	13,061,136	220,513	13,281,649
Expenses						
Instructional services	5,993,399	-	5,993,399	5,408,485	-	5,408,485
Support services	7,151,519	218,326	7,369,845	7,158,218	188,399	7,346,617
Interest on long-term liabilities	862,012	-	862,012	831,045	-	831,045
Total expenses	14,006,930	218,326	14,225,256	13,397,748	188,399	13,586,147
Change in net position	1,104,901	24,295	1,129,196	(336,612)	32,114	(304,498)
Transfers	-	-	-	-	-	-
Net position - beginning	1,997,923	13,759	2,011,682	2,115,447	(18,355)	2,097,092
Prior period adjustment	-	-	-	219,088	-	219,088
Net position - beginning, restated	1,997,923	13,759	2,011,682	2,334,535	(18,355)	2,316,180
Net position (deficit) - ending	<u>\$ 3,102,824</u>	<u>\$ 38,054</u>	<u>\$ 3,140,878</u>	<u>\$ 1,997,923</u>	<u>\$ 13,759</u>	<u>\$ 2,011,682</u>

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

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

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

Expenses for Fiscal Year June 30, 2022

Business-Type Activities

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

Total Enterprise Fund revenues exceeded expenses by \$24,295.

Charges for services represent \$11,477 of revenue. This represents the amount paid by patrons for daily food service and catering and child care.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$231,103.

Governmental Activities

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

Table 3

	Governmental Activities			
	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 5,993,399	\$ 5,403,250	\$ 5,408,485	\$ 5,015,126
Support Services:				
Pupils and Instructional Staff	2,922,983	1,882,444	2,653,575	1,764,375
General Administration, School Administration, Business Operation and Maintenance of Facilities	3,806,287	3,806,287	4,199,572	4,199,572
Pupil Transportation	422,249	422,249	305,071	305,071
Interest and Fiscal Charges	862,012	862,012	831,045	831,045
Total Expenses	\$ 14,006,930	\$ 12,376,242	\$ 13,397,748	\$ 12,115,189

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

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

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

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

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

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

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

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2022, it reported a combined fund balance of \$19,590,850, which is an decrease of \$10,717,300. The Statement of Revenues Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2022.

<u>Revenue</u>	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 12,478,702	82.58 %	\$ 1,357,249	12.20 %
State Sources	2,139,171	14.16	551,252	34.72
Federal Sources	<u>493,958</u>	<u>3.26</u>	<u>142,194</u>	<u>40.42</u>
Total	<u>\$ 15,111,831</u>	<u>100.00 %</u>	<u>\$ 2,050,695</u>	<u>15.70 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2022.

<u>Expenditures</u>	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 5,993,399	23.20 %	\$ 584,914	10.81 %
Undistributed				
Expenditures	7,277,090	28.17	269,814	3.85
Capital Outlay	11,142,273	43.14	6,194,347	125.19
Debt Service:				
Principal	135,000	0.52	5,000	3.85
Interest	<u>1,281,369</u>	<u>4.97</u>	<u>1,252,219</u>	<u>4,295.78</u>
Total	<u>\$ 25,829,131</u>	<u>100.00 %</u>	<u>\$ 8,306,294</u>	<u>47.40 %</u>

General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$792,639 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$154,405 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

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

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 219,016
Capital Reserve	891,196
Maintenance Reserve	224,621
Emergency Reserve	2,352
Unemployment Claims	173,926

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

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

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

The excesses will be carried forward into the beginning fund balance from the 2021-2022 fiscal year and will be used to reduce the local tax levy for the 2023-2024 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2022, the School Board had \$20,159,204 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2022 and June 30, 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,315,100	\$ 1,315,100	\$ -	\$ -	\$ 1,315,100	\$ 1,315,100
Construction in Progress	15,953,334	4,908,066	-	-	15,953,334	4,908,066
Building and Improvements	2,533,971	2,667,889	-	-	2,533,971	2,667,889
Machinery and Equipment	340,486	424,270	16,313	9,721	356,799	433,991
Total	\$ 20,142,891	\$ 9,315,325	\$ 16,313	\$ 9,721	\$ 20,159,204	\$ 9,325,046

During the current fiscal year, \$23,421 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Bonds Payable (net)	\$ 33,699,000	\$ 33,834,000
Finance Purchases Agreements Payable	31,277	41,230
Pension Liability-PERS	1,186,444	1,626,550
Compensated Absences payable	<u>514,623</u>	<u>569,317</u>
Total long-term liabilities	\$ <u>35,431,344</u>	\$ <u>36,071,097</u>

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

Economic Factors and Next Year's Budget

For the 2021-2022 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 17.42% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 82.58% of total revenue is from local sources.

The \$2,110,027 in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2021-2022 budget was adopted in March 2021 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Oceanport for increased aid.

The School Board anticipates a slight decrease in enrollment for the 2022-2023 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

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

BASIC FINANCIAL STATEMENTS

OCEANPORT SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 19,366,788	\$ 26,030	\$ 19,392,818
Capital reserve cash	351,196	-	351,196
Interfund receivable	8,600	-	8,600
Receivables - state	192,790	322	193,112
Receivables - federal	52,623	13,980	66,603
Receivables- other	117,289	-	117,289
Inventory	-	704	704
Capital assets, non-depreciable	1,315,100	-	1,315,100
Capital assets, depreciable, net	18,827,791	16,313	18,844,104
Total assets	<u>40,232,177</u>	<u>57,349</u>	<u>40,289,526</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	202,952	-	202,952
	<u>202,952</u>	<u>-</u>	<u>202,952</u>
LIABILITIES			
Interfund payable		8,600	8,600
Other liabilities	872,105	-	872,105
Unearned revenue	1,647	10,695	12,342
Payable to state government	20,139	-	20,139
Noncurrent liabilities:			
Due within one year	894,354	-	894,354
Due beyond one year	34,536,990	-	34,536,990
Total liabilities	<u>36,325,235</u>	<u>19,295</u>	<u>36,344,530</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	1,007,070	-	1,007,070
	<u>1,007,070</u>	<u>-</u>	<u>1,007,070</u>
NET POSITION			
Net investment in capital assets	3,613,280	-	3,613,280
Restricted for:			
Capital projects	891,196	-	891,196
Debt service	-	-	-
Other purposes	708,375	-	708,375
Unrestricted	(2,110,027)	38,054	(2,071,973)
Total net position	<u>\$ 3,102,824</u>	<u>\$ 38,054</u>	<u>\$ 3,140,878</u>

OCEANPORT SCHOOL DISTRICT
 Statement of Activities
 For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 4,141,531	\$ 144,303	\$ 445,846	\$ -	\$ (3,551,382)	\$ -	\$ (3,551,382)
Special education instruction	1,703,774	-	-	-	(1,703,774)	-	(1,703,774)
Other special instruction	148,094	-	-	-	(148,094)	-	(148,094)
Support services and undistributed costs:							
Instruction	160,532	-	-	-	(160,532)	-	(160,532)
Attendance and social work	6,495	-	-	-	(6,495)	-	(6,495)
Health services	167,982	-	-	-	(167,982)	-	(167,982)
Other support services	1,486,445	5,792	136,481	-	(1,344,172)	-	(1,344,172)
Educational media services	191,872	-	-	-	(191,872)	-	(191,872)
Instruction staff training	11,391	-	-	-	(11,391)	-	(11,391)
General administrative services	355,048	-	-	-	(355,048)	-	(355,048)
School administrative services	376,956	-	-	-	(376,956)	-	(376,956)
Central services	271,140	-	-	-	(271,140)	-	(271,140)
Admin. information technology	16,450	-	-	-	(16,450)	-	(16,450)
Allowed maintenance for school facilities	203,726	-	-	-	(203,726)	-	(203,726)
Other operation & maintenance of plant	888,321	-	-	-	(888,321)	-	(888,321)
Security	123,205	-	-	-	(123,205)	-	(123,205)
Student transportation services	422,249	-	-	-	(422,249)	-	(422,249)
Other support services	-	-	-	-	-	-	-
Unallocated employee benefits	1,571,441	-	-	-	(1,571,441)	-	(1,571,441)
Non-budgeted expenses	898,266	-	898,266	-	-	-	-
Interest expense	862,012	-	-	-	(862,012)	-	(862,012)
Total governmental activities	14,006,930	150,095	1,480,593	-	(12,376,242)	-	(12,376,242)
Business-type activities:							
Enterprise fund	218,326	11,477	231,103	-	-	24,254	24,254
Total business-type activities	218,326	11,477	231,103	-	-	24,254	24,254
Total primary government	\$ 14,225,256	\$ 161,572	\$ 1,711,696	\$ -	\$ (12,376,242)	\$ 24,254	\$ (12,351,988)
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 11,173,136	\$ -	\$ 11,173,136
Taxes levied for debt service					1,034,441	-	1,034,441
Federal and state aid not restricted					1,198,669	-	1,198,669
Miscellaneous income					5,681	-	5,681
Investment earnings					55,236	41	55,277
Miscellaneous income restricted					13,980	-	13,980
Total general revenues					\$ 13,481,143	\$ 41	13,481,184
Change in net positions					1,104,901	24,295	1,129,196
Net position—beginning					1,997,923	13,759	2,011,682
Net position—ending					\$ 3,102,824	\$ 38,054	\$ 3,140,878

OCEANPORT SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,146,019	\$ 20,103	\$ 17,200,666	\$ -	\$ 19,366,788
Capital reserve	351,196	-	-	-	351,196
Interfund receivables	8,600	-	-	-	8,600
Receivables from federal	-	52,623	-	-	52,623
Receivables from state	192,790	-	-	-	192,790
Other receivables	117,289	-	-	-	117,289
Total assets	<u>2,815,894</u>	<u>72,726</u>	<u>17,200,666</u>	<u>-</u>	<u>20,089,286</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payroll deductions and withholdings payable	476,650	-	-	-	476,650
Payable to state government	-	20,139	-	-	20,139
Unearned revenue	-	1,647	-	-	1,647
Total liabilities	<u>476,650</u>	<u>21,786</u>	<u>-</u>	<u>-</u>	<u>498,436</u>
Fund Balances:					
Restricted for:					
Legally restricted - designated for subsequent year's expenditures	-	-	-	-	-
Excess surplus - current year	-	-	-	-	-
Excess surplus - prior year- designated for Subsequent year's expenditures	219,016	-	-	-	219,016
Capital reserve account	891,196	-	-	-	891,196
Maintenance reserve account	224,621	-	-	-	224,621
Emergency reserve account	2,352	-	-	-	2,352
Unemployment compensation	173,926	-	-	-	173,926
Student Activities	-	50,940	-	-	50,940
Debt services	-	-	-	-	-
Committed to:					
Debt Service Fund	-	-	-	-	-
Other purposes	262,386	-	-	-	262,386
Assigned to:					
Other purposes	-	-	-	-	-
Designated by the BOE for subsequent year's expenditures	242,794	-	-	-	242,794
Unassigned:					
General fund	322,953	-	-	-	322,953
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	17,200,666	-	17,200,666
Total fund balances	<u>2,339,244</u>	<u>50,940</u>	<u>17,200,666</u>	<u>-</u>	<u>19,590,850</u>
Total liabilities and fund balances	<u>\$ 2,815,894</u>	<u>\$ 72,726</u>	<u>\$ 17,200,666</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,037,206 and the accumulated depreciation is \$4,894,315.	20,142,891
Deferred outflows related to the PERS pension plan	202,952
Deferred inflows related to the PERS pension plan	(1,007,070)
Accrued interest	(395,455)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(35,431,344)</u>
Net position of governmental activities	<u>\$ 3,102,824</u>

OCEANPORT 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	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 11,173,136	\$ -	\$ -	\$ 1,034,441	\$ 12,207,577
Tuition charges	144,303	-	-	-	144,303
Interest on investments	55,236	-	-	-	55,236
Restricted Interest	225	-	-	-	225
Interest earned on reserve funds	-	-	-	-	-
Transportation fees	-	-	-	-	-
Rents and royalties	-	-	-	-	-
Other restricted miscellaneous revenues	13,755	-	-	-	13,755
Miscellaneous	5,681	51,925	-	-	57,606
Total - local sources	11,392,336	51,925	-	1,034,441	12,478,702
State sources	1,715,007	42,236	-	381,928	2,139,171
Federal sources	-	493,958	-	-	493,958
Total revenues	13,107,343	588,119	-	1,416,369	15,111,831
EXPENDITURES					
Current:					
Regular instruction	\$ 3,695,685	\$ 445,846	\$ -	\$ -	\$ 4,141,531
Special education instruction	1,703,774	-	-	-	1,703,774
Other special instruction	43,618	-	-	-	43,618
School sponsored/other instructional	104,476	-	-	-	104,476
Undistributed - current:					
Instruction	160,532	-	-	-	160,532
Bilingual education	6,495	-	-	-	6,495
Health services	167,982	-	-	-	167,982
Student and instruction related services	1,343,468	142,977	-	-	1,486,445
Educational media services	191,872	-	-	-	191,872
Instruction staff training	11,391	-	-	-	11,391
General administrative services	355,048	-	-	-	355,048
School administrative services	376,956	-	-	-	376,956
Central services	271,140	-	-	-	271,140
Admin. info. technology	16,450	-	-	-	16,450
Allowed maintenance for school facilities	140,095	-	-	-	140,095
Other operation & maintenance of plant	647,198	-	-	-	647,198
Security	123,205	-	-	-	123,205
Student transportation services	422,249	-	-	-	422,249
Unallocated employee benefits	2,001,766	-	-	-	2,001,766
Non-budgeted expenditures	898,266	-	-	-	898,266
Debt service:					
Principal	-	-	-	135,000	135,000
Interest and other charges	-	-	-	1,281,369	1,281,369
Capital outlay	97,005	-	11,045,268	-	11,142,273
Total expenditures	12,778,671	588,823	11,045,268	1,416,369	25,829,131
Net change in fund balances	328,672	(704)	(11,045,268)	-	(10,717,300)
Fund balance—July 1	2,010,572	51,644	28,245,934	-	30,308,150
Fund balance—June 30	\$ 2,339,244	\$ 50,940	\$ 17,200,666	\$ -	\$ 19,590,850

OCEANPORT SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022

Total net change in fund balances - governmental funds (from B-2) **\$ (10,717,300)**

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	(241,123)	
	Capital outlays	<u>11,068,689</u>	10,827,566

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey 375,631

In the statement of activities, interest expense is recorded when paid.
 In the governmental funds, the interest is expensed when due and shown as payable at year end. 419,357

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 135,000

In the Statement of Activities, the new capital leases are recorded as a increase in the long-term liability.
 In the governmental funds, the capital lease is included in other financing sources. -

In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability.
 In the governmental funds, the payments are an expenditure. (Amount is net of payments included in capital outlay) 9,953

The issuance of bonds creates other financing sources revenue in the governmental funds, the proceeds are shown as an increase to bonds payable. -

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured earned during the year. In the governmental funds, however, expenditures for these items are reported by the amounts of financial resources used, essentially, the amounts actually paid. This year, sick leave was decreased. 54,694

Change in net position of governmental activities **\$ 1,104,901**

OCEANPORT SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2022

	<u>Childcare</u>	<u>Food Service</u>	<u>Total Enterprise Fund</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 26,030	\$ 26,030
Interfund receivable	-	-	-
Receivable from state	-	322	322
Receivable from Federal	-	13,980	13,980
Other receivables	-	-	-
Inventory	-	704	704
Total current assets	<u>-</u>	<u>41,036</u>	<u>41,036</u>
Noncurrent assets:			
Furniture, machinery and equipment	-	247,363	247,363
Less accumulated depreciation	-	(231,050)	(231,050)
Total noncurrent assets	<u>-</u>	<u>16,313</u>	<u>16,313</u>
Total assets	<u>-</u>	<u>57,349</u>	<u>57,349</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	-	-
Unearned revenue	-	10,695	10,695
Interfund payable	-	8,600	8,600.00
Total current liabilities	<u>-</u>	<u>19,295</u>	<u>19,295</u>
NET POSITION			
Investment in capital assets	-	-	-
Unrestricted	<u>-</u>	<u>38,054</u>	<u>38,054</u>
Total net position	<u>-</u>	<u>38,054</u>	<u>38,054</u>
Total liabilities and net position	<u>\$ -</u>	<u>\$ 57,349</u>	<u>\$ 57,349</u>

OCEANPORT SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Positions
Proprietary Funds
For the Year Ended June 30, 2022

	Childcare	Food Service	Totals Enterprise Fund
Operating revenues:			
Daily Sales Reimbursable Programs	\$ -	938	\$ 938
Tuition	-	-	-
School Lunch	-	-	-
Miscellaneous	10,539	-	10,539
Total operating revenues	<u>10,539</u>	<u>938</u>	<u>11,477</u>
Operating expenses:			
Salaries	-	90,932	90,932
Employee Benefits	-	15,711	15,711
Other purchased services	-	28,326	28,326
Supplies and materials	-	1,080	1,080
Depreciation	-	2,008	2,008
Cost of sales - reimbursable programs	-	80,269	80,269
Cost of sales - non-reimbursable programs	-	-	-
Total operating expenses	<u>-</u>	<u>218,326</u>	<u>218,326</u>
Operating income (loss)	<u>10,539</u>	<u>(217,388)</u>	<u>(206,849)</u>
Non-operating revenues (expenses):			
State sources:			
State school lunch program	-	4,671	4,671
Federal sources:			
National school lunch program	-	931	931
Emergency Operational Costs Program - Schools	-	5,107	5,107
Summer food service program for children	-	199,028	199,028
P-EBT Admin Cost Reimbursement	-	1,242	1,242
Food distribution program	-	20,124	20,124
Interest and investment revenue	-	41	41
Total non-operating revenues (expenses)	<u>-</u>	<u>231,144</u>	<u>231,144</u>
Change in net position	10,539	13,756	24,295
Transfer	-	-	-
Total net position—beginning	(10,539)	24,298	13,759
Total net position—ending	<u>\$ -</u>	<u>\$ 38,054</u>	<u>\$ 38,054</u>

OCEANPORT SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Childcare	Food Service	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 10,539	\$ 6,246	\$ 16,785
Payments to employees	-	(90,932)	(90,932)
Payments for employee benefits	-	(15,711)	(15,711)
Payments to suppliers	-	(89,889)	(89,889)
Net cash provided by (used in) operating activities	<u>10,539</u>	<u>(190,286)</u>	<u>(179,747)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources		5,363	5,363
Federal sources		206,562	206,562
Transfers	-	8,600	8,600
Interest income	-	41	41
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>220,566</u>	<u>220,566</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets		(8,600)	(8,600)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(8,600)</u>	<u>(8,600)</u>
Net increase (decrease) in cash and cash equivalents	10,539	21,680	32,219
Balances—beginning of year	<u>(10,539)</u>	<u>4,350</u>	<u>(6,189)</u>
Balances—end of year	<u>\$ -</u>	<u>\$ 26,030</u>	<u>\$ 26,030</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 10,539	\$ (217,388)	\$ (206,849)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	2,008	2,008
Federal commodities	-	20,124	20,124
Increase (decrease) in accounts receivable, net	-	-	-
Increase (decrease) in inventories	-	(338)	(338)
Increase (decrease) in accounts payable	-	-	-
Increase (decrease) in interfund payable	-	-	-
(Increase) decrease in unearned revenue	-	5,308	5,308
Total adjustments	<u>-</u>	<u>27,102</u>	<u>27,102</u>
Net cash provided by (used in) operating activities	<u>\$ 10,539</u>	<u>\$ (190,286)</u>	<u>\$ (179,747)</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

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

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

B. Basis of Presentation, Basis of Accounting

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

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

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

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

Basis of Presentation (Cont'd):

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

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

The District reports the following governmental funds:

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

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

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

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2022

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

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

Basis of Presentation (Cont'd):

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from state and federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

The District reports the following proprietary fund:

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

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

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

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

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others. The district has reports no fiduciary funds at June 30, 2022.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

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

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

Basis of Accounting:

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

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

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

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

C. Property Taxes

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

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

D. Budgets/Budgetary Control

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

All budget amendments/transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2022 were insignificant.

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

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

E. Encumbrances

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

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

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

F. Cash, Cash Equivalents and Investments

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

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

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

G. Tuition Receivable

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

H. Tuition Payable

Tuition charges for the fiscal year 2021-2022 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

I. Inventories and Prepaid Expenses

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

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

J. Short-Term Interfund Receivables/Payables

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

K. Capital Assets

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

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

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

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

L. Compensated Absences

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

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

L. Compensated Absences (Cont'd)

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

M. Unearned Revenue

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

N. Accrued Liabilities and Long-Term Obligations

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

O. Deferred Outflows/Inflows of Resources

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

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

P. Net Position

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

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

Q. Fund Balance Reserves

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

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

R. Revenues - Exchange and Non-exchange Transactions

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

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

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

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

S. Operating Revenues and Expenses

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

T. Management Estimates

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

U. Change in Accounting Principles

On June 30, 2022, the District implemented the Governmental Accounting Standards Boards (GASB) Statement No 87, Leases. GASB Statement 87 enhances the relevance and consistency of information of the district's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financing's of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were reviewed for the District's June 30, 2022 financial statements and had no effect on the beginning net position of the District. The District did not have any leases that rose to an amount that required disclosure. The District will review new leases annually to determine proper disclosure.

V. GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

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

V. GASB Pronouncements (Cont'd)

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

Statement No. 100, *Accounting Changes and Error Corrections - An Amendment GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decision or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

2. Cash and Cash Equivalents

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-414 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the ACT, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA., However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2022, the School District's bank balance of \$20,392,157 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 19,682,018
Uninsured and Uncollateralized	<u>710,139</u>
	<u>\$ 20,392,157</u>

Oceanport School District

Notes to Financial Statements

3. Investments

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

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

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

4. Capital Reserve Account

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

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

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

Balance, July 1, 2021	\$ 351,196
Increase per resolution	540,000
Withdrawals/use in budget	<u> -</u>
Balance, at June 30, 2022	<u><u>\$ 891,196</u></u>

There were no withdrawals from the capital reserve for DOE approved facilities projects in 2022.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

5. Maintenance Reserve Account

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

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

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2022.

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

Balance, July 1, 2021	\$	399,621
Interest earned	-	-
Increase per resolution	-	-
Withdrawals/use in budget		<u>(175,000)</u>
Balance, at June 30, 2022	\$	<u><u>224,621</u></u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

6. Emergency Reserve Account

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

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

Balance, July 1, 2021	\$	2,352
Increase per resolution		-
Interest		-
Withdrawals/use in budget		<u>-</u>
Balance, at June 30, 2022	\$	<u><u>2,352</u></u>

7. Receivables

Receivables at June 30, 2022, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows below.

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	\$ 192,790	\$ 193,112
Federal Aid	52,623	66,603
Interfunds	8,600	8,600
Other	<u>117,289</u>	<u>117,289</u>
Gross Receivables	371,302	385,604
Allowance for Uncollectible	-	-
Total Receivables, Net	<u><u>\$ 371,302</u></u>	<u><u>\$ 385,604</u></u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Capital Assets

Capital Assets consisted of the following at June 30, 2022.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 1,315,100	-	-	\$ 1,315,100
Construction in Progress	<u>4,908,066</u>	<u>11,045,268</u>	<u>-</u>	<u>15,953,334</u>
Total Capital Assets Not Being Depreciated	<u>6,223,166</u>	<u>11,045,268</u>	<u>-</u>	<u>17,268,434</u>
Capital Assets Being Depreciated				
Building and Building Improvements	6,494,732	10,800	-	6,505,532
Machinery and Equipment	<u>1,250,619</u>	<u>12,621</u>	<u>-</u>	<u>1,263,240</u>
Totals at Historical Cost	<u>7,745,351</u>	<u>23,421</u>	<u>-</u>	<u>7,768,772</u>
Less Accumulated Depreciation for:				
Site Improvements	-	-	-	-
Building and Building Improvements	(3,826,843)	(144,718)	-	(3,971,561)
Machinery and Equipment	<u>(826,349)</u>	<u>(96,405)</u>	<u>-</u>	<u>(922,754)</u>
Total Accumulated Depreciation	<u>(4,653,192)</u>	<u>(241,123)</u>	<u>-</u>	<u>(4,894,315)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>3,092,159</u>	<u>(217,702)</u>	<u>-</u>	<u>2,874,457</u>
Government Activity Capital Assets, Net	<u>\$ 9,315,325</u>	<u>10,827,566</u>	<u>-</u>	<u>\$ 20,142,891</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	238,763	8,600	-	247,363
Less: Accumulated Depreciation	<u>(229,042)</u>	<u>(2,008)</u>	<u>-</u>	<u>(231,050)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 9,721</u>	<u>\$ 6,592</u>	<u>-</u>	<u>\$ 16,313</u>

Depreciation expense was charged to governmental functions as follows:

Business services	\$ 2,008
Operations and maintenance	<u>241,123</u>
Total depreciation expense	<u>\$ 243,131</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

9. Non-current Liabilities

During the fiscal year ended June 30, 2022 the following changes occurred in the non-current liabilities:

	Balance June 30, 2021	Increase/ (Decrease)	Balance June 30, 2022	Due within one year
Bonds payable	\$ 33,834,000	(135,000)	33,699,000	\$ 884,000
Capital leases	41,230	(9,953)	31,277	10,354
Compensated absences payable	569,317	(54,694)	514,623	-
Pension liability - PERS	1,626,550	(440,106)	1,186,444	-
	<u>\$ 36,071,097</u>	<u>(639,753)</u>	<u>35,431,344</u>	<u>\$ 894,354</u>

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

a. Bonds Payable

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

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

Year ended June 30	Principal	Interest	Total
2023	\$ 884,000	\$ 847,650	\$ 1,731,650
2024	910,000	823,200	1,733,200
2025	930,000	798,175	1,728,175
2026	960,000	772,488	1,732,488
2027	845,000	748,875	1,593,875
2028-2032	4,630,000	3,409,063	8,039,063
2033-2037	5,375,000	2,784,875	8,159,875
2038-2042	6,245,000	2,060,000	8,305,000
2043-2047	7,120,000	1,219,781	8,339,781
2048-2051	5,800,000	304,099	6,104,099
	<u>\$ 33,699,000</u>	<u>\$ 13,768,206</u>	<u>\$ 47,467,206</u>

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

9. Non-current Liabilities (Cont'd)

b. Bonds Authorized But Not Issued

As of June 30, 2022 there are no bonds that are authorized but not issued

c. Finance Purchases Payable

The District is leasing equipment under various finance purchase agreements. The following is a schedule of the remaining future minimum lease payments under the finance purchase agreements and the present value of the net minimum lease payments at June 30, 2022:

Year ended June 30,	
2023	\$ 12,129
2024	12,514
2025	11,864
Total minimum lease payments	36,507
Less: amounts representing interest	(5,230)
Present value of lease payments	<u>\$ 31,277</u>

Amortization of the equipment under the finance purchase agreements is included with depreciation expense.

10. Pension Plans

A. Public Employees' Retirement System (PERS)

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

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

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

The following represents the membership tiers for PERS:

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

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

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

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

At June 30, 2022, the School District reported a liability of \$1,186,444 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The School District's proportion measured as of June 30, 2021, was .010015146%, which was an increase of .00004% from its proportion measured as of June 30, 2021.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

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

For the year ended June 30, 2022, the School District recognized full accrual pension expense of \$(132,880) in the government-wide financial statements consisting of employer contributions of \$117,289 and non-employer contributions of \$(250,169). This pension expense was based on the pension plans June 30, 2021 measurement date. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 18,712	\$ 8,494
Changes of assumptions	6,179	422,382
Net difference between projected and actual earnings on pension plan investments	-	312,541
Changes in proportion and differences between District contributions and proportionate share of contributions	60,772	263,653
District contributions subsequent to the measurement date	<u>117,289</u>	<u>-</u>
Total	<u>\$ 202,952</u>	<u>\$ 1,007,070</u>

\$117,289 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2021-2022 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (358,995)
2023	(256,321)
2024	(174,767)
2025	(131,374)
2026	51
Thereafter	-
Total	<u>\$ (921,406)</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	5.00	5.00
June 30, 2021	5.00	5.00

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years for 2021, 2020, 2019, 2018, 2017, and 2016 respectively.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

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

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 was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions:

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:

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

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

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

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

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.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	1,632,920	1,186,444	828,223

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

	<u>6/30/22</u>	<u>6/30/21</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	11,972,782,878	16,435,616,426
School District's Portion	.010015146%	.0099743173%

B. Teachers' Pension and Annuity (TPAF)

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

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

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

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

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2021 was \$22,319,519. The School District's proportionate share was \$0.

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 July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the TPAF net pension liability attributable to the School District was .0464262746%, which was an increase of .000014471631% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized a pension expense in the amount of \$2,012,938 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2021 measurement date.

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 was 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	1.55-4.45% based on years of service
Thereafter	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

Long-term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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>
Risk Mitigation Strategies	3.00 %	3.35 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	0.95 %
Investment Grade Credit	8.00 %	1.68 %
High Yield	2.00 %	3.75 %
Private Credit	8.00 %	7.60 %
Real Assets	3.00 %	7.40 %
Real Estate	8.00 %	9.15 %
U.S. Equity	27.00 %	8.09 %
Non-U.S. Developed Markets Equity	13.50 %	8.71 %
Emerging Markets Equity	5.50 %	10.96 %
Private Equity	13.00 %	11.30 %

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

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

Discount Rate - The discount rate used to measure the total pension liability was 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 in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's proportionate share of the net pension liability	34,866,500	22,319,519	25,379,503

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

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

	<u>6/30/22</u>	<u>6/30/21</u>
Collective Deferred Outflows of Resources	6,373,530,834	926,548,228
Collective Deferred Inflows of Resources	27,363,797,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
School District's Portion	.0464262746%	.0449791115%

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

10. Pension Plans (Cont'd)

C. Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2022 were \$26,131. There was no liability for unpaid contributions at June 30, 2022.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

11. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

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

Basis of Presentation

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

Oceanport School District
Notes to Financial Statements
For the Year Ended June 30, 2022

11. Post-Retirement Benefits (Cont'd)

Employees covered by benefit terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	150,427
Active plan members	<u>213,901</u>
Total	<u><u>364,328</u></u>

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%
Salary Increases through 2026	PERS 2.00%-6.00%
	PFRS 3.25%-15.25%
	TPAF 1.55%-4.45%
Thereafter	PERS 3.00%-7.00%
	PFRS-N/A
	TPAF 2.75%-5.65%
Discount Rate	2.16%
Healthcare Cost Trend Rates	4.5%-5.6%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

11. Post-Retirement Benefits (Cont'd)

Total Nonemployer OPEB Liability (Cont'd)

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) 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, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively

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

Balance at June 30, 2020	\$ 67,809,962,608
Changes for the year:	
Service cost	3,217,184,264
Interest on the total OPEB liability	1,556,661,679
Changes of benefit terms	(63,870,842)
Differences between expected and actual experiences	(11,385,071,658)
Changes in assumptions	59,202,105
Gross benefit payments by the state	(1,226,213,382)
Contributions from members	<u>39,796,196</u>
Net changes	<u>(7,802,311,638)</u>
Balance at June 30, 2021	\$ <u>60,007,650,970</u>

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.

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

11. Post-Retirement Benefits (Cont'd)

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

The following presents the June 30, 2021 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability of the State for School Retirees	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138
Total OPEB Liability of the State Associated with the School District for School Retirees	\$39,186,807	\$32,714,477	\$27,617,905

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 Advantagetrend 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

The following presents the June 30, 2021 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$48,576,388,417	\$60,007,650,970	\$75,358,991,782
Total OPEB Liability of the State Associated with the School District for School Retirees	\$26,482,474	\$32,714,477	\$40,723,737

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

11. Post-Retirement Benefits (Cont'd)

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

For the year ended June 30, 2022, the board of education recognized OPEB expense of \$470,304 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Oceanport School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,045,886,863	\$ 18,009,362,976
Changes of assumptions	\$ 10,179,536,966	\$ 6,438,261,807
Contributions made in fiscal year ending 2022 after June 30, 2021 measurement date	-	-
Total	<u>\$ 19,225,423,829</u>	<u>\$ 24,447,624,783</u>

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

Year ended June 30:	
2022	\$ (1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	<u>347,612,410</u>
Total	<u>\$ (5,222,200,954)</u>

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

12. Compensated Absences

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

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

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

13. Deferred Compensation

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

Prudential

14. Risk Management

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

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

14. Risk Management (Cont'd)

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

District Financial Year	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2021-2022	\$ 14,204	\$ 225	\$ (449)	\$ 173,926
2020-2021	12,203	225	(10,264)	159,946
2019-2020	11,799	1,687	(5,935)	157,782

15. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2022:

	Interfund Receivable	Interfund Payable
General Fund	\$ 8,600	\$ -
Enterprise Fund	-	8,600
	<u>\$ 8,600</u>	<u>\$ 8,600</u>

16. Inventory

Inventory in the Food Service Fund at June 30, 2022 consisted of the following:

Food	\$ 298
Supplies	406
	<u>\$ 704</u>

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

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

17. Contingent Liabilities

Grant Programs

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

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

Construction Commitments

The district has entered into construction projects as of June 30, 2022. The projects began in July 2020 for various improvement at both the Maple Place and Wolf Hill Schools.

Project	Spent to Date	Remaining Commitment
State Project # 3830-050-19-1000	\$ 3,743,623	\$ 3,520,904
State Project # 3830-050-19-2000	4,714,530	4,293,258
State Project # 3830-030-19-1000	5,676,755	8,376,060
State Project # 3830-030-19-2000	1,818,426	1,011,444

18. Fund Balances

General Fund - of the \$2,339,244 General Fund balance at June 30, 2022, \$262,386 of encumbrances is assigned to other purposes, \$891,196 is restricted for capital reserve, \$224,621 is restricted for maintenance reserve, \$2,352 is restricted for the emergency reserve, \$173,926 is restricted for unemployment claims. \$219,016 is restricted for excess surplus for subsequent year expenditures, \$242,794 has been classified as assigned fund balance designated for subsequent year expenditures, \$- is restricted for excess surplus and \$322,953 is unassigned.

Special Revenue Fund - of the \$50,940 Special Revenue Fund balance at June 30, 2022, \$50,940 is restricted for the use of student activities purposes.

Capital Project Fund - of the \$17,200,666 Capital Project Fund balance \$17,200,066 is available for the use of capital projects at the Maple Place Middle School and Wolf Hill Elementary School

Oceanport School District

Notes to Financial Statements

For the Year Ended June 30, 2022

19. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$-. The excess fund balance at June 30, 2021 was \$219,016.

20. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2022. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2019.

21. Subsequent Events

Management has evaluated subsequent events through February 10, 2023, the date the financial statements were available to be issued.

22. Tax Abatement

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

23. Economic Dependency

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	11,173,136	-	11,173,136	11,173,136	-
Tuition - non-residents	100,800	49,285	150,085	144,303	(5,782)
Tuition - LEAS	49,285	(49,285)	-	-	-
Interest	-	-	-	55,236	55,236
Other Restricted Interest	-	-	-	225	225
Other restricted miscellaneous revenues	-	-	-	13,755	13,755
Miscellaneous	15,050	-	15,050	5,681	(9,369)
Total - local sources	11,338,271	-	11,338,271	11,392,336	54,065
State sources:					
Transportation aid	92,108	-	92,108	92,108	-
Special education aid	503,783	-	503,783	503,783	-
Extraordinary aid	71,500	-	71,500	160,530	89,030
Non-public transportation	-	-	-	11,310	11,310
Categorical security	20,253	-	20,253	20,253	-
Adjustment aid	5,444	-	5,444	5,444	-
Alyssa's Law	-	30,925	30,925	30,925	-
TPAF-LTDI (on-behalf - Non-budgeted)	-	-	-	491	491
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	470,304	470,304
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	2,012,938	2,012,938
TPAF social security (reimbursed - Non-budgeted)	-	-	-	427,471	427,471
Total state sources	693,088	30,925	724,013	3,735,557	3,011,544
Total revenues	12,031,359	30,925	12,062,284	15,127,893	3,065,609
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	237,973	(784)	237,189	235,350	1,839
Grades 1-5 - Salaries of teachers	1,710,372	16,426	1,726,798	1,722,758	4,040
Grades 6-8 - Salaries of teachers	1,397,496	(1,697)	1,395,799	1,392,840	2,959
Regular Programs - Home Instruction:					
Salaries of teachers	4,000	104	4,104	1,561	2,543
Purchased professional-educational services	-	-	-	-	-
Regular Programs - Undistributed Instruction					
Other purchased services (400-500 series)	109,169	-	109,169	88,152	21,017
General supplies	91,090	285,117	376,207	210,134	166,073
Textbooks	50,000	9,001	59,001	41,006	17,995
Other objects - misc. exp.	5,200	-	5,200	3,884	1,316
TOTAL REGULAR PROGRAMS - INSTRUCTION	3,605,300	308,167	3,913,467	3,695,685	217,782
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	214,347	-	214,347	211,847	2,500
Other salaries for instruction	164,671	-	164,671	152,645	12,026
Other purchased services (400-500 series)	16,000	-	16,000	13,224	2,776
General supplies	5,000	(895)	4,105	405	3,700
Total Learning and/or Language Disabilities	400,018	(895)	399,123	378,121	21,002
Resource Room/Resource Center:					
Salaries of teachers	1,105,500	(5,128)	1,100,372	1,017,447	82,925
Unused vacation payment to terminated/retired staff	-	-	-	-	-
General supplies	500	895	1,395	1,302	93
Total Resource Room/Resource Center	1,106,000	(4,233)	1,101,767	1,018,749	83,018
Preschool Disabilities - Full Time					
Salaries	240,948	(7,793)	233,155	232,456	699
Other salaries for instruction	94,463	(19,793)	74,670	74,247	423
General supplies	24,000	(23,250)	750	201	549
Other objects	750	(750)	-	-	-
Total Preschool Disabilities - Full Time	360,161	(51,586)	308,575	306,904	1,671
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,866,179	(56,714)	1,809,465	1,703,774	105,691

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of teachers	87,850	-	87,850	43,618	44,232
General supplies	250	-	250	-	250
Total Basic Skills/Remedial - Instruction	88,100	-	88,100	43,618	44,482
Bilingual Education - Instruction					
Salaries of teachers	-	7,000	7,000	6,495	505
General supplies	500	-	500	-	500
Total Bilingual Education - Instruction	500	7,000	7,500	6,495	1,005
School Sponsored CoCurricular Act.-Instruction					
Salaries	59,500	11,943	71,443	70,371	1,072
Supplies and Materials	1,500	1,000	2,500	1,470	1,030
Other Objects	4,000	-	4,000	2,424	1,576
Total School Sponsored Cocurricular Act-Instruction	65,000	12,943	77,943	74,265	3,678
School Sponsored Athletics-Instruction					
Salaries	40,000	(15,893)	24,107	24,107	-
Supplies and Materials	4,000	629	4,629	4,629	-
Other Objects	3,000	-	3,000	1,475	1,525
Total School Sponsored Athletics-Instruction	47,000	(15,264)	31,736	30,211	1,525
Total Instruction	5,672,079	256,132	5,928,211	5,554,048	374,163
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - special	43,475	116,512	159,987	159,987	-
Tuition to private schools for the handicapped - Within state	237,661	(237,116)	545	545	-
Total Undistributed Expenditures - Instruction:	281,136	(120,604)	160,532	160,532	-
Undist. Expend. - Health Services					
Salaries	164,122	(456)	163,666	163,666	-
Purchased professional and technical services	2,000	(1,920)	80	80	-
Other purchased services (400-500 series)	9,100	(9,100)	-	-	-
Supplies and materials	4,000	236	4,236	4,236	-
Total Undistributed Expenditures - Health Services	179,222	(11,240)	167,982	167,982	-
Undist. Expend. - Other Support Services - Students-Related Srvc					
Salaries	206,677	31,801	238,478	203,207	35,271
Other Objects	20,000	(5,400)	14,600	14,600	-
Supplies and materials	1,000	(391)	609	609	-
Total Undist. Expend.-Other Support Svcs-Students-Related Srvc	227,677	26,010	253,687	218,416	35,271
Undist. Expend.- Other Support Services -Students-Extraordinary Srvc					
Salaries	346,074	60,009	406,083	397,083	9,000
Purchased professional - educational services	-	-	-	-	-
Total Undist. Expend.-Othr Sprt Svcs Students-Extraordinary Svcs	346,074	60,009	406,083	397,083	9,000
Undist. Expend.- Other Support Services Students-Regular					
Salaries of other professional staff	141,349	371	141,720	141,720	-
Purchased professional - educational services	2,500	4,045	6,545	6,475	70
Supplies and materials	3,000	(2,617)	383	377	6
Total Undist. Expend. - Other Support Services - Students-Regular	146,849	1,799	148,648	148,572	76
Undist. Expend. - Other Support Services - Students-Special					
Salaries of other professional staff	360,483	24,954	385,437	384,036	1,401
Salaries of secretarial and clerical assistants	56,595	(3,457)	53,138	53,138	-
Purchased professional - educational services	10,000	7,543	17,543	17,543	-
Supplies and materials	5,000	(604)	4,396	4,379	17
Other objects	2,000	(430)	1,570	150	1,420
Total Undist. Expend. - Other Support Services - Students-Special	434,078	28,006	462,084	459,246	2,838
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	98,380	-	98,380	94,277	4,103
Salaries of other professional staff	38,640	1,530	40,170	17,649	22,521
Purchased professional - educational services	10,000	-	10,000	8,225	1,775
Total Undist. Expend. - Improvement of Instruction Services	147,020	1,530	148,550	120,151	28,399
Undist. Expend. - Educational Media Services/School Library					
Salaries	99,595	(11,285)	88,310	88,310	-
Salaries of Technology Coordinators	75,000	24,575	99,575	99,575	-
Other Purchased Services (400-500 series)	12,000	(12,000)	-	-	-
Supplies and materials	4,000	(3)	3,997	3,987	10
Total Undist. Expend. - Educational Media Services/School Library	190,595	1,287	191,882	191,872	10

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	11,040	-	11,040	10,159	881
Other purchased services (400-500 series)	2,000	-	2,000	1,232	768
Total Undist. Expend. - Instruction Staff Training Services	13,040	-	13,040	11,391	1,649
Undist. Expend. - Support Service - General Administration					
Salaries	180,488	3,478	183,966	172,976	10,990
Legal services	42,000	30,735	72,735	72,735	-
Audit fees	14,500	1,000	15,500	15,500	-
Communications/Telephone	37,000	(2,181)	34,819	31,289	3,530
BOE other purchased prof. svc.	-	47,974	47,974	47,974	-
Misc. Purch Serv (400-500) [Other than 530 & 585]	45,020	(45,020)	-	-	-
General supplies	2,000	(1,055)	945	945	-
Miscellaneous expenditures - Board of Ed	8,000	392	8,392	8,390	2
Membership Dues and Fees	8,000	(261)	7,739	5,239	2,500
Total Undist. Expend. - Support Service - General Administration	337,008	35,062	372,070	355,048	17,022
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	241,333	15,000	256,333	251,547	4,786
Salaries of secretarial and clerical assistants	83,992	1,206	85,198	84,890	308
Other purchased services (400-500 series)	32,000	-	32,000	22,960	9,040
Supplies and materials	14,600	-	14,600	13,784	816
Other objects	4,600	-	4,600	3,775	825
Total Undist. Expend. - Support Service - School Administration	376,525	16,206	392,731	376,956	15,775
Undist. Expend. - Central Services					
Salaries	230,349	5,639	235,988	222,628	13,360
Purchased professional services	35,750	5,553	41,303	40,075	1,228
Misc. Pur Serv (400-500 series)	1,500	95	1,595	1,595	-
Supplies and materials	4,000	1,397	5,397	5,397	-
Other Objects	-	16,980	16,980	1,445	15,535
Misc Expenditures	750	(750)	-	-	-
Total Undist. Expend. - Central Services	272,349	28,914	301,263	271,140	30,123
Undist. Expend. - Admin. Info. Technology					
Purchased technical services	1,000	(1,000)	-	-	-
Other purchased services (400-500 series)	-	1,000	1,000	-	1,000
Other Objects	-	14,850	14,850	14,850	-
Supplies and materials	-	1,600	1,600	1,600	-
Total Undist. Expend - Admin. Info. Technology	1,000	16,450	17,450	16,450	1,000
Undist. Expend. - Required Maintenance for School Facilities					
Salaries	-	-	-	-	-
Cleaning, repair and maintenance services	167,950	14,662	182,612	136,300	46,312
Lead Testing of Drinking Water	7,050	(3,255)	3,795	3,795	-
Total Undist. Expend. - Allowed Maintenance for School Facilities	175,000	11,407	186,407	140,095	46,312
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - Custodians	355,925	10,442	366,367	295,827	70,540
Salaries - Caf�/Playground Aides	35,000	(35,000)	-	-	-
Purchased professional and technical services	2,500	(2,500)	-	-	-
Cleaning, repair and maintenance services - up keep	10,650	2,098	12,748	12,748	-
Other purchased property services	23,000	-	23,000	21,906	1,094
Insurance	63,730	1,433	65,163	65,163	-
General supplies	53,450	12,021	65,471	58,132	7,339
Energy (Natural Gas)	90,000	(25,180)	64,820	60,869	3,951
Energy (Electricity)	101,700	8,757	110,457	107,090	3,367
Other objects	2,500	(1,389)	1,111	1,111	-
Salaries of Non-Instructional Aides	-	31,541	31,541	8,420	23,121
Energy (Natural Gas)	-	-	-	-	-
Total Undist. Expend. - Other Operation & Maintenance Of Plant	738,455	2,223	740,678	631,266	109,412
Care and Upkeep of Grounds					
Cleaning, repair and maintenance services	30,500	(14,568)	15,932	15,932	-
General supplies	5,000	(5,000)	-	-	-
Total Undist. Expend. - Care and Upkeep of Grounds	35,500	(19,568)	15,932	15,932	-
Undist. Expend. - Security					
Salaries	61,700	(1,347)	60,353	60,167	186
Purchased professional and technical services	20,000	(1,134)	18,866	17,850	1,016
Cleaning, repair and maintenance services	15,500	30,925	46,425	45,188	1,237
Total Undist. Expend. - Security	97,200	28,444	125,644	123,205	2,439

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation(between home and school)-Special Management fee - ESC	-	-	-	-	-
Cleaning, repair and maintenance services	25,000	-	25,000	23,000	2,000
Contract services Aid in Lieu Pymnts - NonPub Sch	1,000	1,939	2,939	2,939	-
Contract services (between home & school) - Vendors	24,000	-	24,000	20,700	3,300
Contract services -(other between home and school) - Vendors	236,000	-	236,000	236,000	-
Contract services -(special education students) - Vendors	10,000	(555)	9,445	219	9,226
Contract services-(regular) - ESC's	-	-	-	-	-
Contract services-(special education students)-ESC's & CTSA's	22,000	-	22,000	22,000	-
Total Undist. Expend. - Student Transportation Services	110,000	7,391	117,391	117,391	-
Interest Earned on Current Expense Emergency Reserve	428,000	8,775	436,775	422,249	14,526
UNALLOCATED EMPLOYEE BENEFITS					
Perfect attendance	-	-	-	-	-
Social security contributions	132,750	27,075	159,825	159,825	-
Other retirement contributions - PERS	114,333	2,956	117,289	117,289	-
Other retirement contributions - regular	14,775	5,326	20,101	19,453	648
Workmen's compensation	97,475	(11,728)	85,747	84,396	1,351
Health benefits	2,025,464	(342,324)	1,683,140	1,610,965	72,175
Tuition reimbursement	20,000	(8,282)	11,718	9,838	1,880
TOTAL UNALLOCATED EMPLOYEE BENEFITS	2,404,797	(326,977)	2,077,820	2,001,766	76,054
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	491	(491)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	470,304	(470,304)
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	2,012,938	(2,012,938)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	427,471	(427,471)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	2,911,204	(2,911,204)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,404,797	(326,977)	2,077,820	4,912,970	(2,835,150)
TOTAL UNDISTRIBUTED EXPENDITURES	6,831,525	(212,267)	6,619,258	9,140,556	(2,521,298)
Transfer to Cover Deficit (enterprise fund)	-	-	-	-	-
TOTAL GENERAL CURRENT EXPENDITURES	12,503,604	43,865	12,547,469	14,694,604	(2,147,135)
CAPITAL OUTLAY					
Regular Programs - Instruction:					
Grades 1-5	5,000	32,108	37,108	37,108	-
Grades 6-8	5,000	36,221	41,221	32,621	8,600
Undistributed:					
Undistributed expenditures - Instruction	-	26,189	26,189	15,766	10,423
Undistributed expenditures - Security	-	19,827	19,827	10,280	9,547
Total Equipment	10,000	114,345	124,345	95,775	28,570
Facilities Acquisition and Construction Services					
Debt Service Assessment	1,230	-	1,230	1,230	-
Total Facilities Acquisition and Construction Services	1,230	-	1,230	1,230	-
TOTAL CAPITAL OUTLAY	11,230	114,345	125,575	97,005	28,570
TOTAL EXPENDITURES	12,514,834	158,210	12,673,044	14,791,609	(2,118,565)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(483,475)	(127,285)	(610,760)	336,284	947,044
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(483,475)	(127,285)	(610,760)	336,284	947,044
Fund Balance, July 1	2,062,795	-	2,062,795	2,062,795	-
Fund Balance, June 30	1,579,320	(127,285)	1,452,035	2,399,079	947,044

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				891,196	
Maintenance reserve				224,621	
Emergency reserve				2,352	
Unemployment compensation				173,926	
Excess surplus - Designated for subsequent year's expenditures				219,016	
Excess surplus - Current year				-	
Committed Fund Balance:					
Year-end encumbrances				262,386	
Assigned Fund Balance:					
Other purposes				-	
Designated by the BOE for subsequent year's expenditures				242,794	
Unassigned Fund Balance				<u>382,788</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				2,399,079	
Last state aid payment not recognized on GAAP basis				(59,835)	
Fund balance per governmental funds (GAAP) - B-1				<u>2,339,244</u>	

OCEANPORT SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ 57,590	21,327	78,917	48,549	\$ (30,368)
State sources	42,236	21,786	64,022	42,236	(21,786)
Federal sources	549,117	1,080,550	1,629,667	493,693	(1,135,974)
Total Revenues	648,943	1,123,663	1,772,606	584,478	(1,188,128)
EXPENDITURES					
Instruction:					
Salaries of teachers	266,647	614,497	881,144	181,512	699,632
Other salaries for instruction	-	-	-	-	-
Purchased professional services	80,808	11,298	92,106	41,149	50,957
General supplies	40,240	168,335	208,575	70,891	137,684
Tuition	134,232	6,997	141,229	141,175	54
Misc. Expenditures	-	55,854	55,854	10,854	45,000
Total instruction	521,927	856,981	1,378,908	445,581	933,327
Support services:					
Salaries of program director	-	-	-	-	-
Personal services	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	51,250	16,328	67,578	35,274	32,304
Purchased technical services	-	50,782	50,782	30,643	20,139
Travel	-	-	-	-	-
Employee Benefits	-	32,358	32,358	3,951	28,407
Miscellaneous purchased services (400-500 series)	18,176	(2,386)	15,790	5,371	10,419
Miscellaneous expenditures	-	53,495	53,495	18,492	35,003
Supplies & materials	-	116,105	116,105	17,944	98,161
Student activities	57,590	-	57,590	27,926	29,664
Total support services	127,016	266,682	393,698	139,601	224,433
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total expenditures	648,943	1,123,663	1,772,606	585,182	1,157,760
Excess (deficiency) of revenues Over (under) expenditures	\$ -	-	-	(704)	\$ (30,368)
Fund Balance, July 1				51,644	
Fund Balance, June 30				50,940	
Recapitulation:					
Restricted:					
Student Activities				50,940	
Total Fund Balance				\$ 50,940	

Note 1

Note 1 - Not required to budget for these funds.

OCEANPORT SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 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]	\$ 15,127,893	[C-2]	\$ 584,478
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		3,641
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(2,012,938)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(59,835)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		52,223		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 13,107,343	[B-2]	\$ 588,119
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 14,791,609	[C-2]	\$ 585,182
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(2,012,938)		-
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		3,641
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 12,778,671	[B-2]	\$ 588,823

REQUIRED SUPPLEMENTARY INFORMATION - PART III

OCEANPORT SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability-PERS
 For the Year Ended June 30, 2022

Last 10 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	100.000%	100.000%	0.0114843954%	0.0126013958%	0.0113745438%	0.0121954172%	0.0106158551%	0.0099743173%	0.0100151460%
District's proportionate share of the net pension liability	\$ 2,149,199	\$ 2,270,377	\$ 2,689,966	\$ 3,732,172	\$ 2,647,812	\$ 2,401,217	\$ 1,912,816	\$ 1,626,550	\$ 1,186,444
District's covered-employee payroll	\$ -	\$ 811,178	\$ 797,945	\$ 771,853	\$ 776,861	\$ 749,248	\$ 757,246	\$ 728,550	\$ 728,550
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	279.89%	337.11%	480.42%	353.40%	317.10%	262.55%	223.26%	162.85%
Plan fiduciary net position as a percentage of the total pension liability	40.71%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%

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

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

**OCEANPORT SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Year Ended June 30, 2022**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contributions	\$ 87,516	\$ 144,209	\$ 96,950	\$ 114,950	\$ 105,776	\$ 121,541	\$ 103,261	\$ 109,114	\$ 117,289
Contributions in relation to the contractually required contribution	<u>87,516</u>	<u>144,209</u>	<u>96,950</u>	<u>114,950</u>	<u>105,776</u>	<u>121,541</u>	<u>103,533</u>	<u>109,114</u>	<u>117,289</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (272)</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 811,178	\$ 797,945	\$ 771,853	\$ 776,861	\$ 749,248	\$ 757,246	\$ 728,550	\$ 728,550	\$ 766,056
Contributions as a percentage of covered-employee payroll	0.00%	18.07%	12.56%	14.80%	13.62%	16.05%	14.17%	14.98%	15.31%

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

OCEANPORT SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability-TPAF
 For the Year Ended June 30, 2022

Last 10 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability associated with the District	0.0000000000%	0.0441200000%	0.0452083709%	0.0433096415%	0.0450482843%	0.0454732493%	0.0445870679%	0.0449791115%	0.0464262746%
State's proportionate share of the net pension liability associated with the District	\$ 22,240,031	\$ 23,742,413	\$ 28,573,621	\$ 34,070,122	\$ 30,373,178	\$ 28,929,104	\$ 27,363,504	\$ 29,618,204	\$ 22,319,519
District's covered-employee payroll	4,369,752	4,338,875	2,627,817	4,709,818	4,748,105	4,969,819	5,192,710	5,500,888	5,869,259
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	508.95%	547.20%	1087.35%	723.39%	639.69%	582.10%	526.96%	538.43%	380.28%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%

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

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

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

OCEANPORT SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2022
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
State's proportion of the OPEB liability associated with the District					
Service cost	\$ 1,178,247	\$ 979,986	\$ 809,064	\$ 811,323	\$ 1,520,383
Interest cost	987,762	1,142,394	1,036,486	812,122	848,648
Changes of benefit terms	-	-	-	-	(34,821)
Differences between expected and actual experiences	-	-	(5,112,331)	6,750,564	(6,259,245)
Changes in assumptions	(4,027,803)	(6,401,814)	338,517	6,805,033	32,275
Member contributions	26,667	24,313	20,659	19,658	21,696
Gross benefit payments	<u>(724,211)</u>	<u>(703,479)</u>	<u>(696,942)</u>	<u>(648,562)</u>	<u>(668,497)</u>
Net change in total OPEB liability	(2,559,338)	(4,958,600)	(3,604,547)	14,550,138	(4,539,561)
Total State's portion of the OPEB liability - beginning	<u>33,826,385</u>	<u>31,267,047</u>	<u>26,308,447</u>	<u>22,703,900</u>	<u>37,254,038</u>
Total State's portion of the OPEB liability - ending	<u>\$ 31,267,047</u>	<u>\$ 26,308,447</u>	<u>\$ 22,703,900</u>	<u>\$ 37,254,038</u>	<u>\$ 32,714,477</u>
District's covered employee payroll	<u>\$ 6,292,251</u>	<u>\$ 6,715,885</u>	<u>\$ 7,146,080</u>	<u>\$ 7,505,772</u>	<u>\$ 7,958,710</u>
Total State's OPEB liability as a percentage of covered employee payroll	497%	392%	318%	496%	411%

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

Oceanport School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2022

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 5.40% as of June 30 2020, to 7.00% as of June 30, 2021.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30 2020, to 7.00% as of June 30, 2021.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

OCEANPORT SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2022

	IDEA Basic 21-22	IDEA Preschool 21-22	Title I 21-22	Title II 21-22	CARES 21-22	IDEA-Part ARP Reg Prog 21/22
Revenues:						
Local sources	\$ -	-	-	-	-	\$ -
State sources	-	-	-	-	-	-
Federal sources	152,473	3,029	57,687	5,371	30,160	1,739
Total revenues	<u>152,473</u>	<u>3,029</u>	<u>57,687</u>	<u>5,371</u>	<u>30,160</u>	<u>1,739</u>
Expenditures:						
Instruction:						
Salaries of teachers	-	-	47,472	-	-	-
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	11,298	-	-	-	-	-
General supplies	-	779	8,003	-	814	-
Tuition	141,175	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	10,854	-
Total instruction	<u>152,473</u>	<u>779</u>	<u>55,475</u>	<u>-</u>	<u>11,668</u>	<u>-</u>
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
Purchased professional services	-	2,250	-	-	-	-
Other purchased professional services	-	-	-	5,371	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	-	2,212	-	-	1,739
Travel	-	-	-	-	-	-
General supplies	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	18,492	-
Total support services	<u>-</u>	<u>2,250</u>	<u>2,212</u>	<u>5,371</u>	<u>18,492</u>	<u>1,739</u>
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 152,473</u>	<u>3,029</u>	<u>57,687</u>	<u>5,371</u>	<u>30,160</u>	<u>\$ 1,739</u>
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OCEANPORT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	ESSER II 21/22	ESSER II LA 21/22	ESSER II MH 21/22	ARP ESSER III 21/22	ESSER III SL 21/22	SDA Emergency 21/22
Revenues:						
Local sources	\$ -	-	-	-	-	\$ -
State sources	-	-	-	-	-	11,593
Federal sources	166,192	5,764	27,778	36,451	1,883	-
Total revenues	166,192	5,764	27,778	36,451	1,883	11,593
Expenditures:						
Instruction:						
Salaries of teachers	117,112	-	-	16,928	-	-
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	29,851	-	-	-	-	-
General supplies	15,979	3,768	-	13,172	1,883	-
Tuition	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	162,942	3,768	-	30,100	1,883	-
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
Purchased professional services	3,250	1,996	27,778	-	-	-
Other purchased professional services	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Travel	-	-	-	-	-	-
General supplies	-	-	-	6,351	-	11,593
Miscellaneous expenses	-	-	-	-	-	-
Total support services	3,250	1,996	27,778	6,351	-	11,593
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	-	-	-	-	-	-
Total expenditures	\$ 166,192	5,764	27,778	36,451	1,883	\$ 11,593
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

OCEANPORT SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2022

	Nonpublic Technology 21-22	Nonpublic Textbook 21-22	Nonpublic Nursing 21-22	Nonpublic Security 21-22	Nonpublic CHP 192/193 21-22
Revenues:					
Local sources	\$ -	-	-	-	-
State sources	899	2,034	3,599	7,639	16,472
Federal sources	-	-	-	-	-
Total revenues	899	2,034	3,599	7,639	16,472
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	-	-	-	-
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	-	-
Personal Services	-	-	-	-	-
Purchased professional services	-	-	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	899	2,034	3,599	7,639	16,472
Employee benefits	-	-	-	-	-
Travel	-	-	-	-	-
General supplies	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Student Activities	-	-	-	-	-
Total support services	899	2,034	3,599	7,639	16,472
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	-	-	-	-	-
Total expenditures	\$ 899	2,034	3,599	7,639	16,472
Excess (deficiency) of revenues					
Over (under) expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

OCEANPORT SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	Title IV 21-22	Local 21-22	NJSIF Safety Grant 21-22	Student Activities	Total
Revenues:					
Local sources	\$ -	15,535	5,792	27,222	\$ 48,549
State sources	-	-	-	-	42,236
Federal sources	5,166	-	-	-	493,693
Total revenues	5,166	15,535	5,792	27,222	584,478
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	181,512
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	41,149
General supplies	5,166	15,535	5,792	-	70,891
Tuition	-	-	-	-	141,175
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	10,854
Total instruction	5,166	15,535	5,792	-	445,581
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	-	-	-
Personal Services	-	-	-	-	-
Purchased professional services	-	-	-	-	35,274
Other purchased professional services	-	-	-	-	5,371
Purchased technical services	-	-	-	-	30,643
Employee benefits	-	-	-	-	3,951
Travel	-	-	-	-	-
General supplies	-	-	-	-	17,944
Miscellaneous expenses	-	-	-	-	18,492
Student Activities	-	-	-	27,926	27,926
Total support services	-	-	-	27,926	139,601
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	-	-	-	-	-
Total expenditures	\$ 5,166	15,535	5,792	27,926	\$ 585,182
Excess (deficiency) of revenues					
Over (under) expenditures	-	-	-	(704)	(704)
Fund Balance, July 1	-	-	-	51,644	51,644
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 50,940	\$ 50,940

F. Capital Projects Fund

Oceanport School District
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Year Ended June 30, 2022

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2022
			Prior Years	Current Year	
WH Capital Renovations - SP 3830-050-19-1000	11/19/20	\$ 14,051,815	\$ 995,387	\$ 4,681,368	\$ 8,375,060
WH Educational adequacy renovations - SP 3080-050-19-2000	11/19/20	9,007,788	1,713,582	3,000,948	4,293,258
MP Capital renovations - SP 3830-030-19-1000	11/19/20	7,264,527	1,323,443	2,420,180	3,520,904
MP Educational adequacy renovations- SP 3080-030-19-2000	11/19/20	<u>2,829,870</u>	<u>875,654</u>	<u>942,772</u>	<u>1,011,444</u>
Totals		<u>\$ 33,154,000</u>	<u>\$ 4,908,066</u>	<u>\$ 11,045,268</u>	<u>\$ 17,200,666</u>

OCEANPORT SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2022

Revenues and Other Financing Sources		
State Sources - Grant	-	
Bond proceeds and transfers	-	
Capital lease proceeds	-	
Transfer from capital reserve	-	
Total revenues	-	-
Expenditures and Other Financing Uses		
Purchased professional and technical services	-	
Construction services	11,045,268	
Supplies	-	
Total expenditures	11,045,268	11,045,268
Excess (deficiency) of revenues over (under) expenditures	(11,045,268)	
Fund balance - beginning	28,245,934	
Fund balance - ending	17,200,666	17,200,666

OCEANPORT SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Capital Renovations Maple Place Middle School
For the Year Ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	7,264,527	-	7,264,527	7,264,527
Local Revenue	-	-	-	-
Total revenues	7,264,527	-	7,264,527	7,264,527
Expenditures and Other Financing Uses				
Purchased prof. and technical services	307,185	-	307,185	1,383,927
Construction services	1,016,258	2,420,180	3,436,438	5,880,600
Supplies	-	-	-	-
Total expenditures	1,323,443	2,420,180	3,743,623	7,264,527
Excess (deficiency) of revenues over (under) expenditures	\$ 5,941,084	\$ (2,420,180)	\$ 3,520,904	\$ -
Additional project information:				
Project Number	SP3830-030-19-1000			
Grant Date	11/19/2020			
Bond Authorization Date	7/15/2020			
Bonds Authorized	\$ 7,264,527			
Bonds Issued	7,264,527			
Original Authorized Cost	7,264,527			
Additional Authorized Cost	-			
Revised Authorized Cost	7,264,527			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	52%			
Original target completion date	2022			
Revised target completion date	2022			

OCEANPORT SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Maple Place Middle School Educational Adequacy Renovations
For the Year Ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	2,829,870	-	2,829,870	2,829,870
Local Revenue	-	-	-	-
Total revenues	2,829,870	-	2,829,870	2,829,870
Expenditures and Other Financing Uses				
Purchased prof. and technical services	290,837	-	290,837	524,870
Construction services	584,817	942,772	1,527,589	2,305,000
Supplies	-	-	-	-
Total expenditures	875,654	942,772	1,818,426	2,829,870
Excess (deficiency) of revenues over (under) expenditures	\$ 1,954,216	\$ (942,772)	\$ 1,011,444	\$ -
Additional project information:				
Project Number	SP 3830-030-19-2000			
Grant Date	11/19/2020			
Bond Authorization Date	7/15/2020			
Bonds Authorized	\$ 2,829,870			
Bonds Issued	2,829,870			
Original Authorized Cost	2,829,870			
Additional Authorized Cost	-			
Revised Authorized Cost	2,829,870			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	64.2582875%			
Original target completion date	2022			
Revised target completion date	2022			

OCEANPORT SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Wolf Hill Elementary School Capital Renovations
For the Year Ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	14,051,815	-	14,051,815	14,052,705
Local Revenue	-	-	-	-
Total revenues	14,051,815	-	14,051,815	14,052,705
Expenditures and Other Financing Uses				
Purchased prof. and technical services	308,579	-	308,579	2,570,750
Construction services	686,808	4,681,368	5,368,176	11,481,955
Supplies	-	-	-	-
Total expenditures	995,387	4,681,368	5,676,755	14,052,705
Excess (deficiency) of revenues over (under) expenditures	\$ 13,056,428	\$ (4,681,368)	\$ 8,375,060	\$ -
Additional project information:				
Project Number	SP 3830-050-19-1000			
Grant Date	11/19/2020			
Bond Authorization Date	7/15/2020			
Bonds Authorized	\$ 14,052,705			
Bonds Issued	14,052,705			
Original Authorized Cost	14,052,705			
Additional Authorized Cost	-			
Revised Authorized Cost	14,052,705			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	40.3961728%			
Original target completion date	2022			
Revised target completion date	2022			

OCEANPORT SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Wolf Hill Elementary School Educational Adequacy Renovations
For the Year Ended June 30, 2022

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	9,007,788	-	9,007,788	9,007,788
Local Revenue	-	-	-	-
Total revenues	9,007,788	-	9,007,788	9,007,788
Expenditures and Other Financing Uses				
Purchased prof. and technical services	314,350	-	314,350	1,347,548
Construction services	1,399,232	3,000,948	4,400,180	7,660,240
Supplies	-	-	-	-
Total expenditures	1,713,582	3,000,948	4,714,530	9,007,788
Excess (deficiency) of revenues over (under) expenditures	\$ 7,294,206	\$ (3,000,948)	\$ 4,293,258	\$ -
Additional project information:				
Project Number	SP 0380-025-14-1004-G04			
Grant Date	11/19/2020			
Bond Authorization Date	7/15/2020			
Bonds Authorized	\$ 9,007,788			
Bonds Issued	9,007,788			
Original Authorized Cost	9,007,788			
Additional Authorized Cost	-			
Revised Authorized Cost	9,007,788			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.523383765			
Original target completion date	2022			
Revised target completion date	2022			

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

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt

OCEANPORT SCHOOL DISTRICT
 Long-Term Debt
 Statement of Serial Bonds
 June 30, 2022

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
Alterations and Renovations at Maple Place and Wolf Hill Schools (The bonds are held and issued by Monmouth County as part of a larger multi purpose bond. The refunding process was performed by Monmouth County)	10/5/2016	\$ 1,120,000			3.0-4.0%	\$ 680,000	-	135,000	545,000
			8/1/2022	135,000					
			8/1/2023	135,000					
			8/1/2024	135,000					
			8/1/2025	140,000					
2020 Series Bond	7/1/2020	33,154,000	7/15/2022	749,000	2.50-2.65%	33,154,000	-	-	33,154,000
			7/15/2023	775,000					
			7/15/2024	795,000					
			7/15/2025	820,000					
			7/15/2026	845,000					
			7/15/2027	870,000					
			7/15/2028	900,000					
			7/15/2029	925,000					
			7/15/2030	955,000					
			7/15/2031	980,000					
			7/15/2032	1,010,000					
			7/15/2033	1,045,000					
			7/15/2034	1,075,000					
			7/15/2035	1,105,000					
			7/15/2036	1,140,000					
			7/15/2037	1,175,000					
			7/15/2038	1,210,000					
			7/15/2039	1,250,000					
			7/15/2040	1,285,000					
			7/15/2041	1,325,000					
			7/15/2042	1,365,000					
7/15/2043	1,405,000								
7/15/2044	1,450,000								
7/15/2045	1,450,000								
7/15/2046	1,450,000								
7/15/2047	1,450,000								
7/15/2048	1,450,000								
7/15/2049	1,450,000								
7/15/2050	1,450,000								
						<u>\$ 33,834,000</u>	<u>-</u>	<u>135,000</u>	<u>\$ 33,699,000</u>

OCEANPORT SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Obligations Under Finance Purchases Payable
 June 30, 2022

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Principal Balance July 1, 2021</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Principal Balance Outstanding June 30, 2022</u>
Ricoh Americas Corporation		\$ 51,578	\$ 41,230	\$ -	\$ (9,953)	\$ 31,277
			<u>\$ 41,230</u>	<u>\$ -</u>	<u>\$ (9,953)</u>	<u>\$ 31,277</u>

OCEANPORT SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local tax levy	\$ 1,034,441	\$ -	\$ 1,034,441	\$ 1,034,441	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt service aid Type II	381,928	-	381,928	381,928	-
				-	
Total - State Sources	381,928	-	381,928	381,928	-
Total Revenues	1,416,369	-	1,416,369	1,416,369	-
EXPENDITURES:					
Regular Debt Service:					
Interest	1,281,369	-	1,281,369	1,281,369	-
Redemption of principal	135,000	-	135,000	135,000	-
Total Regular Debt Service	1,416,369	-	1,416,369	1,416,369	-
Total expenditures	1,416,369	-	1,416,369	1,416,369	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

**Oceanport School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	106-111
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	112-115
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	116-119
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	120-121
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	122-126

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 3,493,436	\$ 3,701,607	\$ 3,697,236	\$ 3,754,589	\$ 3,445,140	\$ 3,513,665	\$ 3,573,876	\$ 3,720,175	\$ 8,594,095	\$ 3,613,280
Restricted	983,270	1,292,366	1,177,872	1,138,072	1,268,392	1,655,089	1,131,410	1,088,366	29,595,926	1,599,571
Unrestricted	217,955	52,255	(1,988,462)	(2,764,231)	(2,855,064)	(3,290,472)	(2,715,029)	(2,693,094)	(36,192,098)	(2,110,027)
Total governmental activities position	<u>\$ 4,694,661</u>	<u>\$ 5,046,228</u>	<u>\$ 2,886,646</u>	<u>\$ 2,128,430</u>	<u>\$ 1,858,468</u>	<u>\$ 1,878,282</u>	<u>\$ 1,990,257</u>	<u>\$ 2,115,447</u>	<u>\$ 1,997,923</u>	<u>\$ 3,102,824</u>
Business-type activities										
Net investment in capital assets	\$ 25,107	\$ 19,635	\$ 14,163	\$ 8,445	\$ 2,727	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(79,303)	(68,543)	(61,843)	102,348	114,528	75,506	45,440	(18,355)	13,759	38,054
Total business-type activities position	<u>\$ (54,196)</u>	<u>\$ (48,908)</u>	<u>\$ (47,680)</u>	<u>\$ 110,793</u>	<u>\$ 117,255</u>	<u>\$ 75,506</u>	<u>\$ 45,440</u>	<u>\$ (18,355)</u>	<u>\$ 13,759</u>	<u>\$ 38,054</u>
District-wide										
Net investment in capital assets	\$ 3,518,543	\$ 3,721,242	\$ 3,711,399	\$ 3,763,034	\$ 3,447,867	\$ 3,513,665	\$ 3,573,876	\$ 3,720,175	\$ 8,594,095	\$ 3,613,280
Restricted	983,270	1,292,366	1,177,872	1,138,072	1,268,392	1,655,089	1,131,410	1,088,366	29,595,926	1,599,571
Unrestricted	138,652	(16,288)	(2,050,305)	(2,661,883)	(2,740,536)	(3,214,966)	(2,669,589)	(2,711,449)	(36,178,339)	(2,071,973)
Total district position	<u>\$ 4,640,465</u>	<u>\$ 4,997,320</u>	<u>\$ 2,838,966</u>	<u>\$ 2,239,223</u>	<u>\$ 1,975,723</u>	<u>\$ 1,953,788</u>	<u>\$ 2,035,697</u>	<u>\$ 2,097,092</u>	<u>\$ 2,011,682</u>	<u>\$ 3,140,878</u>

Source: ACFR Schedule A-1 and District records.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular				\$ 3,428,786	\$ 3,485,308	\$ 3,649,558	\$ 3,648,729	\$ 3,630,997	\$ 3,923,681	\$ 4,141,531
Special education				802,143	1,059,188	1,049,990	1,223,531	1,381,182	1,359,410	1,703,774
Other special education				105,614	188,307	219,538	203,012	139,581	125,394	148,094
Vocational				-	-	-	-	-	-	-
Other instruction				-	-	-	-	-	-	-
Nonpublic school programs				-	-	-	-	-	-	-
Adult/continuing education programs				-	-	-	-	-	-	-
Support Services:										
Instruction				103,972	99,389	138,103	221,724	146,544	198,496	160,532
Attendance and social work				1,825	-	-	21,193	-	-	6,495
Health services				137,654	150,297	150,311	148,033	158,719	158,693	167,982
Improvement of instr. services				-	-	-	-	-	-	-
Educational media services				132,442	154,961	155,689	155,932	169,287	165,608	191,872
Instruction staff training				20,853	32,493	18,551	9,008	11,929	9,411	11,391
School Administrative services				359,397	360,618	376,407	380,218	354,623	376,100	376,956
General administration				198,406	238,729	304,133	301,641	352,256	351,567	355,048
Central Services				137,619	138,796	171,244	183,975	204,267	247,336	271,140
Plant operations and maintenance				976,627	978,271	932,310	1,258,352	858,906	973,855	1,092,047
Administrative information technology				37,708	35,849	9,636	4,748	30,148	29,749	16,450
Pupil transportation				361,602	308,378	280,081	459,728	299,085	305,071	422,249
Other support services				1,007,922	941,438	859,984	1,101,563	1,309,056	1,289,385	1,486,445
Security				48,622	69,993	77,005	93,329	86,369	77,573	123,205
Special Schools				-	-	-	-	-	-	-
Charter Schools				-	-	-	-	-	-	-
Interest on long-term debt				62,762	51,148	50,825	35,319	33,411	831,045	862,012
Non-budgeted expenditures				-	745,975	980,046	764,752	751,490	831,982	898,266
Unallocated employee benefits				2,271,557	2,261,366	2,720,467	2,231,462	2,332,808	2,143,392	1,571,441
Total governmental activities expenses	10,530,881	10,779,881	9,640,285	10,195,511	11,300,504	12,143,878	12,446,249	12,250,658	13,397,748	14,006,930
Business-type activities:										
Enterprise fund				(134,125)	346,433	318,304	310,771	290,218	188,399	218,326
Total business-type activities expense	178,151	151,700	160,774	(134,125)	346,433	318,304	310,771	290,218	188,399	218,326
Total district expenses	\$ 10,709,032	\$ 10,931,581	\$ 9,801,059	\$ 10,061,386	\$ 11,646,937	\$ 12,462,182	\$ 12,757,020	\$ 12,540,876	\$ 13,586,147	\$ 14,225,256
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)				\$ -	\$ -	\$ -	\$ (217,899)	\$ (136,246)	\$ (74,338)	\$ (150,095)
Pupil transportation				-	-	-	-	-	-	-
Central and other support services				-	-	-	-	-	-	-
Operating grants and contributions				-	(745,975)	(980,046)	(764,752)	(751,490)	(1,208,221)	(1,480,593)
Capital grants and contributions				-	-	-	-	-	-	-
Total governmental activities program revenues	225,768	322,150	85,046	-	(745,975)	(980,046)	(982,651)	(887,736)	(1,282,559)	(1,630,688)
Business-type activities:										
Charges for services										
Food service				-	(273,481)	(245,009)	(241,342)	(197,228)	(27,561)	(11,477)
Child care				-	-	-	-	-	-	-
Operating grants and contributions				-	(28,046)	(30,169)	(38,119)	(28,535)	(192,931)	(231,103)
Capital grants and contributions				-	-	-	-	-	-	-
Total business-type activities program revenues	162,561	137,353	161,963	-	(301,527)	(275,178)	(279,461)	(225,763)	(220,492)	(242,580)
Total district program revenues	388,329	459,503	247,009	-	(1,047,502)	(1,255,224)	(1,262,112)	(1,113,499)	(1,503,051)	(1,873,268)
Net (Expense)/Revenue										
Governmental activities	(10,305,113)	(10,457,731)	(9,555,239)	(10,195,511)	(10,554,529)	(11,163,832)	(11,463,598)	(11,362,922)	(12,115,189)	(12,376,242)
Business-type activities	(15,590)	(14,347)	1,189	134,125	(44,906)	(43,126)	(31,310)	(64,455)	32,093	24,254
Total district-wide net expense	\$ (10,320,703)	\$ (10,472,078)	\$ (9,554,050)	\$ (10,061,386)	\$ (10,599,435)	\$ (11,206,958)	\$ (11,494,908)	\$ (11,427,377)	\$ (12,083,096)	\$ (12,351,988)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net				\$ 8,946,992	\$ 9,586,658	\$ 9,778,391	\$ 10,056,401	\$ 10,358,093	\$ 10,740,680	\$ 11,173,136
Taxes levied for debt service				115,686	120,000	115,990	94,349	107,613	105,033	1,034,441
Unrestricted grants and contributions				504,855	516,298	571,739	602,645	686,762	755,937	1,198,669
State aid - restricted				262,295	219,488	365,245	285,139	274,698	-	-
Tuition Received				-	-	-	-	-	-	-
Investment earnings				5,221	8,083	28,212	32,815	23,668	96,242	55,236
Transfer				-	(50,679)	-	-	-	-	-
Miscellaneous restricted income				387,729	84,971	324,069	50,726	37,278	78,521	5,681
Miscellaneous income				-	-	-	-	-	2,164	13,980
Other financing sources / uses				(785,483)	(200,252)	-	453,498	-	-	-
Total governmental activities	10,629,209	10,659,732	10,580,668	9,437,295	10,284,567	11,183,646	11,575,573	11,488,112	11,778,577	13,481,143
Business-type activities:										
Investment earnings				33	689	1,377	1,244	660	21	41
Transfers				24,315	50,679	-	-	-	-	-
Total business-type activities	-	-	39	24,348	51,368	1,377	1,244	660	21	41
Total district-wide	\$ 10,629,209	\$ 10,659,732	\$ 10,580,707	\$ 9,437,328	\$ 10,285,256	\$ 11,185,023	\$ 11,576,817	\$ 11,488,772	\$ 11,778,598	\$ 13,481,184
Change in Net Position										
Governmental activities	324,096	202,001	1,025,429	(758,216)	(269,962)	19,814	111,975	125,190	(336,612)	1,104,901
Business-type activities	(15,590)	(14,347)	1,228	158,473	6,462	(41,749)	(30,066)	(63,795)	32,114	24,295
Total district	\$ 308,506	\$ 187,654	\$ 1,026,657	\$ (599,743)	\$ (263,500)	\$ (21,935)	\$ 81,909	\$ 61,395	\$ (304,498)	\$ 1,129,196

Source: ACFR Schedule A-2 and District records.

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 1,241,146	\$ 1,504,261	\$ 1,131,404	\$ 1,088,010	\$ 1,380,808	\$ 1,511,111
Committed	-	-	-	-	3,410	123,808	-	350	129,130	262,386
Assigned	-	-	-	-	7,187	11,182	-	50,905	59,798	242,794
Unassigned	-	-	-	-	216,636	264,970	252,170	257,492	440,836	322,953
Reserved	980,045	1,289,734	2,165,902	1,137,261	-	-	-	-	-	-
Unreserved	217,955	52,255	213,480	213,346	-	-	-	-	-	-
Total general fund	<u>\$ 1,198,000</u>	<u>\$ 1,341,989</u>	<u>\$ 2,379,382</u>	<u>\$ 1,350,607</u>	<u>\$ 1,468,379</u>	<u>\$ 1,904,221</u>	<u>\$ 1,383,574</u>	<u>\$ 1,396,757</u>	<u>\$ 2,010,572</u>	<u>\$ 2,339,244</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special Revenue fund	-	-	-	-	-	-	-	-	51,644	50,940
Debt service fund	3,225	2,632	(393)	811	16,649	15,838	6	6	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	28,245,934	17,200,666
Debt service fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,225</u>	<u>\$ 2,632</u>	<u>\$ (393)</u>	<u>\$ 811</u>	<u>\$ 16,649</u>	<u>\$ 15,838</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 28,297,578</u>	<u>\$ 17,251,606</u>

Source: ACFR Schedule B-1 and District records.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	8,969,686	8,712,664	8,882,686	9,062,678	9,706,658	9,894,381	10,150,750	10,465,706	10,845,713	12,207,577
Tuition charges	-	-	-	331,893	304,623	295,448	217,899	136,246	59,990	144,303
Interest earnings	-	-	-	5,221	8,083	28,212	32,815	23,668	96,242	55,236
Transportation fees	-	-	-	-	-	4,918	6,150	600	-	-
Rents and royalties	-	-	-	-	-	18,550	18,550	12,985	-	-
Miscellaneous	310,116	284,315	232,728	55,836	20,690	5,153	26,026	23,693	117,344	57,606
Miscellaneous Restricted Revenue	-	-	-	-	-	-	-	-	2,164	13,980
State sources	1,394,827	1,315,325	1,470,436	1,240,016	1,262,273	1,551,785	1,367,397	1,438,252	1,587,919	2,139,171
Federal sources	186,158	633,457	473,311	262,295	219,488	365,245	285,139	274,698	351,764	493,958
Total revenue	10,860,787	10,945,761	11,059,161	10,957,939	11,521,815	12,163,692	12,104,726	12,375,848	13,061,136	15,111,831
Expenditures										
Instruction										
Regular Instruction	2,812,502	3,132,902	2,615,461	3,428,786	3,485,308	3,649,558	3,648,729	3,630,997	3,923,681	4,141,531
Special education instruction	1,072,228	1,031,845	800,250	802,143	1,059,188	1,049,990	1,223,531	1,381,182	1,359,410	1,703,774
Other special instruction	125,380	85,153	115,785	105,614	188,307	219,538	203,012	139,581	125,394	148,094
Support Services:										
Tuition	33,804	122,846	54,571	103,972	99,389	138,103	221,724	146,544	198,496	160,532
Student & inst. related services	1,364,069	1,387,374	1,189,288	292,774	337,751	324,551	334,166	339,935	333,712	377,740
General administration	629,569	632,275	324,501	198,406	238,729	304,133	301,641	352,256	351,567	355,048
School administrative services	314,478	260,420	305,512	359,397	360,618	376,407	380,218	354,623	376,100	376,956
Central services	-	-	-	137,619	138,796	171,244	183,975	204,267	247,336	271,140
Admin. information technology	-	-	-	37,708	35,849	9,636	4,748	30,148	29,749	16,450
Plant operations and maintenance	795,448	631,231	697,456	695,588	747,716	753,793	1,023,503	762,097	769,849	787,293
Security	-	-	-	48,622	69,993	77,005	93,329	86,369	77,573	123,205
Pupil transportation	394,015	337,422	340,301	361,602	308,378	280,081	459,728	299,085	305,071	422,249
Other Support Services	-	-	-	1,007,922	941,438	859,984	1,101,563	1,309,056	1,289,385	1,486,445
Employee benefits	2,700,983	2,677,262	2,974,793	2,780,189	2,914,207	3,220,530	3,129,334	3,048,340	3,028,438	2,900,032
On-behalf TPAF pension contributions	-	-	-	-	-	-	-	-	-	-
Contributions										
Special Schools	186,158	199,304	30,475	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	171,356	172,256	172,956	115,000	120,000	130,000	130,000	130,000	130,000	135,000
Interest and other charges	-	-	-	58,457	43,239	41,554	36,944	33,050	29,150	1,281,369
Capital outlay	115,546	4,147	174,046	223,392	103,368	122,554	165,060	115,135	4,947,926	11,142,273
Total expenditures	10,715,536	10,674,437	9,795,395	10,757,191	11,192,274	11,728,661	12,641,205	12,362,665	17,522,837	25,829,131
Excess (Deficiency) of revenues over (under) expenditures	145,251	271,324	1,263,766	200,748	329,541	435,031	(536,479)	13,183	(4,461,701)	(10,717,300)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing sources (uses)										
Adjustment for Payroll Agency Disbursements	-	-	-	(327,015)	100,000	-	-	-	-	-
Community Development Loan never drawn down	-	-	-	(442,836)	(245,252)	-	-	-	-	-
Community Development Loan cash drawdown not recorded	-	-	-	(434,153)	-	-	-	-	-	-
Sale of bonds	-	-	-	-	-	-	-	-	33,154,000	-
Transfers in	-	36,121	-	-	-	-	-	-	-	-
Transfers out	(5,810)	-	(393,447)	(24,315)	(50,679)	-	-	-	-	-
Total other financing sources (uses)	<u>(5,810)</u>	<u>36,121</u>	<u>(393,447)</u>	<u>(1,228,319)</u>	<u>(195,931)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,154,000</u>	<u>-</u>
Net change in fund balances	<u>139,441</u>	<u>307,445</u>	<u>870,319</u>	<u>(1,027,571)</u>	<u>133,610</u>	<u>435,031</u>	<u>(536,479)</u>	<u>13,183</u>	<u>28,692,299</u>	<u>(10,717,300)</u>
Debt service as a percentage of noncapital expenditures	1.62%	1.61%	1.80%	0.031	0.020	0.022	0.023	0.020	0.013	0.096

Source: ACFR Schedule B-1 and District records.

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

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Rentals	Prior Year Refunds	Transportat ion Fees	Miscellaneous	Annual Totals
2013	245,346	6,915	-	-	-	57,855	310,116
2014	249,257	6,174	-	-	-	28,884	284,315
2015	189,928	6,768	-	-	-	36,032	232,728
2016	331,893	5,221	-	-	-	55,836	392,950
2017	304,623	8,083	-	-	-	19,086	331,792
2018	295,448	24,434	-	-	-	3,027	322,909
2019	217,899	32,815	18,550	-	6,150	9,132	284,546
2020	136,246	23,668	12,985	-	600	3,177	176,676
2021	59,990	96,242	-	-	-	78,521	234,753
2022	144,303	55,236	-	-	-	5,681	205,220

Source: District records

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

Oceanport Boro

Fiscal Year Ended June 30,	Net Assessed Valuation	Estimated Full Cash Valuations	% of Net Assessed to Estimated Full Cash Valuations
2013	1,020,133,815	1,141,027,317	89.40%
2014	1,031,964,800	1,137,778,170	90.70%
2015	1,144,745,650	1,269,400,809	90.18%
2016	1,040,047,619	1,168,755,514	88.99%
2017	1,296,265,900	1,296,916,659	99.95%
2018	1,296,619,659	1,255,706,578	103.26%
2019	1,332,629,300	1,349,558,785	98.75%
2020	1,374,013,000	1,398,771,251	98.23%
2021	1,374,727,744	1,399,485,955	98.23%
2022	1,516,166,711	1,524,091,106	99.48%

Sea Bright Boro

2013	447,804,294	632,760,059	70.77%
2014	467,246,587	724,188,758	64.52%
2015	437,700,056	634,347,907	69.00%
2016	683,156,100	683,634,536	99.93%
2017	737,640,000	738,116,674	99.94%
2018	737,640,000	738,116,674	99.94%
2019	777,727,764	777,222,400	100.07%
2020	821,693,910	821,157,600	100.07%
2021	862,356,689	987,808,349	87.30%
2022	974,602,783	987,726,274	98.67%

Source: Abstract of Ratables

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

OCEANPORT

Fiscal Year Ended June 30,	Oceanport School District	Shore Regional High School	Oceanport Borough	Monmouth County	Total Direct and Overlapping Tax Rate
2013	0.784	0.405	0.508	0.346	2.043
2014	0.806	0.352	0.539	0.348	2.045
2015	0.806	0.372	0.549	0.347	2.074
2016	0.852	0.395	0.559	0.337	2.143
2017	0.892	0.344	0.584	0.337	2.157
2018	0.743	0.271	0.487	0.288	1.789
2019	0.740	0.289	0.497	0.275	1.801
2020	0.744	0.298	0.493	0.283	1.818
2021	0.744	0.298	0.493	0.283	1.818
2022	0.772	0.286	0.479	0.265	1.802

SEA BRIGHT

Fiscal Year Ended June 30,	Oceanport School District	Shore Regional High School	Sea Bright Borough	Monmouth County	Total Direct and Overlapping Tax Rate
2013	0.159	0.444	0.775	0.428	1.806
2014	0.122	0.586	0.808	0.481	1.997
2015	0.177	0.492	0.892	0.432	1.993
2016	0.124	0.311	0.596	0.274	1.305
2017	0.092	0.477	0.607	0.283	1.459
2018	0.070	0.484	0.593	0.289	1.436
2019	0.077	0.405	0.578	0.297	1.357
2020	0.076	0.336	0.567	0.305	1.284
2021	1.080	0.299	0.548	0.290	2.217
2022	0.099	0.265	0.503	0.263	1.130

Source: Abstract of Ratables

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

OCEANPORT BOROUGH

	2022			2013	
	Assessed Valuation	As a percentage of District Net Assessed Valuation		Assessed Valuation	As a percentage of District Net Assessed Valuation
NJ Sports & Exposition Authority	-	0.00%	NJ Sports & Exposition Authority	-	0.00%
Residences at Fort Monmouth	-	0.00%	MPCC II LLC	-	0.00%
MPCC II LLC	-	0.00%	NJ Sports & Exposition Authority	-	0.00%
NJ Sports & Exposition Authority	-	0.00%	NJ Sports & Exposition Authority	-	0.00%
Acutecare Management Services	-	0.00%	NJ Sports & Exposition Authority	-	0.00%
Oceanport Village Center LLC	-	0.00%	Individual Taxpayer #1	-	0.00%
NJ Sports & Exposition Authority	-	0.00%	Individual Taxpayer #2	-	0.00%
Individual Taxpayer #1	-	0.00%	Individual Taxpayer #3	-	0.00%
Individual Taxpayer #2	-	0.00%	Individual Taxpayer #4	-	0.00%
Individual Taxpayer #3	-	0.00%	NJ Sports & Exposition Authority	-	0.00%

SEA BRIGHT

	2022			2013	
	Assessed Valuation	As a percentage of District Net Assessed Valuation		Assessed Valuation	As a percentage of District Net Assessed Valuation
1485 Ocean Ave Realty	-	0.00%	Ocean Ave Realty	-	0.00%
Edgewater Beach Inc	-	0.00%	Edgewater Beach Inc	-	0.00%
Surfrider Beach Club, LLC	-	0.00%	Individual Taxpayer #1	-	0.00%
Beach Club Holdings, LLC	-	0.00%	Individual Taxpayer #2	-	0.00%
Rozinante, Inc	-	0.00%	Hudson City Savings Bank	-	0.00%
Seabright Beach Club	-	0.00%	Individual Taxpayer #3	-	0.00%
Navesink Partners LLC	-	0.00%	Ocean First Bank	-	0.00%
SBBP LLC	-	0.00%	Individual Taxpayer #4	-	0.00%
Sea Bright Hospitality Group LLC	-	0.00%	Individual Taxpayer #5	-	0.00%
280 Ocean Ave Sea Bright, LLC	-	0.00%	Individual Taxpayer #6	-	0.00%

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

OCEANPORT			
Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percentage of Levy
2013	22,750,738	22,516,405	98.97%
2014	21,104,190	20,785,362	98.49%
2015	21,169,799	20,919,917	98.82%
2016	22,279,955	22,030,420	98.88%
2017	22,580,860	22,348,147	98.97%
2018	23,236,456	22,685,656	97.63%
2019	23,963,331	23,673,465	98.79%
2020	25,084,523	25,014,943	99.72%
2021	25,271,218	-	0.00%
2022	27,621,446	-	0.00%

SEA BRIGHT			
Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percentage of Levy
2013	8,145,264	7,957,350	97.69%
2014	9,330,829	9,169,206	98.27%
2015	8,841,471	8,637,632	97.69%
2016	8,985,795	8,760,350	97.49%
2017	10,324,683	10,144,141	98.25%
2018	10,670,499	10,494,013	98.35%
2019	10,649,845	10,467,681	98.29%
2020	10,606,311	10,267,367	96.80%
2021	10,736,038	10,653,089	99.23%
2022	11,009,517	-	N/A

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

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

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total Debt Per District	Percentage of Personal Income	Per Capita
2013	1,695,000	29,089	1,724,089	3.30%	290.59
2013	1,695,000	29,069	1,724,089	0.51%	295.58
2014	1,590,000	18,522	1,608,522	0.44%	273.28
2015	1,480,000	129,662	1,609,662	0.55%	280.48
2016	1,360,000	205,014	1,565,014	0.41%	272.70
2017	1,200,000	147,505	1,347,505	0.34%	235.99
2018	1,070,000	103,739	1,173,739	0.29%	204.87
2019	940,000	59,599	999,599	0.24%	178.62
2020	810,000	72,798	882,798	0.35%	154.28
2021	33,834,000	41,230	33,875,230	9.25%	5,935.73
2022	33,699,000	31,277	33,730,277	10.32%	5,498.90

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

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

Fiscal Year Ended June 30,	School District Population	Net Assessed Valuation Taxable	Net Bonded Debt	Ratio of Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2013	5,833	1,050,192,330	1,695,000	0.161%	290.59
2014	5,816	1,019,494,800	1,590,000	0.156%	270.13
2015	5,672	1,031,964,800	1,480,000	0.143%	260.93
2016	5,739	1,028,488,106	1,360,000	0.132%	236.98
2017	5,725	1,144,745,650	1,200,000	0.105%	209.61
2018	5,755	1,296,619,659	1,070,000	0.103%	185.93
2019	5,751	1,333,347,020	940,000	0.720%	163.45
2020	5,722	1,374,727,744	810,000	0.059%	141.56
2021	5,707	2,387,294,344	33,834,000	1.417%	96.56
2022	7,585	2,511,817,380	33,699,000	1.342%	71.85

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

See Exhibit J-6 for property tax data

See Exhibit J-14 for population data

OCEANPORT SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022
UNAUDITED

	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVERLAPPING DEBT
OCEANPORT			
Net Direct Debt of the School District as of June 30, 2022	\$ 33,730,277		-
Net Overlapping Debt of School District:			
Oceanport		\$ -	
Regional High School		-	
County of Monmouth		-	
		-	
Subtotal, Overlapping Debt		-	
			33,730,277
Total Direct and Overlapping Bonded Debt as of June 30, 2022			\$ 33,730,277
SEA BRIGHT			
Debt repaid with Property Taxes	-		-
Other Debt:			
Two Rivers Sewer Authority	\$ -	\$ -	-
Sub-total of Overlapping Debt	-		-
Regional School District Direct Debt	-	\$ -	-
Local School District Debt	-	-	-
			-
Total Direct and Overlapping Bonded Debt as of June 30, 2022			\$ -

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

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

Year	Equalized Valuation Basis
2022	\$ 1,516,166,711
2021	1,404,066,226
2020	1,350,216,505
[A]	4,270,449,442
[A/3]	\$ 1,423,483,147
[B]	42,704,494
[C]	-
[B-C]	\$ 42,704,494

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt limit	\$ 42,704,494	\$ 26,252,594	\$ 38,715,491	\$ 37,121,690	\$ 37,065,269	\$ 33,687,254	\$ 32,865,575	\$ 33,232,144	\$ 34,893,548	\$ 35,773,064
Total net debt applicable to limit	-	-	940,000	940,000	1,070,000	1,200,000	1,360,000	1,480,000	1,585,000	1,695,000
Legal debt margin	<u>\$ 42,704,494</u>	<u>\$ 26,252,594</u>	<u>\$ 37,775,491</u>	<u>\$ 36,181,690</u>	<u>\$ 35,995,269</u>	<u>\$ 32,487,254</u>	<u>\$ 31,505,575</u>	<u>\$ 31,752,144</u>	<u>\$ 33,308,548</u>	<u>\$ 34,078,064</u>

Year	Equalized Valuation Basis
2022	\$ 974,602,783
2021	862,356,689
2020	888,252,251
[A]	2,725,211,723
[A/3]	\$ 908,403,908
[B]	27,252,117
[C]	-
[B-C]	\$ 27,252,117

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

	2022	2021	2020	2019	2018	2017
Debt limit	\$ 27,252,117	\$ -	\$ -	\$ 13,828,101	\$ 13,828,101	\$ 11,213,346
Total net debt applicable to limit	-	-	-	-	-	-
Legal debt margin	<u>\$ 27,252,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,828,101</u>	<u>\$ 13,828,101</u>	<u>\$ 11,213,346</u>

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

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

Year	Unemployment Rate	Personal Income	Per Capita Personal Income	Population
2013	4.60%	340,384,715	63,067	5,833
2014	13.10%	361,553,436	61,426	5,886
2015	6.30%	293,429,576	51,733	5,672
2016	5.30%	378,883,041	66,019	5,739
2017	4.80%	397,382,250	69,410	5,725
2018	4.10%	409,968,935	71,237	5,755
2019	4.20%	433,596,645	75,395	5,751
2020	3.00%	254,955,154	44,557	5,722
2021	3.80%	366,173,578	64,162	5,707
2022	3.20%	326,942,200	53,300	6,134

Seabright Boro

2017	4.10%	96,271,670	69,410	1,387
2018	3.70%	98,948,193	71,237	1,389
2019	3.40%	100,383,580	73,595	1,364
2020	6.10%	113,895,834	85,653	1,378
2021	4.40%	104,409,202	78,209	1,335
2022	3.20%	87,350,200	60,200	1,451

Source: New Jersey Department of Labor and Workforce Development

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

OCEANPORT
2022

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

SEA BRIGHT
2022

Company	Number of Employees	Percentage of Total Municipal Employment
Tommy's Tavern & Tap	N/A	Unavailable
Edgewater Beach Club	N/A	Unavailable
Rum Runner	N/A	Unavailable
Sea Bright Beach Club	N/A	Unavailable
Ocean House Tap & Grille	N/A	Unavailable
Surfrider Beach club	N/A	Unavailable
Woody's	N/A	Unavailable
Navesink Partners	N/A	Unavailable
Sands Beach Club	N/A	Unavailable
Chapel Beach Club	N/A	Unavailable

Source: Borough of Oceanport

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	46.00	47.00	50.00	50.00	44.20	44.60	45.60	47.20	48.50	48.20
Special education	37.00	38.00	34.00	32.00	35.30	41.80	41.80	42.40	43.00	42.50
Other instruction										
Support Services:										
Student & instruction related services	3.00	3.00	4.00	8.20	8.20	7.70	8.70	8.70	8.50	8.50
General administration	0.60	0.60	0.60	0.60	1.30	1.30	1.30	1.30	1.50	2.00
School administrative services	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	3.50	4.00
Other administrative services	-	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.00	0.00
Central services	5.00	4.00	4.00	4.00	1.60	1.60	1.60	2.60	3.00	3.00
Administrative Information Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25
Plant operations and maintenance	5.00	5.00	5.00	5.00	8.20	8.20	8.20	6.00	6.00	5.00
Other support services	2.00	1.00	1.00	1.00	2.50	2.50	2.50	2.50	2.50	2.50
Total	<u>102.60</u>	<u>102.85</u>	<u>102.85</u>	<u>105.05</u>	<u>106.55</u>	<u>112.95</u>	<u>114.95</u>	<u>115.95</u>	<u>117.50</u>	<u>116.95</u>

Source: District Records

OCEANPORT SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	637	10,242,476	16,079	5.25%	83	7.7	617.9	599.4	-4.50%	97.00%
2014	618	10,515,273	16,206	5.99%	85	7.3	615.0	587.8	-0.47%	95.58%
2015	614	10,215,578	16,638	8.43%	84	7.3	602.0	590.0	-2.57%	98.01%
2016	610	9,610,563	15,755	-5.31%	84	7.3	604.2	581.4	-1.45%	96.22%
2017	610	10,357,899	16,980	7.78%	73	8.3	609.8	581.7	0.92%	95.39%
2018	580	10,209,690	17,603	11.73%	74	7.8	572.0	546.0	-6.19%	95.45%
2019	610	12,309,201	20,179	28.08%	75	8.1	603.3	573.5	5.47%	95.06%
2020	606	12,084,480	19,941	26.57%	80	7.6	606.9	585.5	0.60%	96.48%
2021	545	12,415,761	22,781	44.60%	85	6.4	542.2	527.7	-10.60%	96.83%
2022	554	13,270,489	23,954	52.04%	85	6.5	554.9	529.3	2.99%	95.39%

Source: School Register Summary, District Records

OCEANPORT SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 UNAUDITED

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
<u>Elementary</u>										
Wolf Hill										
Square Feet	41,881	41,881	41,881	41,881	41,881	41,881	41,881	41,881	41,881	41,881
Capacity	465	465	465	465	465	465	465	465	465	465
Enrollment	355	317	339	338	341	342	356	359	290	290
<u>Middle School</u>										
Square Feet	58,327	58,327	58,327	58,327	58,327	58,327	58,327	58,327	58,327	58,327
Capacity	366	366	366	366	366	366	366	366	366	366
Enrollment	282	298	275	265	269	238	254	247	255	264

Source: District Records

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

Fiscal Year Ended June 30,	Maple Place School	Wolf Hill Elementary	Total
2013	37,470	40,790	78,260
2014	27,710	31,165	58,875
2015	160,875	207,667	368,542
2016	83,319	40,759	124,078
2017	75,702	54,818	130,520
2018	99,088	79,879	178,967
2019	294,746	119,441	414,187
2020	56,989	79,368	136,357
2021	71,450	147,556	219,006
2022	77,790	62,305	140,095

Source: District records

**OCEANPORT SCHOOL DISTRICT
Insurance Schedule
June 30, 2022
UNAUDITED**

Insurance Coverage is provided by Boynton & Boynton of NJ
Policy period runs from July 1, 2020 thru July 1, 2022

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

Source: District Records

SINGLE AUDIT SECTION



K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oceanport School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise of the Oceanport School District basic financial statements, and have issued our report thereon dated February 10, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

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



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

Toms River, New Jersey
February 10, 2023



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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Oceanport School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Oceanport School District's major federal and state programs for the year ended June 30, 2022. Oceanport School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Oceanport School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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 the New Jersey OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Oceanport School District 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 program. Our audit does not provide a legal determination of Oceanport School District'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 Oceanport School District'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 Oceanport School District'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 New Jersey 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 Oceanport School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey 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 Oceanport School District'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 Oceanport School District'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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Oceanport School District'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.

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

Respectfully submitted,

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



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

Toms River, New Jersey
February 10, 2023

OCEANPORT SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards, Schedule A

For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Program or Award Amount	Balance at June 30, 2021	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2022		
									Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture											
Passed-through State Department of Education											
Child Nutrition Cluster											
Emergency Operational Cost Program	10.550	7/1/21-6/30/22	\$ 5,107		\$ 5,107	\$ (5,107)					
Summer Food Service Program for Children	10.555	7/1/20-6/30/21	159,747	(13,956)	13,956	-	-	-			
Summer Food Service Program for Children	10.555	7/1/21-6/30/22	199,028	-	185,048	(199,028)	-	-	(13,980)	-	-
National School PB Lunch Program	10.555	7/1/20-6/30/21	3,186	(278)	278	-	-	-			
National School Lunch Program	10.555	7/1/21-6/30/22	931	-	931	(931)	-	-			
Subtotal of Child Nutrition Cluster				(14,234)	205,320	(205,066)	-	-	(13,980)	-	-
Food Distribution	10.550	7/1/21-6/30/22	20,124	-	20,124	(20,124)	-	-			
P-EBT Administrative Cost Grant	10.649	7/1/21-6/30/22	1,242	-	1,242	(1,242)	-	-			
Total U.S.Department of Agriculture				(14,234)	226,686	(226,432)	-	-	(13,980)	-	-
U.S. Department of Education											
Passed-through State Department of Education											
Special Revenue Fund:											
Title I	84.010A	7/1/20-6/30/21	103,099	(54,666)	54,666	-	-	-			
Title I	84.010A	7/1/21-6/30/22	63,703	-	52,016	(57,687)	-	-	(5,671)	-	-
Title II, Part A	84.367A	7/1/20-6/30/21	14,908	(1,311)	1,311	-	-	-			
Title II, Part A	84.367A	7/1/21-6/30/22	11,480	-	5,371	(5,371)	-	-			
Title IV	84.424A	7/1/20-6/30/21	10,000	(194)	194	-	-	-			
Title IV	84.424A	7/1/21-6/30/22	7,000	-	5,166	(5,166)	-	-			
Elementary and Secondary Education Cluster:											
CARES Emergency Relief Grant	84.425D	3/13/20-9/30/22	82,375	(8,521)	38,681	(30,160)	-	-			
ARP ESSER	84.425U	3/13/20-9/30/24	758,810	-	-	(36,451)	-	-	(36,451)	-	-
ARP ESSER Summer Learning	84.425U	3/13/20-9/30/24	40,000	-	-	(1,883)	-	-	(1,883)	-	-
ESSER II - CRRSA	84.425D	3/13/20-9/30/23	337,634	-	166,192	(166,192)	-	-			
ESSER II - CR Learning Acceleration	84.425D	3/13/20-9/30/23	25,000	-	4,790	(5,764)	-	-	(974)	-	-
ESSER II - Mental Health	84.425D	3/13/20-9/30/23	45,000	-	27,778	(27,778)	-	-			
Subtotal Elementary and Secondary Education Cluster				(8,521)	237,441	(268,228)	-	-	(39,308)	-	-
Special Education Cluster:											
IDEA Basic	84.027	7/1/20-6/30/21	162,125	(14,520)	14,520	-	-	-			
IDEA Basic	84.027	7/1/21-6/30/22	152,527	-	146,568	(152,473)	-	-	(5,905)	-	-
IDEA Preschool	84.173	7/1/21-6/30/22	5,858	-	3,029	(3,029)	-	-			
ARP I.D.E.A Part B Basic Regular	84.027X	7/1/21-6/30/22	23,560	-	-	(1,739)	-	-	(1,739)	-	-
Subtotal of Special Education Cluster				(14,520)	164,117	(157,241)	-	-	(7,644)	-	-
Total U.S.Department of Education				(79,212)	520,282	(493,693)	-	-	(52,623)	-	-
Total Expenditures of Federal Awards				\$ (93,446)	\$ 746,968	\$ (720,125)	\$ -	\$ -	\$ (66,603)	\$ -	\$ -

See accompanying notes to schedules of expenditures.

OCEANPORT SCHOOL DISTRICT

Schedule of Expenditures of State Financial Assistance, Schedule B

For the Year Ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021			Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2022			MEMO		
			From	To	Deferred Revenue (Accts Receivable)	Cash Received	Budgetary Expenditures		(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education														
General Fund:														
Transportation Aid	22-495-034-5120-014	92,108	7/1/21	6/30/22	-	83,242	(92,108)	-	-	-	-	(8,866)	92,108	
Special Education Aid	22-495-034-5120-012	503,783	7/1/21	6/30/22	-	455,288	(503,783)	-	-	-	-	(48,495)	503,783	
Extraordinary Aid	22-495-034-5120-044	160,530	7/1/21	6/30/22	-	-	(160,530)	-	(160,530)	-	-	-	160,530	
Extraordinary Aid	21-495-034-5120-044	144,798	7/1/20	6/30/21	(144,798)	144,798	-	-	-	-	-	-	-	
Security Aid	22-495-034-5120-084	20,253	7/1/21	6/30/22	-	18,303	(20,253)	-	-	-	-	(1,950)	20,253	
Adjustment Aid	22-495-034-5120-085	5,444	7/1/21	6/30/22	-	4,920	(5,444)	-	-	-	-	(524)	5,444	
Securing our Childrens Future Bond Act	20-SS04-H-03	30,925	7/1/21	6/30/22	-	30,925	(30,925)	-	-	-	-	-	30,925	
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	427,471	7/1/21	6/30/22	-	406,521	(427,471)	-	(20,950)	-	-	-	427,471	
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	400,471	7/1/20	6/30/21	(20,212)	20,212	-	-	-	-	-	-	-	
On-Behalf TPAF Pension Contribution	22-100-034-5095-002	2,012,938	7/1/21	6/30/22	-	2,012,938	(2,012,938)	-	-	-	-	-	2,012,938	
On-Behalf TPAF Post-Retirement Medical	22-100-034-5095-001	470,304	7/1/21	6/30/22	-	470,304	(470,304)	-	-	-	-	-	470,304	
On-Behalf TPAF Long-Term Disability Insu	22-100-034-5095-004	491	7/1/21	6/30/22	-	491	(491)	-	-	-	-	-	491	
Nonpublic Transportation Aid	22-495-034-5120-014	11,310	7/1/21	6/30/22	-	-	(11,310)	-	(11,310)	-	-	-	11,310	
Nonpublic Transportation Aid	21-495-034-5120-014	12,480	7/1/20	6/30/21	(12,480)	12,480	-	-	-	-	-	-	-	
Total General Fund					(177,490)	3,660,422	(3,735,557)	-	(192,790)	-	-	(59,835)	3,735,557	
Special Revenue Fund:														
N.J. Nonpublic Textbook Aid	22-100-034-5120-064	2,101	7/1/21	6/30/22	-	2,101	(2,034)	-	-	-	67	-	2,034	
N.J. Nonpublic Nursing Aid	22-100-034-5120-070	3,920	7/1/21	6/30/22	-	3,920	(3,599)	-	-	-	321	-	3,599	
N.J. Nonpublic Technology Aid	22-100-034-5120-373	1,470	7/1/21	6/30/22	-	1,470	(899)	-	-	-	571	-	899	
N.J. Nonpublic Security Aid	22-100-034-5120-509	7,700	7/1/21	6/30/22	-	7,700	(7,639)	-	-	-	61	-	7,639	
N.J. Nonpublic Chapter 192/193	22-100-034-5120-067	35,591	7/1/21	6/30/22	-	35,591	(16,472)	-	-	-	19,119	-	16,472	
SDA Emergency	22-100-034-5120-519	13,240	7/1/21	6/30/22	-	13,240	(11,593)	-	-	1,647	-	-	11,593	
Total Special Revenue Fund					-	64,022	(42,236)	-	-	1,647	20,139	-	42,236	
Debt Service Fund														
Debt service aid Type II	22-495-034-5120-017	381,928	7/1/21	6/30/22	-	381,928	(381,928)	-	-	-	-	-	381,928	
Food Service Fund														
State School Lunch Program	21-100-010-3350-023	7,421	7/1/20	6/30/22	(1,014)	1,014	-	-	-	-	-	-	-	
State School Lunch Program	22-100-010-3350-023	4,671	7/1/21	6/30/22	-	4,349	(4,671)	-	(322)	-	-	-	4,671	
Total Food Service Fund					(1,014)	5,363	(4,671)	-	(322)	-	-	-	4,671	
Total State Expenditures Subject to Single Audit Determination					(178,504)	4,047,713	(4,122,156)	-	(193,112)	-	-	(59,835)	4,122,156	
State Expenditures Not Subject to Major Program Determination														
On-Behalf TPAF Pension Contribution	22-100-034-5095-002	2,012,938	7/1/2021	6/30/2022	-	-	2,012,938	-	-	-	-	-	-	
On-Behalf TPAF Post-Retirement Medical	22-100-034-5095-001	470,304	7/1/2021	6/30/2022	-	-	470,304	-	-	-	-	-	-	
On-Behalf TPAF Long-Term Disability Insu	22-100-034-5095-004	491	7/1/2021	6/30/2022	-	-	491	-	-	-	-	-	-	
Total State Expenditures Not Subject to Major Program Determination					-	-	2,483,733	-	-	-	-	-	-	
Total Expenditures of State Awards Subject to Major Program Determination														
					\$ (178,504)	\$ 4,047,713	\$ (1,638,423)	\$ -	\$ (193,112)	\$ -	\$ -	\$ (59,835)	\$ 4,122,156	

See accompanying notes to schedules of expenditures.

Oceanport School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2022

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments 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 one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(2,020,550) for the general fund, \$- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page.

Oceanport School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2022

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,715,007	\$ 1,715,007
Special Revenue Fund	493,958	42,236	536,194
Debt Service Fund	-	381,928	381,928
Capital Projects Fund	-	-	-
Food Service Fund	<u>226,432</u>	<u>4,671</u>	<u>231,103</u>
Total awards and financial assistance	<u>\$ 720,390</u>	<u>\$ 2,143,842</u>	<u>\$ 2,864,232</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2022.

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

6. Indirect Costs

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

Oceanport School District
 Schedule of Findings and Questioned Costs
 June 30, 2022

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

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards Section - N/A

Internal Control over major programs:

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? __yes _____no

Oceanport School District

Schedule of Findings and Questioned Costs (Cont'd)

June 30, 2022

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

State Awards Section

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

Auditee qualified as low-risk auditee? yes no

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

Internal Control over major programs:

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

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

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5094-003	Reimbursed TPAF Social Security Contributions

Oceanport School District
Schedule of Findings and Questioned Costs (Cont'd)
June 30, 2022

Section II - Financial Statement Findings - N/A

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

Oceanport School District
Summary Schedule of Prior Audit Findings
June 30, 2022

Summary Schedule of Prior Year Audit Findings - N/A