

**SEASIDE HEIGHTS SCHOOL DISTRICT**

**Seaside Heights, New Jersey  
County of Ocean**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2022**

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE  
SEASIDE HEIGHTS SCHOOL DISTRICT  
SEASIDE HEIGHTS, NEW JERSEY**

**YEAR ENDED JUNE 30, 2022**

**PREPARED BY DISTRICT FINANCE OFFICER  
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY  
KEVIN O'SHEA**

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**INTRODUCTORY SECTION**

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# ***Seaside Heights School District***

1200 Bay Boulevard  
Seaside Heights, NJ 08751  
(732) 793-8485 Fax (732) 793-5874

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*Dr. Triantafillos Parlapanides*  
*Superintendent of Schools*

*Christopher Raichle*  
*Principal*

*Kevin O'Shea*  
*Business Admin/Board Secretary*

February 24, 2023

Honorable President and Members of the Board of Education  
Seaside Heights School District  
1200 Bay Boulevard  
Seaside Heights, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit 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 New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendation, are included in the single audit section of this report.

## **1. REPORTING ENTITY AND ITS SERVICES:**

Seaside Heights School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 as amended by GASB Statement No. 39. All funds and account groups of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular as well as special education for handicapped youngsters. The School District's enrollments for the past ten years are detailed below on the next page.

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2021-22	187	-11.37%
2020-21	211	19.89%
2019-20	176	-13.30%
2018-19	203	-4.25%
2017-18	212	6.53%
2016-17	199	13.02%
2015-16	198	7.81%
2014-15	211	-14.27%
2013-14	207	18.36%
2012-13	232	18.90%

## **2. ECONOMIC CONDITION AND OUTLOOK:**

Seaside Heights is a summer community with a very transient school population. Due to winter rentals, Seaside Heights School District's poverty percentage is high, thus qualifying it as a Title I School, federal dollars are being used aggressively to try to reduce teacher-student ratio, extend the learning day and supplement educational experiences. The Borough of Seaside Heights continues to recover from the impacts of Superstorm Sandy which has reduced its taxable ratable base by approximately 25%.

## **3. MAJOR INITIATIVES:**

School year 2021-22 was a productive and innovative year. The District continued its recovery from Super Storm Sandy. The District continues to enjoy state of the art facilities. The District expanded its Preschool Program and was awarded additional preschool funding from the State of New Jersey

## **4. INTERNAL ACCOUNTING CONTROLS:**

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

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

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

## **5. BUDGETARY CONTROLS:**

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

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

## **6. ACCOUNTING SYSTEM AND REPORTS:**

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

## **7. FINANCIAL INFORMATION AT FISCAL YEAR-END:**

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules will present a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2022.

## **8. DEBT ADMINISTRATION:**

As of June 30, 2022, the District has no outstanding debt.

## **9. CASH MANAGEMENT:**

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



**10. 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.

**11. OTHER INFORMATION:**

**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**12. ACKNOWLEDGMENTS:**

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

Respectfully submitted,



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Triantafillos Parlapanides  
Superintendent of Schools



---

Kevin O'Shea  
Business Administrator/Board Secretary

**SEASIDE HEIGHTS SCHOOL DISTRICT**  
1200 Bay Boulevard  
Seaside Heights, NJ 08751

**Board of Education**

**Superintendent**

**Business Administrator/  
Board Secretary**

**Principal**

**Custodial & Cafeteria Staff**

**Instructional Staff**

**Secretarial Staff**

**SEASIDE HEIGHTS SCHOOL DISTRICT  
SEASIDE HEIGHTS, NEW JERSEY  
ROSTER OF OFFICIALS  
JUNE 30, 2022**

**Members of the Board of Education**

**TERM EXPIRES**

Erik Hershey, President	2023
James Boyd, Vice President	2022
Andrew Leahy	2023
Edward Pasioka	2022
Peter Smith	2024

**Other Officials**

Triantafillos Parlapanides, ED.D., Superintendent of Schools  
Kevin O'Shea, CPA, School Business Administrator/Board Secretary  
Kathleen Magaraci, Treasurer of School Monies  
David M. Cassadonte, Esq., Board Attorney



**SEASIDE HEIGHTS SCHOOL DISTRICT  
SEASIDE HEIGHTS, NEW JERSEY  
CONSULTANTS AND ADVISORS  
JUNE 30, 2022**

**AUDITOR/AUDIT FIRM**

Jerry W. Conaty, CPA, PSA, CFE, RMA  
Holman Frenia Allison, P. C.  
1985 Cedar Bridge Avenue, Suite 3  
Lakewood, New Jersey 08701

**ATTORNEY**

David M. Cassadonte, Esq., Board Attorney  
Attorney At Law  
202 Main Street  
Toms River, New Jersey 08753

**OFFICIAL DEPOSITORY**

Ocean First Bank  
975 Hooper Ave  
Toms River, New Jersey 08753

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**FINANCIAL SECTION**

Second Section

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Seaside Heights School District  
County of Ocean  
Seaside Heights, NJ 08751

### **Report on the Audit of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Seaside Heights School District (hereafter referred to as the School District), County of Ocean, State of New Jersey, as of and for the fiscal 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 the School District as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinion.

### **Emphasis of Matter**

#### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2022 the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District 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 Responsibility**

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

### ***Supplementary Information***

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

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance 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 24, 2023 on our consideration of the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Lakewood, New Jersey  
February 24, 2023



**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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## SEASIDE HEIGHTS SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022 UNAUDITED

This section of the Seaside Heights School District's (the School District) Annual Comprehensive Financial Report (ACFR) presents our discussion and analysis of the School District's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the School District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34, Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2021-2022) and the prior fiscal year (2020-2021) is required to be presented in the MD&A.

#### FINANCIAL HIGHLIGHTS

Key financial highlights for 2022 are as follows:

- In total, net position of governmental activities increased \$812,413 which represents a 50.87% increase from 2021. Total net position of business-type activities increased \$10,961, which represents a 12.03% increase from 2021.
- General revenues accounted for \$4,534,147 in revenue or 57.04% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,414,641 or 42.96% of total revenues of \$7,948,788.
- Total assets of governmental activities increased by \$382,948 as cash and cash equivalents decreased by \$500,839, receivables increased by \$57,907, restricted cash and cash equivalents decreased by \$8,274, and total capital assets and right to use leased assets increased by \$834,154.
- Total liabilities of governmental activities decreased by \$581,202 as non-current liabilities due beyond one year decreased by \$440,260.
- The District had \$6,928,556 in governmental activity expenses; only \$3,206,823 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) of \$4,534,146 were adequate to provide for these programs, resulting in an increase in net position for governmental activities of \$812,413.
- In the governmental funds, the general fund had \$5,579,876 in revenues, \$5,798,862 in expenditures and \$77,655 in other financing uses. The general fund's fund balance decreased by \$296,641 over 2021.

## USING THE ACFR

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

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains RSI and other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with an overview of the School District's finances, in a manner similar to a private-sector business.

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the School District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods of the School District.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

**Fund Financial Statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

### ***Proprietary Funds***

The School District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services within the School District. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The food services fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the School District's own programs.

The School District uses trust and agency funds to account for payroll transactions and for the School District's unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

**Other Information.** The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

### **Government-Wide Financial Analysis**

The School District's financial position is the result of several types of financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. The following table provides a summary of net position for June 30, 2022 and 2021, respectively:

**Net Position**  
**June 30, 2022 and 2021**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>				
Current and Other				
Assets	\$ 949,160	\$ 1,400,366	\$ 92,464	\$ 95,111
Capital Assets and				
Right to Use Leased				
Assets, Net	3,721,173	2,887,019	13,497	-
<b>Total Assets</b>	<b>4,670,333</b>	<b>4,287,385</b>	<b>105,961</b>	<b>95,111</b>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows				
Relating to Pension	243,961	381,159	-	-
<b>Liabilities</b>				
Long-Term Liabilities	1,241,119	1,672,824	-	-
Other Liabilities	593,850	743,347	3,911	4,022
<b>Total Liabilities</b>	<b>1,834,969</b>	<b>2,416,171</b>	<b>3,911</b>	<b>4,022</b>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows				
Relating to Pension	669,962	655,423	-	-
<b>Net Position</b>				
Net Investment in				
Capital Assets	3,702,450	2,860,085	13,497	-
Restricted	282,561	382,376	-	-
Unrestricted	(1,575,648)	(1,645,511)	88,553	91,089
<b>Total Net Position</b>	<b>\$ 2,409,363</b>	<b>\$ 1,596,950</b>	<b>\$ 102,050</b>	<b>\$ 91,089</b>

The largest portion of the District's net position is its net investment in capital assets less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position decreased \$99,815 from the prior year.

Unrestricted net position may be used to meet the School District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The \$1,575,648 is shown as unrestricted net deficit for Governmental Activities.

The following table provides a summary of revenues and expenses for the School District’s governmental and business-type activities and the change in net position for June 30, 2022 and 2021. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the ‘Financial Analysis of the District’s Funds’ section later in this report.

	<b>For the year Ended June 30, 2022</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Revenues:</b>			
Program Revenues:			
Operating Grants and Contributions	\$ 3,206,823	\$ 207,818	\$ 3,414,641
General Revenues:			
Property Taxes	3,577,480	-	3,577,480
Federal and State Aid	878,083	-	878,083
Miscellaneous	78,583	1	78,584
<b>Total Revenues</b>	<b>7,740,969</b>	<b>207,819</b>	<b>7,948,788</b>
<b>Expenses:</b>			
Instructional Services	4,012,553	-	4,012,553
Support Services	2,905,968	196,858	3,102,826
Interest and Other Charges	10,035	-	10,035
<b>Total Expenses</b>	<b>6,928,556</b>	<b>196,858</b>	<b>7,125,414</b>
Change in Net Position	812,413	10,961	823,374
Net Position, Beginning	1,596,950	91,089	1,688,039
Net Position, Ending	<b>\$ 2,409,363</b>	<b>\$ 102,050</b>	<b>\$ 2,511,413</b>
	<b>For the year Ended June 30, 2021</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Revenues:</b>			
Program Revenues:			
Operating Grants and Contributions	\$ 1,825,284	\$ 209,877	\$ 2,035,161
General Revenues:			
Property Taxes	3,370,000	-	3,370,000
Federal and State Aid	827,881	-	827,881
Miscellaneous	75,209	2	75,211
<b>Total Revenues</b>	<b>6,098,374</b>	<b>209,879</b>	<b>6,308,253</b>
<b>Expenses:</b>			
Instructional Services	3,626,895	-	3,626,895
Support Services	2,435,797	162,963	2,598,760
Interest and Other Charges	2,978	-	2,978
<b>Total Expenses</b>	<b>6,065,670</b>	<b>162,963</b>	<b>6,228,633</b>
Change in Net Position	32,704	46,916	79,620
Net Position, Beginning	1,564,246	44,173	1,608,419
Net Position, Ending	<b>\$ 1,596,950</b>	<b>\$ 91,089</b>	<b>\$ 1,688,039</b>

## Financial Analysis of the School District's Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the School District's discretion.

### Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2022 and 2021 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

<b>June 30, 2022</b>				
	<b>Amount</b>	<b>Percent Of Total</b>	<b>Increase (Decrease) From 2021</b>	<b>Percent of Increase (Decrease)</b>
Current Expenditures:				
Instruction	\$ 2,476,597	30.91%	\$ 281,280	12.81%
Undistributed	4,290,081	53.57%	736,258	20.72%
Capital Outlay	1,162,594	14.52%	964,862	487.96%
Debt Service:				
Principal	76,613	0.96%	57,254	100.00%
Interest	2,866	0.04%	401	100.00%
<b>Total</b>	<b>\$ 8,008,751</b>	<b>100.00%</b>	<b>\$ 2,040,055</b>	<b>34.18%</b>

<b>June 30, 2021</b>				
	<b>Amount</b>	<b>Percent Of Total</b>	<b>Increase (Decrease) From 2020</b>	<b>Percent of Increase (Decrease)</b>
Current Expenditures:				
Instruction	\$ 2,195,317	36.79%	\$ 87,723	4.16%
Undistributed	3,553,823	59.54%	371,617	11.68%
Capital Outlay	197,732	3.31%	190,892	2790.82%
Debt Service:				
Principal	19,359	0.32%	2,157	100.00%
Interest	2,465	0.04%	(2,157)	100.00%
<b>Total</b>	<b>\$ 5,968,696</b>	<b>100.00%</b>	<b>\$ 650,232</b>	<b>12.23%</b>

Instructional costs increased primarily due to pandemic costs and inflation related to worldwide supply chain issues. In addition the District received unprecedented levels of federal Covid funding which was used for various program and capital enhancements. Debt service cost increased due to the school district paying off its Community Disaster Loan (CDL).

### General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2021-2022 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.



**Significant Budget Transfers and Variations:**

- Teacher's Pension and Annuity Fund (TPAF), which is the State's contribution to the pension fund, is an "on-behalf" revenue and expenditure item to the School District and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2021-2022 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2021-2022 unassigned fund balance decreased by \$101,932 to \$148,068.

**Proprietary Funds.** The School District's proprietary fund provides the same type of information found in the School District-wide financial statements, but in more detail.

The Food Services Enterprise Fund showed a change in net position of \$10,961 in 2021-2022 as compared to a change in net position of \$46,916 in 2020-2021.

**Capital Assets**

At June 30, 2022 the School District has capital assets of \$3,715,947, net of depreciation, which includes land, buildings and improvements and equipment.

	<b>June 30, 2022</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Land	\$ 75,364	\$ -
Construction In Progress	1,015,514	-
Buildings and Improvements	2,227,488	-
Equipment	384,084	13,497
Total	<u>\$ 3,702,450</u>	<u>\$ 13,497</u>
	<b>June 30, 2021</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Land	\$ 75,364	\$ -
Construction In Progress	3,600	-
Buildings and Improvements	2,351,835	-
Equipment	429,465	-
Total	<u>\$ 2,860,264</u>	<u>\$ -</u>

Additional information on the School District's capital assets can be found in Note 5 to the basic financial statements.

**Debt Administration and Other Obligations**

At June 30, 2022 and 2021, the School District's outstanding debt issues included \$- and \$76,613 respectively of Community Disaster Loans, \$342,858 and \$312,236 respectively in compensated absences payable and \$18,723 and \$26,934 respectively of lease obligations.

Additional information on the School District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

### **Economic Factors and Subsequent Year's Budgets**

- The School District anticipates that the approved 2022-2023 budget will be adequate to satisfy all 2022-2023 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.
- It is expected the State of New Jersey will again delay the final state aid payments to school School Districts for 2022-2023.
- The School Districts enrollment has been fairly consistent over the past 3 school years. The School District anticipates stable enrollment over the next several years

### **Requests for Information**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Seaside Heights Board of Education, 1200 Bay Boulevard, Seaside Heights, New Jersey 08751.

**BASIC FINANCIAL STATEMENTS**

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**A. Government-Wide Financial Statements**

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**SEASIDE HEIGHTS SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 447,449	\$ 64,703	\$ 512,152
Receivables, Net (Note 4)	219,150	27,761	246,911
Restricted Cash & Cash Equivalents	282,561	-	282,561
Right to Use Leased Assets, Net (Note 20)	18,723	-	18,723
Capital Assets, Net (Note 5)			
Non-Depreciable	1,090,878	-	1,090,878
Depreciable	2,611,572	13,497	2,625,069
Total Assets	<u>4,670,333</u>	<u>105,961</u>	<u>4,776,294</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to Pensions (Note 8)	243,961	-	243,961
Total Deferred Outflow of Resources	<u>243,961</u>	<u>-</u>	<u>243,961</u>
<b>LIABILITIES</b>			
Accounts Payable	135,835	-	135,835
Payroll Deductions and Withholdings	128,230	-	128,230
Due to Other Governments	101,091	-	101,091
Unearned Revenue	220,874	-	220,874
Unemployment Trust Fund Liability	11,731	-	11,731
Internal Balances	(3,911)	3,911	-
Noncurrent Liabilities (Note 7):			
Due Within One Year	8,555	-	8,555
Due in More Than One Year	1,232,564	-	1,232,564
Total Liabilities	<u>1,834,969</u>	<u>3,911</u>	<u>1,838,880</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Pensions (Note 8)	669,962	-	669,962
Total Deferred Inflow of Resources	<u>669,962</u>	<u>-</u>	<u>669,962</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,702,450	13,497	3,715,947
Restricted for:			
Capital Projects	58,448	-	58,448
Emergency Reserve	50,377	-	50,377
Maintenance Reserve	56,941	-	56,941
Unemployment Reserve	25,254	-	25,254
Excess Surplus	91,541	-	91,541
Unrestricted (Deficit)	(1,575,648)	88,553	(1,487,095)
Total Net Position	<u>\$ 2,409,363</u>	<u>\$ 102,050</u>	<u>\$ 2,511,413</u>

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

SEASIDE HEIGHTS SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS:	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 3,256,661	\$ -	\$ 1,518,092	\$ -	\$ (1,738,569)	\$ -	\$ (1,738,569)
Special Education Instruction	609,762	-	161,205	-	(448,557)	-	(448,557)
Other Instruction	146,130	-	38,605	-	(107,525)	-	(107,525)
Support Services:							
Tuition	11,757	-	58	-	(11,699)	-	(11,699)
Student & Instruction Related Services	1,369,942	-	394,457	-	(975,485)	-	(975,485)
General Administrative	146,970	-	736	-	(146,234)	-	(146,234)
School Administrative Services	112,507	-	563	-	(111,944)	-	(111,944)
Central Services	94,111	-	470	-	(93,641)	-	(93,641)
Administrative Info. Technology	18,898	-	95	-	(18,803)	-	(18,803)
Plant Operations & Maintenance	856,511	-	1,091,064	-	234,553	-	234,553
Pupil Transportation	295,272	-	1,478	-	(293,794)	-	(293,794)
Interest & Other Charges	10,035	-	-	-	(10,035)	-	(10,035)
Total Governmental Activities	6,928,556	-	3,206,823	-	(3,721,733)	-	(3,721,733)
Business-Type Activities:							
Food Service	196,858	-	207,818	-	-	10,960	10,960
Total Business-Type Activities	196,858	-	207,818	-	-	10,960	10,960
Total Primary Government	\$ 7,125,414	\$ -	\$ 3,414,641	\$ -	(3,721,733)	10,960	(3,710,773)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					3,577,480	-	3,577,480
Federal & State Aid Not Restricted					878,083	-	878,083
Tuition Charges					71,900	-	71,900
Miscellaneous					6,683	1	6,684
Total General Revenues					4,534,146	1	4,534,147
Change In Net Position					812,413	10,961	823,374
Net Position - Beginning (As Restated, Note 20)					1,596,950	91,089	1,688,039
Net Position - Ending					2,409,363	102,050	2,511,413

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



## **B. Fund Financial Statements**

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## **Governmental Funds**

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**SEASIDE HEIGHTS SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2022**

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 420,932	\$ 26,517	\$ -	\$ 447,449
Receivables, Net:				
Interfund Receivable	20,812	-	-	20,812
Due from Other Governments:				
Federal	-	211,258	-	211,258
State	7,892	-	-	7,892
Restricted Cash & Cash Equivalents	282,561	-	-	282,561
Total Assets	<u>\$ 732,197</u>	<u>\$ 237,775</u>	<u>\$ -</u>	<u>\$ 969,972</u>
<b>LIABILITIES &amp; FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 135,835	\$ -	\$ -	\$ 135,835
Unemployment Trust Fund Liability	11,731	-	-	11,731
Payroll Deductions and Withholdings	128,230	-	-	128,230
Unearned Revenue	-	220,874	-	220,874
Interfund Payable	-	16,901	-	16,901
Total Liabilities	<u>275,796</u>	<u>237,775</u>	<u>-</u>	<u>513,571</u>
Fund Balances:				
Restricted for:				
Capital Reserve	58,448	-	-	58,448
Maintenance Reserve	56,941	-	-	56,941
Emergency Reserve	50,377	-	-	50,377
Unemployment Reserve	25,254	-	-	25,254
Excess Surplus Designated for Subsequent Year	91,541	-	-	91,541
Assigned for:				
Subsequent Year Expenditures	108,459	-	-	108,459
Other Purposes	3,242	-	-	3,242
Unassigned	62,139	-	-	62,139
Total Fund Balances (As Restated)	<u>456,401</u>	<u>-</u>	<u>-</u>	<u>456,401</u>
Total Liabilities & Fund Balances	<u>\$ 732,197</u>	<u>\$ 237,775</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,853,039 and the accumulated depreciation is \$3,150,589.	3,702,450
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$26,755 and the accumulated amortization is \$8,032.	18,723
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows Related to Pensions	243,961
Deferred Inflows Related to Pensions	(669,962)
Accrued pension contributions for the June 30, 2022 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(101,091)
Long-term liabilities, including net pension liability on bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(1,241,119)</u>
Net Position of Governmental Activities	<u>\$ 2,409,363</u>

**SEASIDE HEIGHTS SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2022**

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 3,577,480	\$ -	\$ -	\$ 3,577,480
Tuition Charges	71,900	-	-	71,900
Miscellaneous	864	5,819	-	6,683
Total Local Sources	3,650,244	5,819	-	3,656,063
State Sources	1,929,632	550,491	-	2,480,123
Federal Sources	-	1,575,924	-	1,575,924
Total Revenues	5,579,876	2,132,234	-	7,712,110
Expenditures:				
Instruction:				
Regular Instruction	1,352,690	657,336	-	2,010,026
Special Education Instruction	376,338	-	-	376,338
Other Instruction	90,233	-	-	90,233
Support Services:				
Tuition	9,850	-	-	9,850
Attendance & Social Work Services	88,642	-	-	88,642
Health Services	92,289	-	-	92,289
Student & Instruction Related Services	575,030	387,606	-	962,636
General Administrative	122,654	-	-	122,654
School Administrative Services	93,913	-	-	93,913
Central Services	78,568	-	-	78,568
Administrative Information Technology	15,751	-	-	15,751
Plant Operations & Maintenance	629,297	-	-	629,297
Pupil Transportation	246,449	-	-	246,449
Unallocated Benefits	904,302	-	-	904,302
On Behalf TPAF Pension and Social Security Contributions	1,045,730	-	-	1,045,730
Capital Outlay	75,302	1,087,292	-	1,162,594
Debt Service:				
Principal	-	-	76,613	76,613
Interest & Other Charges	1,824	-	1,042	2,866
Total Expenditures	5,798,862	2,132,234	77,655	8,008,751
Excess/(Deficiency) of Revenues Over Expenditures	(218,986)	-	(77,655)	(296,641)
Other Financing Sources (Uses):				
Transfers In	-	-	77,655	77,655
Transfers Out	(77,655)	-	-	(77,655)
Total Other Financing Sources (Uses)	(77,655)	-	77,655	-
Net Changes in Fund Balances	(296,641)	-	-	(296,641)
Fund Balance, July 1	753,042	-	-	753,042
Fund Balance, June 30	\$ 456,401	\$ -	\$ -	\$ 456,401

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

**SEASIDE HEIGHTS SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	(296,641)
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 depreciation exceeded capital outlays in the period.		
Depreciation Expense	\$	(209,614)
Capital Outlays		1,052,799
Capital Asset Adjustments and Retirements		<u>(999)</u>
		842,186
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		219,835
Repayment of long-term debt principal and obligation of lease purchase agreements are 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.		
		84,824
Governmental funds recognize the right to use leased assets as a revenue when lease is first entered, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of Right to Use Leased Assets		(8,032)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
		863
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>(30,622)</u>
Change in Net Position of Governmental Activities	\$	<u><u>812,413</u></u>

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## **Proprietary Funds**

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**SEASIDE HEIGHTS SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2022**

	<b>MAJOR FUNDS</b>	
	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>	
	<b>FOOD SERVICE</b>	<b>TOTALS</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 64,703	\$ 64,703
Accounts Receivable:		
Federal	27,509	27,509
State	252	252
Total Current Assets	92,464	92,464
Noncurrent Assets:		
Capital Assets	14,997	14,997
Less: Accumulated Depreciation	(1,500)	(1,500)
Total Capital Assets, Net	13,497	13,497
Total Noncurrent Assets	13,497	13,497
Total Assets	105,961	105,961
<b>LIABILITIES</b>		
Current Liabilities:		
Interfund Payable	3,911	3,911
Total Current Liabilities	3,911	3,911
<b>NET POSITION</b>		
Net Investment in Capital Assets	13,497	13,497
Unrestricted	88,553	88,553
Total Net Position	\$ 102,050	\$ 102,050

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

**SEASIDE HEIGHTS SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 YEAR ENDED JUNE 30, 2022**

	<b>MAJOR FUNDS</b>	
	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>	
	<b>FOOD SERVICE</b>	<b>TOTALS</b>
Operating Expenses:		
Cost of Sales - Reimbursable Programs	\$ 1,512	\$ 1,512
Cost of Sales - Non-Reimbursable Programs	17,961	17,961
Salaries	33,219	33,219
Employee Benefits	20,259	20,259
Supplies and Materials	122,407	122,407
Depreciation	1,500	1,500
Total Operating Expenses	196,858	196,858
Operating Loss	(196,858)	(196,858)
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	2,742	2,742
Federal Sources:		
National School Lunch Program	99,795	99,795
National School Breakfast Program	65,819	65,819
EBT Administrative Cost	628	628
COVID Supply Chain Assistance	9,116	9,116
Fresh Fruit and Vegetables	11,757	11,757
Food Distribution Program	17,961	17,961
Interest Revenue	1	1
Total Nonoperating Revenues	207,819	207,819
Change in Net Position	10,961	10,961
Total Net Position - Beginning	91,089	91,089
Total Net Position - Ending	\$ 102,050	\$ 102,050

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

**SEASIDE HEIGHTS SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2022**

	<b>MAJOR FUNDS</b>	
	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>	
	<b>FOOD SERVICE</b>	<b>TOTALS</b>
<b>Cash Flows From Operating Activities:</b>		
Payments to Employees	\$ (33,219)	\$ (33,219)
Payments for Employee Benefits	(20,259)	(20,259)
Payments to Suppliers	(124,031)	(124,031)
Net Cash Used for Operating Activities	(177,509)	(177,509)
<b>Cash Flows From Noncapital Financing Activities:</b>		
State Sources	3,843	3,843
Federal Sources	192,380	192,380
Net Cash Provided by Noncapital Financing Activities	196,223	196,223
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Purchases of Capital Assets	(14,997)	(14,997)
Net Cash Used for Capital and Related Financing Activities	(14,997)	(14,997)
<b>Cash Flows From Investing Activities:</b>		
Interest	1	1
Net Cash Provided by Investing Activities	1	1
Net Increase in Cash and Cash Equivalents	3,718	3,718
Cash and Cash Equivalents - Beginning of Year	60,985	60,985
Cash and Cash Equivalents - End of Year	\$ 64,703	\$ 64,703
<b>Reconciliation of Operating Loss to Net Cash     Provided (Used) by Operating Activities:</b>		
Operating Loss	\$ (196,858)	\$ (196,858)
<b>Adjustments to Reconcile Operating Loss     to Net Cash Provided by (Used for) Operating Activities:</b>		
Depreciation	1,500	1,500
Food Distribution Program	17,961	17,961
Decrease in Accounts Payable	(112)	(112)
Net Cash Used for Operating Activities	\$ (177,509)	\$ (177,509)

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

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**Fiduciary Fund**

*Not Applicable*

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**SEASIDE HEIGHTS SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

**Note 1. Summary of Significant Accounting Policies**

**Basis of Presentation**

The financial statements of the Seaside Heights School District (hereafter referred to as the School District) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

**Reporting Entity**

The School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the Board). The Board is comprised of five members appointed to three-year terms. The operations of the District include one elementary school located in Seaside Heights. The School District has an approximate enrollment at June 30, 2022 of **211** students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**Component Units**

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84*. The School District had no component units as of for the year ended June 30, 2022.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

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

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**A. Government-Wide Financial Statements**

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

**B. Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

The School District reports the following major governmental funds:

**General Fund** – The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Department of Education (DOE) the School District includes budgeted capital outlay in this fund. GAAP 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**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 proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

**Capital Projects Fund** – The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially 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 financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

**C. Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary fund:

**Food Service Fund** – The food service fund accounts for the financial transactions related to the food service operations of the School District.

**D. Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position. The School District's fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The School District reports no fiduciary funds.

**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. In accordance with *P.L.2011 c.202*, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general 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:23-2-2(f)1*. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with *N.J.A.C. 6A:23-2-11*.

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 GAAP with the exception of the legally mandated revenue recognition of the one or more June 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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**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 assigned 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 School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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.

**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 considered cash equivalents and stated at cost.

Investments are stated at fair value in accordance with GASB. New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* 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 Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. 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.



**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

**Tuition Receivable/Payable**

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

**Inventories**

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.

**Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

<b>Description:</b>	<b>Governmental Activities <u>Estimated Lives</u></b>	<b>Business-Type Activities <u>Estimated Lives</u></b>
Building and Improvements	10-50 Years	N/A
Equipment	5-20 Years	5-12 Years

**Right to Use Leased Assets**

The School District has recorded right to use lease assets as a result of implementing GASB Statement No. 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

**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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the School District is eligible to realize the revenue.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

**Accounting Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Pensions**

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 pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

**Net Position**

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

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

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

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

**Fund Balance**

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

**Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

**Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the business administrator through the budgetary process.

**Unassigned** – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and February 24, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

**Impact of Recently Issued Accounting Principles**

*Adopted Accounting Pronouncements*

The following GASB Statements became effective for the fiscal year ended June 30, 2022:

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

- Statement No. 87, *Leases*. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, 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, thereby enhancing the relevance and consistency of information about government's leasing activities. Implementation of this standard resulted in a prior period adjustment to net position and additional footnotes.
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the District's financial statements.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the District's financial statements.
- Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases in addition to identifying appropriate benchmark interest rates for hedging derivative instruments. Requirements of this pronouncement related to paragraph 11b will be effective for reporting periods ending after December 31, 2021, and requirements related to paragraphs 13 and 14 will be effective for fiscal years beginning after June 15, 2021. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the District's financial statements.
- Statement No. 98, *The Annual Comprehensive Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Management has determined these implementations of these statements did not have a significant impact on the District's financial statements.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

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

**Impact of Recently Issued Accounting Principles**

*Accounting Pronouncements Effective in Future Reporting Periods*

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 99, *Omnibus 2022*. The requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITA are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- Statement No. 100, *Accounting Changes and Error Corrections- an amendment of GASB Statement No. 62*. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. The effective date is for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.
- Statement No. 101, *Compensated Absences*. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Management has yet to determine the potential impact of these pronouncements on the District's financial statements.



**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 2. Deposits and Investments**

**Deposits**

**Custodial Credit Risk** – 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, *N.J.S.A. 17:9-41 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 Federal Deposit Insurance Corporation (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 \$1,073,245 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	1,025,791
Uninsured and Uncollateralized		47,454
Total	\$	1,073,245

**Investments**

The School District had no investments at June 30, 2022.

**Note 3. Reserve Accounts**

*Capital Reserve*

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

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2021	\$	58,423
Interest Earnings		25
Ending Balance, June 30, 2022	\$	58,448

*Emergency Reserve*

The School District established an emergency reserve account for the accumulation of funds for use in accordance with *N.J.S.A. 18A: 7F-41c(1)* to finance unanticipated general fund expenditures.

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

Beginning Balance, July 1, 2021	\$	50,352
Interest Earnings		25
Ending Balance, June 30, 2022	\$	50,377

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 3. Reserve Accounts (Continued)**

*Maintenance Reserve*

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account 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. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

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

Beginning Balance, July 1, 2021	\$	156,841
Increased by:		
Interest Earnings		100
Decreased by:		
Budget Withdrawals		(100,000)
Ending Balance, June 30, 2022	\$	56,941

*Unemployment Reserve*

Unemployment reserve funds are restricted pursuant to *N.J.S.A. 43:21-7.3(g)*, which requires that employer and employee contributions be held in a trust fund maintained by the governmental entity or instrumentally for unemployment benefit cost purposes and any surplus remaining in this trust fund must be retained in reserve for payment of benefit costs in subsequent years.

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

Beginning Balance, July 1, 2020	\$	25,219
Increased by:		
Interest Earnings		35
Ending Balance, June 30, 2022	\$	25,254

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2022 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2022, consisted of the following:

<b>Description:</b>	<b>Governmental Funds</b>		<b>Total Governmental Activities</b>
	<b>General Fund</b>	<b>Special Revenue Fund</b>	
Federal Awards	\$ -	\$ 211,258	\$ 211,258
State Awards	7,892	-	7,892
Total	\$ 7,892	\$ 211,258	\$ 219,150
		<b>Proprietary Funds</b>	
		<b>Food Service Fund</b>	<b>Total Business-Type Activities</b>
Federal Awards		\$ 27,509	\$ 27,509
State Awards		252	252
Total		\$ 27,761	\$ 27,761



**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2022 was as follows:

	<b>Governmental Activities</b>			
	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>Adjustments, Retirements and Transfers</b>	<b>Balance June 30, 2022</b>
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$ 75,364	\$ -	\$ -	\$ 75,364
Construction in Progress	3,600	1,011,914	-	1,015,514
Total Capital Assets not being Depreciated	78,964	1,011,914	-	1,090,878
Capital Assets being Depreciated:				
Buildings and Improvements	4,655,497	-	-	4,655,497
Equipment	1,070,052	40,885	(4,273)	1,106,664
Total Capital Assets being Depreciated	5,725,549	40,885	(4,273)	5,762,161
Accumulated Depreciation:				
Buildings and Improvements	(2,303,662)	(124,347)	-	(2,428,009)
Equipment	(640,587)	(85,267)	3,274	(722,580)
Total Accumulated Depreciation	(2,944,249)	(209,614)	3,274	(3,150,589)
Total Capital Assets being Depreciated, Net	2,781,300	(168,729)	(999)	2,611,572
Total Governmental Activities Capital Assets, Net	\$ 2,860,264	\$ 843,185	\$ (999)	\$ 3,702,450

	<b>Business-Type Activities</b>			
	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>Retirements and Transfers</b>	<b>Balance June 30, 2022</b>
<b>Business-Type Activities:</b>				
Equipment	\$ -	\$ 14,997	\$ -	\$ 14,997
Total Capital Assets being depreciated	-	14,997	-	14,997
Less: Accumulated Depreciation:				
Equipment	-	(1,500)	-	(1,500)
Total Capital Assets being depreciated, net	-	(1,500)	-	(1,500)
Total Business-Type Activities Capital Assets, net	\$ -	\$ 13,497	\$ -	\$ 13,497

Depreciation expense was charged to functions/programs of the School District as follows:

**Governmental Activities:**

Instruction:	
Regular Instruction	\$ 87,472
Special Education Instruction	16,371
Other Instruction	3,920
Support Services:	
Tuition	419
Student & Instruction Related Services	49,762
General Administrative	5,345
School Administrative Services	4,087
Central Services	3,417
Administrative Info. Technology	692
Plant Operations & Maintenance	27,397
Pupil Transportation	10,732
Total Depreciation Expense – Governmental Activities	\$ 209,614

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2022 are as follows:

<b>Fund:</b>	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General Fund	\$ 20,812	\$ -
Special Revenue Fund	-	16,901
Enterprise Fund	-	3,911
<b>Total</b>	<b>\$ 20,812</b>	<b>\$ 20,812</b>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

Interfund transfers for the year ended June 30, 2022 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 77,655
Debt Service Fund	77,655	-
	<b>\$ 77,655</b>	<b>\$ 77,655</b>

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2022 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<b>Balance June 30, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2022</b>	<b>Balance Due Within One Year</b>
Governmental Activities:					
Lease Obligations	\$ 26,934	\$ -	\$ 8,211	\$ 18,723	\$ 8,555
Compensated Absences	312,236	30,622	-	342,858	-
FEMA CDL	76,613	-	76,613	-	-
Net Pension Liability	1,265,252	-	385,714	879,538	-
<b>Total</b>	<b>\$ 1,681,035</b>	<b>\$ 30,622</b>	<b>\$ 470,538</b>	<b>\$ 1,241,119</b>	<b>\$ 8,555</b>

For governmental activities, the FEMA CDL payable was liquidated from the School District's debt service fund. Compensated absences, lease obligations and the net pension liability are liquidated by the general fund.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 7. Long-Term Obligations (Continued)**

**Lease Obligations**

The School District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The School District executed two agreements on May 9, 2018 and November 17, 2020 to lease office equipment that requires monthly payments of \$440 and \$352, respectively. There are no variable payment components of the leases. The lease liabilities are measured at an implied discount rate of 2.65%. As a result of the leases, the School District has recorded right to use assets with a net book value of \$10,271 and \$16,484 at June 30, 2022. The right to use assets are discussed in more detail in Note 20.

The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2022:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 8,555	\$ 938	\$ 9,493
2024	4,147	511	4,658
2025	3,950	268	4,218
2026	2,071	38	2,109
	\$ 18,723	\$ 1,755	\$ 20,478
	18,723	1,755	20,478

**FEMA Community Disaster Loan**

On May 20, 2013, the School District submitted a formal request for a Federal Emergency Management Agency (FEMA) Community Disaster Loan (CDL) in the amount of \$1,043,805 in relation to Super Storm Sandy losses and expenditures. The School District was approved for the full request of \$1,043,805. The School District utilized these funds in each of the next two budget years - \$777,550 in the 2013-14 fiscal year and \$266,255 in the 2014-15 fiscal year. As of June 30, 2015 there was no remaining CDL balance to be drawn down.

The School District applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The School District was approved for \$1,043,805 total loan. This loan was subject to FEMA review during the past to years and based on FEMA's calculation of the revenue loss that the School District experienced over the specified period the School District qualified for partial cancellation of \$703,651 in principal along with the corresponding interest of \$40,629. All outstanding principal and interest was paid in full during the year ended June 30, 2022.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans**

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

**Plan Description** – The State of New Jersey (the State), PERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PERS:

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

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

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**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.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans (Continued)**

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

**Pension Liability, Pension (Benefit) Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2022, the School District reported a liability of \$879,538 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 procedures 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 0.0074244552%, which was a decrease of 0.0003343120% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2022, the School District recognized full accrual pension (benefit) expense of \$(132,885) in the government-wide financial statements. This pension (benefit) 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 13,871	\$ 6,296
Changes of Assumptions	4,581	313,121
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	231,693
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	124,418	118,852
School District contributions subsequent to measurement date	101,091	-
	\$ 243,961	\$ 669,962

\$101,091 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 pension contribution rate of 15.11%. 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:

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans (Continued)**

Year Ending <u>June 30,</u>		
2023	\$	(192,801)
2024		(135,223)
2025		(104,223)
2026		(82,117)
2027		(12,728)
	<u>\$</u>	<u>(527,092)</u>

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 Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
<b>Differences between Expected and Actual Experience</b>		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	5.13	-
<b>Changes of Assumptions</b>		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	-	5.13
<b>Net Difference between Projected and Actual and Actual Earnings on Pension Plan Investments</b>		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
<b>Changes in Proportion and Differences between School District's Contributions and Proportionate Share of Contributions</b>		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans (Continued)**

**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%

**Mortality Rate of Return:**

PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
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**Period of Actuarial Experience**

<b>Study upon which Actuarial Assumptions were Based:</b>	July 1, 2014 - June 30, 2018
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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.

**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 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:

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans (Continued)**

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

**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 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 2021, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:



**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans (Continued)**

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ 1,210,520	\$ 879,538	\$ 615,985

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

	<b>6/30/2022</b>	<b>6/30/2021</b>
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	0.007424%	0.00776%

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

**Plan Description** – TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which 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 Division. For additional information about TPAF, please refer to the Division's ACFR which can be found at [www.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans (Continued)**

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years 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. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. 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 18:66-33*. 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 local participating employers.

**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, 2022 was \$7,927,339. 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 0.0164894604%, which was a decrease of 0.0003844943% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State recognized a pension expense in the amount of \$186,534 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, 2022 measurement date.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans (Continued)**

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

**Inflation Rate:**

Price	2.75%
Wage	3.25%

**Salary Increases:**

Through 2026	1.55% - 4.45% Based on Years of Service
Thereafter	2.75% - 5.65% Based on Years of Service

**Investment Rate of Return:**

7.00%

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 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 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.

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:

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans (Continued)**

<b>Asset Class:</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

**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 made based on 100% of actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans (Continued)**

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
State's Proportionate Share of Net Pension Liability Associated with the School District	\$ 9,379,366	\$ 7,927,339	\$ 6,707,727

**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 TPAF and additions to/deductions from the TPAF’s fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

	<b>6/30/2022</b>	<b>6/30/2021</b>
Collective Deferred Outflows of Resources	\$ 6,373,530,834	\$ 9,626,548,228
Collective Deferred Inflows of Resources	27,363,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
School District's portion	0.01649%	0.01631%

**C. Defined Contribution Retirement Plan (DCRP)**

**Plan Description** – DCRP was established July 1, 2007, under the provisions of *N.J.S.A. 43:15C-1 et seq.* The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in PERS or TPAF on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 8. Pension Plans (Continued)**

**Contributions** – The contribution policy is set by *N.J.S.A. 43:15C-3* and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2022, employee contributions totaled \$1,190, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$3,888.

**Note 9. Other Post-Retirement Benefits (OPEB)**

**General Information about the Other Postemployment Benefits (OPEB) Plan**

The State reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits 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 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: TPAF, PERS, 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's obligation under *N.J.S.A. 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. The accompanying Schedule was prepared in accordance with U.S. GAAP. Such preparation requires management of the State 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.



**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 9. Other Post-Retirement Benefits (OPEB) (continued)**

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

**Inflation Rate** 2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 3.05% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021.

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

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2021 was \$10,335,494. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation 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 OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB 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 OPEB Obligation attributable to the School District was 0.017224%, which was a decrease of 0.000536% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State recognized an OPEB expense in the amount of \$628,878 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2021 measurement date.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 9. Other Post-Retirement Benefits (OPEB) (continued)**

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.65% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend is 5.0%.

**Discount Rate**

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

**Sensitivity of Total Nonemployer OPEB Liability to Changes in Discount Rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2021</b>		
	<b>At 1% Decrease (1.16%)</b>	<b>At Discount Rate (2.16%)</b>	<b>At 1% Increase (3.16%)</b>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 12,380,299	\$ 10,335,494	\$ 8,725,333
State of New Jersey's Total Nonemployer OPEB Liability	\$ 71,879,745,555	\$ 60,007,650,970	\$ 50,659,089,138

**Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2021, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:



**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 9. Other Post-Retirement Benefits (OPEB) (continued)**

	<b>June 30, 2021</b>		
	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate *</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 8,366,616	\$ 10,335,494	\$ 12,979,552
State of New Jersey's Total Nonemployer OPEB Liability	\$ 48,576,388,417	\$ 60,007,650,970	\$ 75,358,991,782

**Additional Information**

Collective balances of the Local Group at June 30, 2021 are as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected & Actual Experience	\$ 9,045,886,863	\$ (18,009,362,976)
Change in Assumptions	10,179,536,966	(6,438,261,807)
Contributions Made in Fiscal Year Year Ending June 30, 2022 After Measurement Date **	TBD	-
	<u>\$ 19,225,423,829</u>	<u>\$ (24,447,624,783)</u>

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 9. Other Post-Retirement Benefits (OPEB) (continued)**

**Additional Information (continued):**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ending June 30,</b>		
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		347,612,410
	\$	(5,222,200,954)

\*\* Employer Contributions made after June 30, 2022 are reported as a deferred outflow of resources, but are not amortized in expense.

**Plan Membership**

At June 30, 2020, the Program membership consisted of the following:

Active Plan Members	213,901
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	150,427
	364,328

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

<b>Total OPEB Liability</b>		
Service Cost	\$	3,217,184,264
Interest Cost		1,556,661,679
Changes in Benefit Terms		(63,870,842)
Difference Between Expected & Actual Experience	(11,385,071,658)	
Changes of Assumptions		59,202,105
Contributions: Member		39,796,196
Gross Benefit Payments		(1,226,213,382)
Net Change in Total OPEB Liability		(7,802,311,638)
Total OPEB Liability (Beginning)		67,809,962,608
Total OPEB Liability (Ending)	\$	60,007,650,970
Total Covered Employee Payroll	\$	14,425,669,769
Net OPEB Liability as a Percentage of Payroll		416%

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 10. On-Behalf Payments for Fringe Benefits and Salaries**

As previously mentioned, the School District receives on-behalf payments from the State for normal costs and post-retirement medical costs related to the TPAF pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2020, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$488,449, \$150,349, \$153,072 and \$223, respectively.

**Note 11. Risk Management**

The School 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.

**New Jersey Unemployment Compensation Insurance** – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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 School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

For the Year Ended June 30,	Contributions	Interest Earned	Amount Reimbursed	Ending Balance	
				Restricted for: Unemployment Reserve	Unemployment Liability
2022	\$ 11,767	\$ 35	\$ -	\$ 29,326	\$ 11,767
2021	7,832	35	3,760	29,291	4,072
2020	7,736	69	8,074	25,184	-

\* Starting July 1, 2020, Unemployment is accounted for in the General Fund.

**Property and Liability Insurance** – The School 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.

**Note 12. Contingencies**

**State and Federal Grantor Agencies** – The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**Litigation** – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 12. Contingencies (Continued)**

**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.

**Note 13. Deferred Compensation**

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits 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:

AXA Equitable

Lincoln Financial

**Note 14. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2022, the liability for compensated absences reported was \$342,858.

**Note 15. Tax Abatements**

As defined by the GASB Statement No. 77, *Tax Abatement*, 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.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at *N.J.S.A. 18A:7F-5(b)*, the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the DOE based upon district property value and wealth.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 16. Agreement with Central Regional School District**

On April 23, 2012, the School District approved a working agreement with Central Regional School District. The working agreement, effective July 1, 2012 is for the Central Regional School District to run the everyday activities of the School District. Under the agreement, the School District will still remain autonomous with respect to making its own major financial decisions. The School District expects that this agreement will ultimately save money while improving the quality of education that the students receive. The agreement has received approval by the DOE.

**Note 17. Fund Balances**

**General Fund** – Of the \$456,401 General Fund balance at June 30, 2022, \$58,448 has been restricted for the Capital Reserve Account; \$56,941 has been restricted for the Maintenance Reserve Account; \$50,377 has been restricted for the Emergency Reserve Account; \$25,254 has been restricted for Unemployment; \$91,541 has been restricted for excess surplus designated for subsequent year's expenditures; \$108,459 has been assigned to subsequent year's expenditures; \$3,242 is committed for other purposes and \$62,139 is unassigned.

**Note 18. Deficit in Net Position**

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of (\$1,575,648) at June 30, 2022. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for PERS as of June 30, 2022. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**Note 19. Commitments**

The District has contractual commitments at June 30, 2022 to various vendors which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$3,242. These commitments are expected to be liquidated in the subsequent year.

**Note 20. Right to Use Leased Assets**

The School District has recorded right to use leased assets. The assets are right to use assets for leased equipment, vehicles and building improvements. The related leases are discussed in the Note 7. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Right to use leased asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Right to Use Leased Assets:				
Equipment	\$ 26,755	\$ -	\$ -	\$ 26,755
Total Right to Use Leased Assets	<u>26,755</u>	<u>-</u>	<u>-</u>	<u>26,755</u>
Accumulated Amortization:				
Equipment	-	(8,032)	-	(8,032)
Total Accumulated Amortization	<u>-</u>	<u>(8,032)</u>	<u>-</u>	<u>(8,032)</u>
Right to Use Leased Assets, Net	<u>\$ 26,755</u>	<u>\$ (8,032)</u>	<u>\$ -</u>	<u>\$ 18,723</u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### **C. Budgetary Comparison Schedules**

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SEASIDE HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2022

ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 3,577,480	\$ -	\$ 3,577,480	\$ -
Tuition From Other LEAs Within State	25,000	-	25,000	46,900
Unrestricted Miscellaneous Revenues	20,000	-	20,000	(19,286)
Interest Earned on Emergency Reserve	25	-	25	-
Interest Earned on Maintenance Reserve	100	-	100	-
Interest Earned on Capital Reserve Funds	25	-	25	-
Total Local Sources	3,622,630	-	3,622,630	27,614
State Sources:				
School Choice Aid	62,478	-	62,478	-
Categorical Transportation Aid	11,203	-	11,203	-
Extraordinary Aid	-	-	-	-
Categorical Special Education Aid	184,630	-	184,630	-
Equalization Aid	290,304	-	290,304	-
Categorical Security Aid	92,138	-	92,138	-
Adjustment Aid	219,558	-	219,558	-
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	716,568
TPAF Social Security (reimbursed)	-	-	-	161,457
TPAF Post Retirements	-	-	-	167,419
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	286
Total State Sources	860,311	-	860,311	1,045,730
Total Revenues	4,482,941	-	4,482,941	1,073,344
Current Expense:				
Regular Programs - Instruction:				
Kindergarten - Salaries of Teachers	170,308	(19,000)	151,308	96
Grades 1-5 - Salaries of Teachers	901,575	124,900	1,026,475	83
Grades 6-8 - Salaries of Teachers	136,208	(39,600)	96,608	75
Regular Programs - Home Instruction:				
Salaries of Teachers	5,000	(5,000)	-	-
Purchased Professional - Educational Services	5,000	(5,000)	-	-

SEASIDE HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2022

	ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	11-190-100-106	35,530	(34,000)	1,530	900
Purchased Professional - Educational Services	11-190-100-320	10,000	2,000	12,000	11,779
Other Purchased Services	11-190-100-500	13,000	1,650	14,650	14,633
General Supplies	11-190-100-610	65,000	(16,500)	48,500	47,003
Textbooks	11-190-100-640	5,000	(3,825)	1,175	956
Other Objects	11-190-100-800	4,000	-	4,000	3,282
Total Regular Programs - Instruction		1,350,621	5,625	1,356,246	1,352,690
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	11-204-100-101	157,258	41,710	198,968	198,950
Other Salaries for Instruction	11-204-100-106	89,140	(14,600)	74,540	74,530
General Supplies	11-204-100-610	1,000	-	1,000	674
Total Learning and/or Language Disabilities		247,398	27,110	274,508	274,154
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	11-213-100-101	145,208	(100,000)	45,208	44,757
Other Salaries	11-213-100-106	30,680	26,800	57,480	57,427
General Supplies	11-213-100-610	1,000	-	1,000	-
Total Resource Room/Resource Center		176,888	(73,200)	103,688	102,184
Total Special Education - Instruction		424,286	(46,090)	378,196	376,338
Bilingual Education - Instruction:					
Salaries of Teachers	11-240-100-101	70,104	230	70,334	70,329
General Supplies	11-240-100-610	-	1,000	1,000	611
Total Bilingual Education - Instruction		70,104	1,230	71,334	70,940
School-Sponsored Co-curricular/Extra Curricular Activities - Instruction:					
Supplies and Materials	11-401-100-600	-	600	600	591
Other Objects	11-401-100-800	5,000	(3,000)	2,000	300
Total School-Sponsored Co-curricular/Extra Curricular Activities - Instruction		5,000	(2,400)	2,600	891

SEASIDE HEIGHTS SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

	ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Summer School - Instruction:					
Salaries of Teachers	11-422-100-101	20,000	(4,300)	15,700	-
Purchased Professional and Technical Services	11-422-100-300	2,000	-	2,000	-
Other Objects	11-422-100-800	-	800	800	98
Total Summer School - Instruction		22,000	(3,500)	18,500	98
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Regular	11-000-100-561	-	21,000	21,000	11,150
Tuition to Private School Disabled - Within State	11-000-100-566	65,000	(60,000)	5,000	5,000
Total Undistributed Expenditures - Instruction (Tuition)		65,000	(39,000)	26,000	16,150
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	69,574	19,100	88,674	32
Purchased Professional and Technical Services	11-000-211-300	5,000	(5,000)	-	-
Other Objects	11-000-211-800	-	1,000	1,000	1,000
Total Undistributed Expenditures Attendance and Social Work		74,574	15,100	89,674	1,032
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	87,054	3,000	90,054	-
Other Purchased Services	11-000-213-500	1,000	(1,000)	-	-
Supplies and Materials	11-000-213-600	3,500	(1,264)	2,236	1
Total Undistributed Expenditures - Health Services		91,554	736	92,290	1
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	63,454	2,000	65,454	50
Purchased Professional - Educational Services	11-000-216-320	40,000	(21,000)	19,000	2,122
Supplies and Materials	11-000-216-600	1,500	-	1,500	669
Total Undistributed Expenditures - Speech, OT, PT and Related Services		104,954	(19,000)	85,954	2,841
Undistributed Expenditures - Other Support Services - Extra Services:					
Salaries	11-000-217-100	87,140	(19,500)	67,640	2,364
Total Undistributed Expenditures - Other Support Services - Extra Services		87,140	(19,500)	67,640	2,364

SEASIDE HEIGHTS SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

	ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	11-000-218-104	61,604	1,900	63,504	-
Purchased Professional - Educational Services	11-000-218-320	4,000	4,500	8,500	362
Supplies and Materials	11-000-218-600	1,000	(500)	500	309
<b>Total Undistributed Expenditures - Guidance</b>		<b>66,604</b>	<b>5,900</b>	<b>72,504</b>	<b>671</b>
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	152,458	17,900	170,358	39
Salaries of Secretaries & Clerical Assistants	11-000-219-105	37,856	3,400	41,256	-
Purchased Professional - Educational Services	11-000-219-320	30,000	(17,400)	12,600	73
Supplies and Materials	11-000-219-600	3,000	1,200	4,200	158
<b>Total Undistributed Expenditures - Child Study Teams</b>		<b>223,314</b>	<b>5,100</b>	<b>228,414</b>	<b>270</b>
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	11-000-221-102	25,000	10,500	35,500	-
Purchased Professional - Educational Services	11-000-221-320	30,000	(24,300)	5,700	200
<b>Total Undistributed Expenditures - Improvement of Instruction Services</b>		<b>55,000</b>	<b>(13,800)</b>	<b>41,200</b>	<b>200</b>
Undistributed Expenditures - Educational Media Services/Library:					
Salaries	11-000-222-100	16,000	27,900	43,900	20
Salaries of Technology Coordinators	11-000-222-177	-	35,000	35,000	-
Supplies and Materials	11-000-222-600	8,000	(2,930)	5,070	555
<b>Total Undistributed Expenditures - Educational Media Services/Library</b>		<b>24,000</b>	<b>59,970</b>	<b>83,970</b>	<b>575</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	11-000-223-320	1,000	-	1,000	611
Other Purchased Services	11-000-223-500	5,000	(3,000)	2,000	120
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>		<b>6,000</b>	<b>(3,000)</b>	<b>3,000</b>	<b>731</b>

SEASIDE HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2022

	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -				
Support Services - General Administration:				
Salaries	15,000	7,500	22,500	-
Salaries - Governance Staff	3,600	-	3,600	-
Legal Services	5,500	15,000	20,500	920
Audit Fees	23,000	-	23,000	1,850
Architectural/Engineering Services	-	8,750	8,750	-
Purchased Technical Services	23,000	(10,000)	13,000	715
Communications/Telephone	20,000	2,000	22,000	661
BOE Other Purchased Professional Services	5,000	(4,620)	380	380
Other Purchased Services	10,000	3,020	13,020	2,202
General Supplies	500	-	500	500
Miscellaneous Expenditures	1,000	-	1,000	657
BOE Membership Dues and Fees	3,000	-	3,000	711
<b>Total Undistributed Expenditures -</b>	<b>109,600</b>	<b>21,650</b>	<b>131,250</b>	<b>8,596</b>
Support Services - General Administration				
Undistributed Expenditures -				
Support Services - School Administration:				
Salaries of Principals/Assistant Principals	90,000	(7,362)	82,638	-
Salaries of Secretaries & Clerical Assistants	20,222	(16,738)	3,484	791
Purchased Professional & Technical Services	1,000	250	1,250	-
Supplies and Materials	2,500	5,100	7,600	2,68
<b>Total Undistributed Expenditures -</b>	<b>113,722</b>	<b>(18,750)</b>	<b>94,972</b>	<b>1,059</b>
Support Services - School Administration				
Undistributed Expenditures - Central Services:				
Salaries	26,826	3,100	29,926	53
Purchased Professional Services	21,000	1,000	22,000	198
Purchased Technical Services	25,000	1,090	26,090	-
Supplies and Materials	2,000	-	2,000	1,422
Miscellaneous Expenditures	250	-	250	25
<b>Total Undistributed Expenditures - Central Services</b>	<b>75,076</b>	<b>5,190</b>	<b>80,266</b>	<b>1,698</b>
Undistributed Expenditures -				
Administrative Information Technology:				
Purchased Technical Services	3,000	800	3,800	872
Supplies and Materials	9,000	4,200	13,200	377
<b>Total Undistributed Expenditures -</b>	<b>12,000</b>	<b>5,000</b>	<b>17,000</b>	<b>1,249</b>
Administrative Information Technology				

SEASIDE HEIGHTS SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

	ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	11-000-261-100	29,054	6,600	35,654	10
Cleaning, Repair & Maintenance Services	11-000-261-420	45,000	290,300	335,300	11,776
Lead Testing of Drinking Water	11-000-261-421	-	1,200	1,200	-
General Supplies	11-000-261-610	9,500	8,800	18,300	322
Other Objects	11-000-261-800	500	-	500	500
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>		<b>84,054</b>	<b>306,900</b>	<b>390,954</b>	<b>12,608</b>
Undistributed Expenditures - Custodial Services:					
Salaries	11-000-262-100	99,983	(7,300)	92,683	35
Salaries of Non-Instructional Aides	11-000-262-107	12,000	(4,500)	7,500	100
Cleaning, Repair & Maintenance Services	11-000-262-420	7,000	41,000	48,000	20,923
Other Purchased Property Services	11-000-262-490	5,000	(5,000)	-	-
Insurance	11-000-262-520	45,000	(6,325)	38,675	2
General Supplies	11-000-262-610	10,000	(6,100)	3,900	538
Energy (Electricity)	11-000-262-622	63,000	(6,000)	57,000	642
<b>Total Undistributed Expenditures - Custodial Services</b>		<b>241,983</b>	<b>5,775</b>	<b>247,758</b>	<b>22,240</b>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	11-000-263-300	7,000	17,000	24,000	1,396
General Supplies	11-000-263-610	1,000	-	1,000	1,000
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>		<b>8,000</b>	<b>17,000</b>	<b>25,000</b>	<b>2,396</b>
Security:					
Purchased Professional and Technical Services	11-000-266-300	25,000	-	25,000	2,171
<b>Total Security</b>		<b>25,000</b>	<b>-</b>	<b>25,000</b>	<b>2,171</b>



SEASIDE HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2022

	ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Student Transportation Services:					
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	28,826	12,600	41,426	64
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	3,000	-	3,000	3,000
Contract Services (Between Home & School) - Vendors	11-000-270-511	8,000	(5,000)	3,000	100
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	10,000	(4,000)	6,000	778
Contract Services (Special Education) - Vendors	11-000-270-514	-	2,000	2,000	250
Contract Serv.(Sp Ed Stds)-Joint Agrmnts	11-000-270-515	18,000	(17,000)	1,000	817
Contract Services (Special Education) - ESCs & CTASs	11-000-270-518	40,000	155,000	195,000	619
Miscellaneous Purchased Services - Transportation	11-000-270-593	3,000	(2,300)	700	49
<b>Total Undistributed Expenditures -</b>		<b>110,826</b>	<b>141,300</b>	<b>252,126</b>	<b>5,677</b>
Student Transportation Services				246,449	
Unallocated Benefits:					
Group Insurance	11-000-291-210	3,000	(1,000)	2,000	681
Social Security Contributions	11-000-291-220	120,000	(22,350)	97,650	694
Other Retirement Contributions - PERS	11-000-291-241	93,500	(6,000)	87,500	551
Pension Contributions	11-000-291-249	5,000	(5,000)	-	-
Unemployment Compensation	11-000-291-250	5,000	(5,000)	-	-
Workmen's Compensation	11-000-291-260	39,000	(2,000)	37,000	572
Health Benefits	11-000-291-270	803,400	(175,450)	627,950	734
Tuition Reimbursement	11-000-291-280	5,000	(2,000)	3,000	-
Other Employee Benefits	11-000-291-290	50,000	3,200	53,200	128
Unused Sick Payment to Staff	11-000-291-299	24,000	(24,000)	-	-
<b>Total Unallocated Benefits</b>		<b>1,147,900</b>	<b>(239,600)</b>	<b>908,300</b>	<b>3,998</b>
Nonbudgeted:					
TPAF Pension (on-behalf)	N/A	-	-	-	(716,568)
TPAF Social Security (reimbursed)	N/A	-	-	-	(161,457)
TPAF Post Retirements	N/A	-	-	-	(167,419)
TPAF Long-Term Disability Insurance (on behalf)	N/A	-	-	-	(286)
<b>Total Undistributed Expenditures</b>		<b>2,726,301</b>	<b>236,971</b>	<b>2,963,272</b>	<b>(939,203)</b>
<b>Total Expenditures - Current Expense</b>		<b>4,598,312</b>	<b>191,836</b>	<b>4,790,148</b>	<b>(931,588)</b>
Interest Deposit to Capital Reserves	604-000	25	-	25	25
Interest Deposit to Maintenance Reserves	606-000	100	-	100	100
Interest Deposit to Emergency Reserves	606-000	25	-	25	25

SEASIDE HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2022

ACCOUNT NUMBERS	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Capital Outlay:				
Equipment:				
Grades 1-5	5,000	(5,000)	-	-
Undistributed Expenditures:				
Undistributed Expenditures - Admin Info Tech.	-	5,200	5,200	3,544
Undist. Expend. - Required Maint for School Fac.	-	34,000	34,000	33,253
				747
Total Equipment	5,000	34,200	39,200	36,797
2,403				
Facilities Acquisition & Construction Services:				
Architectural/Engineering Services	-	39,150	39,150	38,505
Assessment for Debt Service on SDA Funding	1,824	-	1,824	1,824
				-
Total Facilities Acquisition & Construction Services	1,824	39,150	40,974	40,329
645				
Total Capital Outlay	6,824	73,350	80,174	77,126
3,048				
Total Expenditures	4,605,286	265,186	4,870,472	5,798,862
(928,390)				
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)	(122,345)	(265,186)	(387,531)	(242,577)
144,954				
Other Financing Sources/(Uses):				
Transfers In(Out):				
Transfer from General Fund to Debt Service Fund	(77,655)	-	(77,655)	(77,655)
				-
Total Other Financing Sources/(Uses)	(77,655)	-	(77,655)	(77,655)
-				
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses)	(200,000)	(265,186)	(465,186)	(320,232)
144,954				
Fund Balances, July 1	862,562	-	862,562	862,562
-				
Fund Balances, June 30	\$ 662,562	\$ (265,186)	\$ 397,376	\$ 542,330
144,954				

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 30,186.00
Withdrawal from Maintenance Reserve (December 20, 2021)	100,000.00
Appropriation from Unassigned Fund Balance (May 16, 2022)	135,000.00
	<u>\$ 265,186.00</u>

SEASIDE HEIGHTS SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2022

ACCOUNT NUMBERS	JUNE 30, 2022		VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS FINAL BUDGET	
Restricted Fund Balance:			
Capital Reserve		\$ 58,448	
Maintenance Reserve		56,941	
Emergency Reserve		50,377	
Unemployment Reserve		25,254	
Excess Surplus Designated for Subsequent Year's Expenditures		91,541	
Assigned Fund Balance:			
Designated for Subsequent Year's Expenditures		108,459	
Year-End Encumbrances		3,242	
Unassigned Fund Balance		148,068	
Subtotal		542,330	
Reconciliation to Governmental Funds Statements (GAAP):			
Last State Aid Payments Not Recognized on GAAP Basis		(85,929)	
Fund Balance per Governmental Funds (GAAP)		\$ 456,401	

RECAPITULATION OF FUND BALANCE

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SEASIDE HEIGHTS SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2022

	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources	\$ -	\$ 5,819	\$ 5,819	\$ -
State Sources	685,650	-	685,650	135,159
Federal Sources	250,162	2,306,821	2,556,983	611,913
Total Revenues	935,812	2,312,640	3,248,452	747,072
Expenditures:				
Instruction:				
Salaries of Teachers	246,308	183,323	429,631	37,458
Other Salaries for Instruction	61,835	59,415	121,250	370
Other Purchased Services (400-500 Series)	69,555	207,148	276,703	31,095
General Supplies	50,000	265,251	315,251	47,430
Total Instruction	427,698	715,137	1,142,835	116,353
Support Services:				
Salaries of Other Professional Staff	48,450	37,175	85,625	39,569
Personal Services - Employee Benefits	155,607	(32,715)	122,892	14,844
Purchased Educational Services	225,000	92,882	317,882	139,670
Other Purchased Services (400-500 Series)	20,000	20,000	40,000	19
Transportation	3,000	14,893	17,893	2,910
Supplies and Materials	6,057	38,600	44,657	44,331
Total Support Services	458,114	170,835	628,949	241,343
Facilities Acquisition & Construction Services:				
Buildings	-	1,420,849	1,420,849	345,464
Instructional Equipment	50,000	-	50,000	43,912
Noninstructional Equipment	-	5,819	5,819	-
Total Facilities Acquisition & Construction Services	50,000	1,426,668	1,476,668	389,376
Total Expenditures	935,812	2,312,640	3,248,452	747,072
Total Outflows	935,812	2,312,640	3,248,452	747,072
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses) Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	-	-	-	-

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET TO GAAP RECONCILIATION  
YEAR ENDED JUNE 30, 2022**

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>
<b>Sources/Inflows of Resources:</b>		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 5,556,285	\$ 2,501,380
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(369,146)
Prior Year	-	-
The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		
Current Year	(85,929)	-
Prior Year	109,520	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 5,579,876</u>	<u>\$ 2,132,234</u>
<b>Uses/outflows of resources:</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 5,798,862	\$ 2,501,380
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	(369,146)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 5,798,862</u>	<u>\$ 2,132,234</u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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SEASIDE HEIGHTS SCHOOL DISTRICT  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
 LAST NINE FISCAL YEARS <sup>\*/\*\*</sup>

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00742%	0.00776%	0.00742%	0.00784%	0.00665%	0.00768%	0.00777%	0.00643%	0.00691%
School District's proportionate share of the net pension liability	\$ 879,538	\$ 1,265,252	\$ 1,336,995	\$ 1,544,099	\$ 1,548,462	\$ 2,273,962	\$ 1,744,022	\$ 1,203,191	\$ 1,320,297
School District's covered payroll	\$ 592,625	\$ 513,551	\$ 503,644	\$ 536,396	\$ 510,639	\$ 471,277	\$ 457,446	\$ 519,008	\$ 489,580
School District's proportionate share of the net pension liability as a percentage of its covered payroll	148.41%	246.37%	265.46%	287.87%	303.24%	482.51%	381.25%	231.83%	269.68%
Plan fiduciary net position as a percentage of the total pension liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\*\* This schedule is presented to illustrate the requirement 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.

SEASIDE HEIGHTS SCHOOL DISTRICT  
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
 LAST EIGHT FISCAL YEARS \*/\*\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 86,949	\$ 84,877	\$ 72,176	\$ 78,005	\$ 61,623	\$ 68,209	\$ 66,794	\$ 52,978	\$ 52,052
Contributions in relation to the contractually required contribution	(86,949)	(84,877)	(72,176)	(78,005)	(61,623)	(68,209)	(66,794)	(52,978)	(52,052)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 632,874	\$ 592,625	\$ 513,551	\$ 503,644	\$ 536,396	\$ 510,639	\$ 471,277	\$ 457,446	\$ 519,008
Contributions as a percentage of covered payroll	13.74%	14.32%	14.05%	15.49%	11.49%	13.36%	14.17%	11.58%	10.03%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\*\* This schedule is presented to illustrate the requirement 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.



SEASIDE HEIGHTS SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)  
 LAST NINE FISCAL YEARS \*\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Slate's proportionate share of the net pension liability associated with the School District	7,927,339	11,111,296	10,008,436	10,647,675	10,409,627	11,034,003	9,001,264	7,632,847	7,062,221
School District's covered payroll	\$ 7,927,339	\$ 11,111,296	\$ 10,008,436	\$ 10,647,675	\$ 10,409,627	\$ 11,034,003	\$ 9,001,264	\$ 7,632,847	\$ 7,062,221
School District's proportionate share of the net pension liability as a percentage of its covered payroll	\$ 2,084,208	\$ 2,084,208	\$ 1,972,100	\$ 1,884,311	\$ 1,762,862	\$ 1,696,488	\$ 1,627,986	\$ 1,423,982	\$ 1,385,387
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\*\* This schedule is presented to illustrate the requirement 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.

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS (GASB 75)**

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**SEASIDE HEIGHTS SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)  
LAST FIVE FISCAL YEARS \***

	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service Cost	\$ 611,451	\$ 354,160	\$ 369,196	\$ 400,899	\$ 482,641
Interest Cost	268,114	270,320	327,047	348,046	296,466
Changes in Benefit Terms	(11,001)	-	-	-	-
Difference Between Expected and Actual Experiences	(2,382,659)	1,952,551	(1,306,892)	(831,466)	-
Changes of Assumptions	10,197	2,199,977	111,379	(940,053)	(1,167,022)
Contributions: Member	6,854	6,355	6,797	7,571	8,039
Gross Benefit Payments	(211,198)	(209,672)	(229,308)	(219,047)	(218,323)
Net Change in Total OPEB Liability	(1,708,242)	4,573,691	(721,781)	(1,234,050)	(598,199)
Total OPEB Liability (Beginning)	12,043,736	7,470,045	8,191,826	9,425,876	10,024,075
Total OPEB Liability (Ending)	<u>\$ 10,335,494</u>	<u>\$ 12,043,736</u>	<u>\$ 7,470,045</u>	<u>\$ 8,191,826</u>	<u>\$ 9,425,876</u>
State's Covered Employee Payroll	\$ 2,676,833	\$ 2,597,759	\$ 2,475,744	\$ 2,420,707	\$ 2,273,501
Net OPEB Liability as a Percentage of Payroll	386.11%	463.62%	301.73%	338.41%	415%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

\* This schedule is presented to illustrate the requirement 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.

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
YEAR ENDED JUNE 30, 2022**

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

**Changes in Benefit Terms**

None.

**Changes in Assumptions**

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2018	4.86%	2015	4.13%
2020	5.40%	2017	4.25%	2014	4.68%
2019	5.60%	2016	3.22%		

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.30%	2017	7.00%	2014	7.90%
2019	7.00%	2016	7.65%		

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

**Public Employees' Retirement System (PERS)**

**Changes in Benefit Terms**

The June 30, 2021 measurement date includes one change in plan provisions as Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

**Changes in Assumptions**

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%
2019	6.28%	2016	3.98%		

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%
2019	7.00%	2016	7.65%		

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms**

None.

**Changes of Assumptions**

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%	2016	2.85%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

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**OTHER SUPPLEMENTARY INFORMATION**

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**D. School Based Budget Schedules**

Not Applicable

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**E. Special Revenue Fund**

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SEASIDE HEIGHTS SCHOOL DISTRICT  
 SPECIAL REVENUE FUND  
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
 YEAR ENDED JUNE 30, 2022

	Title I	Title I, S/A	Title IIA	I.D.E.A. - Basic
Revenues:				
Local Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Federal Sources	187,327	26,400	15,978	84,146
<b>Total Revenues</b>	<b>187,327</b>	<b>26,400</b>	<b>15,978</b>	<b>84,146</b>
Expenditures:				
Instruction:				
Salaries of Teachers	93,497	24,524	10,000	-
Other Salaries for Instruction	45,078	-	-	-
Purchased Professional - Educational Services	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	84,146
General Supplies	-	-	-	-
Textbooks	-	-	-	-
Other Objects	-	-	-	-
<b>Total Instruction</b>	<b>138,575</b>	<b>24,524</b>	<b>10,000</b>	<b>84,146</b>
Support Services:				
Salaries of Other Professional Staff	3,000	-	550	-
Personal Services - Employee Benefits	45,752	1,876	5,428	-
Purchased Educational Services	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-
Transportation	-	-	-	-
Supplies and Materials	-	-	-	-
Other Objects	-	-	-	-
<b>Total Support Services</b>	<b>48,752</b>	<b>1,876</b>	<b>5,978</b>	-
Facilities Acquisition & Construction Services:				
Buildings	-	-	-	-
Instructional Equipment	-	-	-	-
Noninstructional Equipment	-	-	-	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>187,327</b>	<b>26,400</b>	<b>15,978</b>	<b>84,146</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses) Fund Balance, July 1	-	-	-	-
<b>Fund Balance, June 30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>

SEASIDE HEIGHTS SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2022

	I.D.E.A. - Preschool	Preschool Education	American Rescue Plan (ARP) - I.D.E.A.	American Rescue Plan (ARP) - I.D.E.A. - Preschool
Revenues:				
Local Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	546,098	-	-
Federal Sources	2,310	-	12,348	1,047
Total Revenues	2,310	546,098	12,348	1,047
Expenditures:				
Instruction:				
Salaries of Teachers	-	150,008	-	-
Other Salaries for Instruction	-	63,535	-	-
Purchased Professional - Educational Services	-	-	-	-
Other Purchased Services (400-500 Series)	2,310	-	12,348	1,047
General Supplies	-	35,416	-	-
Textbooks	-	-	-	-
Other Objects	-	-	-	-
Total Instruction	2,310	248,959	12,348	1,047
Support Services:				
Salaries of Other Professional Staff	-	42,506	-	-
Personal Services - Employee Benefits	-	34,745	-	-
Purchased Educational Services	-	173,819	-	-
Other Purchased Services (400-500 Series)	-	39,981	-	-
Transportation	-	-	-	-
Supplies and Materials	-	-	-	-
Other Objects	-	-	-	-
Total Support Services	-	291,051	-	-
Facilities Acquisition & Construction Services:				
Buildings	-	-	-	-
Instructional Equipment	-	6,088	-	-
Noninstructional Equipment	-	-	-	-
Total Facilities Acquisition & Construction Services	-	6,088	-	-
Total Expenditures	2,310	546,098	12,348	1,047
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses) Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

SEASIDE HEIGHTS SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2022

	ESSER II	Coronavirus Response and Relief Supplemental Appropriations (CRRSA) - Learning Acceleration Grant	Coronavirus Response and Relief Supplemental Appropriations (CRRSA) and Relief Supplemental Appropriations (CRRSA) - Mental Health Grant	ESSER III
Revenues:				
Local Sources	\$ -	\$ -	\$ -	-
State Sources	-	-	-	-
Federal Sources	535,792	37,677	20,157	966,905
Total Revenues	535,792	37,677	20,157	966,905
Expenditures:				
Instruction:				
Salaries of Teachers	23,262	35,000	18,725	-
Other Salaries for Instruction	12,267	-	-	-
Purchased Professional - Educational Services	-	-	-	-
Other Purchased Services (400-500 Series)	145,757	-	-	-
General Supplies	-	-	-	232,405
Textbooks	-	-	-	-
Other Objects	-	-	-	-
Total Instruction	181,286	35,000	18,725	232,405
Support Services:				
Salaries of Other Professional Staff	-	-	-	-
Personal Services - Employee Benefits	13,295	2,677	1,432	-
Purchased Educational Services	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-
Transportation	-	-	-	-
Supplies and Materials	326	-	-	-
Other Objects	-	-	-	-
Total Support Services	13,621	2,677	1,432	-
Facilities Acquisition & Construction Services:				
Buildings	340,885	-	-	734,500
Instructional Equipment	-	-	-	-
Noninstructional Equipment	-	-	-	-
Total Facilities Acquisition & Construction Services	340,885	-	-	734,500
Total Expenditures	535,792	37,677	20,157	966,905
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

SEASIDE HEIGHTS SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2022

	American Rescue Plan (ARP) - Evidence-based Comprehensive Beyond the School Day	American Rescue Plan (ARP) - Homeless Children & Youth II	SDA Emergent Needs and Capital Maintenance	NJSAIG Safety Grant	Totals
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ 5,819	\$ 5,819
State Sources	-	-	4,393	-	550,491
Federal Sources	40,000	14,983	-	-	1,945,070
<b>Total Revenues</b>	<b>40,000</b>	<b>14,983</b>	<b>4,393</b>	<b>5,819</b>	<b>2,501,380</b>
Expenditures:					
Instruction:					
Salaries of Teachers	37,157	-	-	-	392,173
Other Salaries for Instruction	-	-	-	-	120,880
Other Purchased Services (400-500 Series)	-	-	-	-	245,608
General Supplies	-	-	-	-	267,821
<b>Total Instruction</b>	<b>37,157</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,026,482</b>
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	46,056
Personal Services - Employee Benefits	2,843	-	-	-	108,048
Purchased Educational Services	-	-	4,393	-	178,212
Other Purchased Services (400-500 Series)	-	-	-	-	39,981
Transportation	-	14,983	-	-	14,983
Supplies and Materials	-	-	-	-	326
<b>Total Support Services</b>	<b>2,843</b>	<b>14,983</b>	<b>4,393</b>	<b>-</b>	<b>387,606</b>
Facilities Acquisition & Construction Services:					
Buildings	-	-	-	-	1,075,385
Instructional Equipment	-	-	-	-	6,088
Noninstructional Equipment	-	-	-	5,819	5,819
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,819</b>	<b>1,087,292</b>
<b>Total Expenditures</b>	<b>40,000</b>	<b>14,983</b>	<b>4,393</b>	<b>5,819</b>	<b>2,501,380</b>

**SEASIDE HEIGHTS SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2022**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 150,308	\$ 150,008	\$ 300
Other Salaries of Instruction	63,835	63,535	300
General Supplies	50,000	35,416	14,584
<b>Total Instruction</b>	<b>264,143</b>	<b>248,959</b>	<b>15,184</b>
Support Services:			
Salaries of Other Professional Staff	52,950	42,506	10,444
Employee Benefits	44,500	34,745	9,755
Purchased Professional – Educational Services	225,000	173,819	51,181
Other Purchased Professional - Services	40,000	39,981	19
Transportation	3,000	-	3,000
Supplies & Materials	6,057	-	6,057
<b>Total Support Services</b>	<b>371,507</b>	<b>291,051</b>	<b>80,456</b>
Facilities Acquisition and Const. Services:			
Instructional Equipment	50,000	6,088	43,912
<b>Total Facilities Acquisition and Const. Services</b>	<b>50,000</b>	<b>6,088</b>	<b>43,912</b>
<b>Total Expenditures</b>	<b>\$ 685,650</b>	<b>\$ 546,098</b>	<b>\$ 139,552</b>

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2021-2022 Preschool Education Aid Allocation	\$ 685,650
Add: Actual Preschool Education Aid Carryover (June 30, 2021)	<u>58,856</u>
Total Preschool Education Aid Funds Available for 2020-2021 Budget	744,506
Less: 2021-2022 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(685,650)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020	58,856
Add: June 30, 2022 Unexpended Preschool Education Aid Funds	<u>139,552</u>
2021-2022 Carryover - Preschool Education Aid Funds	<u>198,408</u>
2021-2022 Preschool Education Aid Funds Carryover Budgeted in 2022-2023	<u><u>\$ -</u></u>

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**F. Capital Projects Fund**

*Not Applicable*

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**H. Fiduciary Fund**

*Not Applicable*

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## **I. Long-Term Debt**

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SEASIDE HEIGHTS SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF LEASE OBLIGATIONS  
 YEAR ENDED JUNE 30, 2022

DESCRIPTION:	AMOUNT OF ORIGINAL ISSUE	INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2021	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2022
Copier - FY16	\$ 9,156	Variable	\$ 178	\$ -	\$ 178	\$ -
Copier - FY18	22,564	Variable	10,272	-	4,763	5,509
Copier - FY21	18,000	Variable	16,484	-	3,270	13,214
Total	\$		\$ 26,934	\$ -	\$ 8,211	\$ 18,723

**SEASIDE HEIGHTS SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2022**

	JUNE 30, 2022			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Expenditures:				
Regular Debt Service:				
Principal on Community Disaster Loan	\$ 76,613	\$ -	\$ 76,613	\$ -
Interest on Community Disaster Loan	1,042	-	1,042	-
Total Regular Debt Service	77,655	-	77,655	-
Total Expenditures	77,655	-	77,655	-
Other Financing Sources/(Uses):				
Transfer from/(to) Other Funds	77,655	-	77,655	-
Total Other Financing Sources/(Uses)	77,655	-	77,655	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	-	-	-	-

**STATISTICAL SECTION (Unaudited)**

Third Section

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**Financial Trends Information**

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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SEASIDE HEIGHTS SCHOOL DISTRICT  
 NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
*(Accrual Basis of Accounting)*  
 UNAUDITED

	2022	2021*	2020	2019	2018	2017	2016	2015	2014	2013
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 3,702,450	\$ 2,860,085	\$ 3,009,798	\$ 3,169,403	\$ 3,297,778	\$ 3,187,917	\$ 3,204,839	\$ 3,276,528	\$ 2,212,190	\$ 1,946,016
Restricted	282,561	382,376	218,355	168,280	165,391	710,084	411,384	432,616	684,838	1,604,637
Debt Service										(9,489)
Unrestricted (Deficit)	(1,575,648)	(1,645,511)	(1,689,091)	(1,663,190)	(1,558,136)	(2,344,807)	(1,695,702)	(2,233,152)	(716,945)	(89,915)
Total Governmental Activities	\$ 2,409,363	\$ 1,596,950	\$ 1,674,493	\$ 1,905,033	\$ 1,553,194	\$ 1,920,521	\$ 1,475,992	\$ 2,180,083	\$ 3,451,249	\$ 2,438,493
Business-Type Activities:										
Net Investment in Capital Assets	\$ 13,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted (Deficit)	88,553	91,089	44,173	7,586	8,374	5,890	2,689	37	251	14,799
Total Business-Type Activities	\$ 102,050	\$ 91,089	\$ 44,173	\$ 7,586	\$ 8,374	\$ 5,890	\$ 2,689	\$ 37	\$ 251	\$ 14,799
District-Wide:										
Net Investment in Capital Assets	\$ 3,715,947	\$ 2,860,085	\$ 3,009,798	\$ 3,169,403	\$ 3,297,778	\$ 3,187,917	\$ 3,204,839	\$ 3,276,528	\$ 2,212,190	\$ 1,946,016
Restricted	282,561	382,376	218,355	168,280	165,391	710,084	411,384	432,616	684,838	1,604,637
Debt Service										(9,489)
Unrestricted (Deficit)	(1,487,095)	(1,554,422)	(1,644,918)	(1,655,604)	(1,549,762)	(2,338,917)	(1,693,013)	(2,233,115)	(716,694)	(75,116)
Total District Net Position	\$ 2,511,413	\$ 1,688,039	\$ 1,583,235	\$ 1,682,079	\$ 1,913,407	\$ 1,559,084	\$ 1,923,210	\$ 1,476,029	\$ 2,180,334	\$ 3,466,048

Source: ACFR Schedule A-1  
 \*For the year ended June 30, 2021 net position was reclassified due to GASB 84

SEASIDE HEIGHTS SCHOOL DISTRICT  
 CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING) -  
 LAST TEN FISCAL YEARS  
 UNAUDITED

	2022	2021 *	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 3,256,661	\$ 3,029,818	\$ 2,988,552	\$ 2,768,226	\$ 2,756,466	\$ 1,607,792	\$ 1,349,042	\$ 1,375,775	\$ 1,241,356	\$ 1,122,365
Special Education	609,762	481,596	588,440	944,234	1,042,924	353,173	440,289	332,050	338,961	303,797
Other Special Education	-	-	-	-	-	60,502	57,204	55,927	90,140	60,346
Other Instruction	146,130	115,481	152,581	185,164	174,796	18,008	25,456	75,587	-	-
Support Services:										
Tuition	11,757	40,901	82,803	50,309	27,572	24,747	32,306	159,916	132,077	129,859
Attendance & Social Work Services	-	-	-	-	-	-	-	-	-	-
Health Services	-	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	1,369,942	1,293,767	958,279	1,044,511	1,090,456	676,464	616,765	645,812	599,132	523,056
Educational Media Services/School	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-
Instructional Staff Training	-	-	-	-	-	-	-	-	-	-
Other Administrative Services	146,970	118,615	155,110	-	169,445	98,254	110,395	91,023	125,158	121,243
Central Services	94,111	84,255	96,036	141,600	150,243	87,930	92,028	89,677	129,445	130,595
General Administrative	-	-	-	131,742	85,781	40,557	36,104	38,113	33,914	25,211
Administration Information Technology										
Services	18,898	26,928	19,712	79,373	12,144	31,518	37,416	55,995	29,718	28,418
School Administrative Services	112,507	129,582	150,980	12,406	447,651	338,388	305,674	287,790	1,199,796	601,634
Plant Operations & Maintenance	856,511	617,501	388,708	413,737	165,063	62,981	116,039	104,021	62,423	38,252
Pupil Transportation	295,272	124,248	-	150,369	-	-	-	-	-	-
Unallocated Benefits	-	-	-	-	-	2,205,772	1,820,944	1,546,013	1,052,905	1,173,004
Interest & Other Charges	10,035	2,978	3,416	-	3,477	18,486	21,741	22,517	14,099	11,941
Reduction of Capital Leases	-	-	-	3,584	-	-	-	-	-	-
Unallocated Compensated Absences	-	-	-	-	-	23,886	-	(85,806)	-	-
Unallocated Adjustment to Fixed Assets	-	-	-	-	-	172,305	199,299	196,340	-	-
Unallocated Depreciation	-	-	-	-	-	-	-	-	171,074	55,940
Total Governmental Activities	6,928,556	6,065,670	5,734,876	5,925,255	6,126,018	5,820,763	5,260,702	4,990,750	5,220,198	4,325,661
Business-Type Activities:										
Food Service	196,858	162,963	188,844	154,416	166,310	162,967	136,294	145,964	129,386	103,784
Total Business-Type Activities	196,858	162,963	188,844	154,416	166,310	162,967	136,294	145,964	129,386	103,784
Total District Expenses	\$ 7,125,414	\$ 6,228,633	\$ 5,923,720	\$ 6,079,671	\$ 6,292,328	\$ 5,983,730	\$ 5,396,996	\$ 5,136,714	\$ 5,349,584	\$ 4,429,445
Program Revenues:										
Operating Grants & Contributions	\$ 3,206,823	\$ 1,825,284	\$ 1,377,950	\$ 1,637,562	\$ 1,918,264	\$ 1,674,562	\$ 1,126,360	\$ 1,059,347	\$ 719,951	\$ 759,796
Total Governmental Activities	\$ 3,206,823	\$ 1,825,284	\$ 1,377,950	\$ 1,637,562	\$ 1,918,264	\$ 1,674,562	\$ 1,126,360	\$ 1,059,347	\$ 719,951	\$ 759,796
Business-Type Activities:										
Charges for Services:										
Food Service - Interest	207,818	209,877	225,428	153,625	159,794	156,168	120,374	122,512	108,750	108,209
Operating Grants & Contributions	207,818	209,877	225,428	153,625	159,794	156,168	120,374	122,512	108,750	108,209
Total Business Type Activities	\$ 3,414,641	\$ 2,035,161	\$ 1,603,378	\$ 1,791,187	\$ 2,078,058	\$ 1,830,730	\$ 1,246,734	\$ 1,181,859	\$ 828,701	\$ 868,005

SEASIDE HEIGHTS SCHOOL DISTRICT  
 CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
 LAST TEN FISCAL YEARS  
 UNAUDITED

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021 *	2020	2019	2018	2017	2016	2015	2014	2013
Net (Expense)/Revenue:										
Governmental Activities	\$ (3,721,733)	\$ (4,240,386)	\$ (4,356,926)	\$ (4,287,693)	\$ (4,207,794)	\$ (4,146,201)	\$ (4,134,342)	\$ (3,931,403)	\$ (4,500,247)	\$ (3,565,865)
Business-Type Activities	10,960	46,914	36,584	(791)	(6,516)	(6,799)	(15,920)	(23,452)	(20,636)	4,425
Total District-Wide Net Expense	\$ (3,710,773)	\$ (4,193,472)	\$ (4,320,342)	\$ (4,288,484)	\$ (4,214,270)	\$ (4,153,000)	\$ (4,150,262)	\$ (3,954,855)	\$ (4,520,883)	\$ (3,561,440)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	3,577,480	3,350,000	3,025,000	2,900,000	2,748,368	2,748,368	2,737,431	2,430,356	1,919,061	2,696,611
Taxes Levied for Debt Service	-	20,000	-	45,000	-	-	-	-	108,326	109,550
Grants & Contributions	878,083	827,881	1,075,481	1,804	1,036,425	1,010,344	1,466,553	1,029,671	963,828	830,097
Tuition Received	71,900	51,707	93,858	1,049,750	3,729	-	2,192	7,883	9,262	1,080
Miscellaneous Income	6,683	23,502	27,156	60,598	35,791	30,162	39,336	96,699	233,605	20,505
Transfers In/Out	-	-	-	-	(9,000)	(10,000)	(17,000)	(20,900)	(5,000)	(5,000)
Special Items:										
FEMA reimbursements	-	-	-	-	-	-	-	32,837	-	375,000
Cancellation of Community Disaster Loan	-	-	-	-	744,280	-	-	-	-	-
Cancellation of Prior Year Payables	-	-	-	-	-	-	34,464	(356,521)	-	-
Capital Asset-Super Storm Sandy	-	-	-	-	-	-	115,895	502,437	-	601,632
Loss on Impairment of Assets	-	-	-	-	-	-	-	-	-	(50,854)
Community Block Grant	-	-	-	-	-	-	200,000	-	-	-
Total Governmental Activities	4,534,146	4,273,090	4,221,495	4,057,152	4,559,593	3,778,874	4,578,871	3,722,462	3,229,082	4,578,621
Business-Type Activities:										
Transfers In/Out	-	-	-	-	9,000	10,000	17,000	20,900	5,000	5,000
Investment Earnings	1	2	3	3	-	-	1,572	2,338	1,088	4,404
Total Business-Type Activities	1	2	3	3	9,000	10,000	18,572	23,238	6,088	9,404
Total District-Wide	\$ 4,534,147	\$ 4,273,092	\$ 4,221,498	\$ 4,057,155	\$ 4,568,593	\$ 3,788,874	\$ 4,597,443	\$ 3,745,700	\$ 3,235,170	\$ 4,588,025
Change in Net Position:										
Governmental Activities	\$ 812,413	\$ 32,704	\$ (135,431)	\$ (230,541)	\$ 351,839	\$ (367,327)	\$ 444,529	\$ (208,941)	\$ (1,271,165)	\$ 1,012,756
Business-Type Activities	10,961	46,916	36,587	(788)	2,484	3,201	2,652	(214)	(14,548)	13,829
Total District	\$ 823,374	\$ 79,620	\$ (98,844)	\$ (231,329)	\$ 354,323	\$ (364,126)	\$ 447,181	\$ (209,155)	\$ (1,285,713)	\$ 1,026,585

Source: ACFR Schedule A-2

SEASIDE HEIGHTS SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)  
 UNAUDITED

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021 *	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Restricted	\$ 282,561	\$ 382,376	\$ 218,355	\$ 168,280	\$ 165,391	\$ 1,216,598	\$ 1,273,318	\$ 758,929	\$ 798,271	\$ 1,684,028
Committed	-	-	-	425	-	-	-	-	-	-
Assigned	111,701	230,186	250,000	473,870	-	-	-	-	-	-
Unassigned	62,139	140,480	118,870	-	59,494	150,556	58,624	130,749	144,059	167,160
Total General Fund	\$ 456,401	\$ 753,042	\$ 587,225	\$ 642,575	\$ 224,885	\$ 1,367,154	\$ 1,331,942	\$ 889,678	\$ 942,330	\$ 1,851,188
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund	\$ -	\$ -	\$ (7,088)	\$ (9,917)	\$ (7,326)	\$ (13,434)	\$ (9,487)	\$ (9,769)	\$ (13,433)	\$ (13,094)
Capital Projects Fund	-	-	-	-	-	-	-	-	-	277,741
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ -	\$ -	\$ (7,088)	\$ (9,917)	\$ (7,326)	\$ (13,434)	\$ (9,487)	\$ (9,769)	\$ (13,433)	\$ 264,647

Source: ACFR Schedule B-1  
 \*For the year ended June 30, 2021 fund balance was reclassified due to GASB 84.

SEASIDE HEIGHTS SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)  
 UNAUDITED

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues:</b>										
Tax Levy	\$ 3,577,480.00	\$ 3,370,000.00	\$ 3,025,000.00	\$ 2,945,000.00	\$ 2,748,368.00	\$ 2,748,368.00	\$ 2,737,431.00	\$ 2,430,356.00	\$ 2,027,387.00	\$ 2,806,161.00
Tuition Charges	71,900.00	51,707.00	93,858.00	1,804.00	3,729.00	-	2,192.00	7,883.00	9,264.00	1,080.00
Miscellaneous	6,683.00	23,502.00	30,222.00	62,696.00	37,811.00	30,162.00	39,336.00	96,699.00	233,591.00	20,505.00
State Sources	2,480,123.00	2,146,413.00	1,809,954.00	1,754,829.00	1,655,166.00	1,603,227.00	1,500,819.00	1,458,805.00	1,418,991.00	1,303,091.00
Federal Sources	1,575,924.00	506,752.00	365,995.00	334,009.00	328,343.00	426,727.00	654,787.00	296,488.00	264,788.00	286,802.00
<b>Total Revenues</b>	<b>7,712,110.00</b>	<b>6,098,374.00</b>	<b>5,325,029.00</b>	<b>5,098,338.00</b>	<b>4,773,417.00</b>	<b>4,808,484.00</b>	<b>4,934,565.00</b>	<b>4,290,232.00</b>	<b>3,954,021.00</b>	<b>4,417,639.00</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	2,010,026.00	1,833,920.00	1,688,809.00	1,366,826.00	1,353,410.00	1,607,792.00	1,349,042.00	1,375,775.00	1,241,356.00	1,122,365.00
Special Education Instruction	376,338.00	291,467.00	332,538.00	466,220.00	512,070.00	353,173.00	440,289.00	332,050.00	338,961.00	303,797.00
Other Special Instruction	-	-	-	63,055.00	61,022.00	60,502.00	57,204.00	55,927.00	90,140.00	60,346.00
Other Instruction	90,233.00	69,930.00	86,247.00	28,371.00	24,802.00	18,008.00	25,456.00	75,587.00	-	-
<b>Support Services:</b>										
Tuition	9,850.00	31,709.00	62,458.00	35,981.00	17,227.00	24,747.00	32,306.00	159,916.00	132,077.00	129,859.00
Attendance & Social Work Services	88,642.00	88,610.00	63,337.00	-	-	-	-	-	-	-
Health Services	92,289.00	90,039.00	87,892.00	-	-	-	-	-	-	-
Student & Instruction Related Services	962,636.00	823,301.00	571,067.00	747,037.00	681,288.00	676,464.00	616,765.00	645,812.00	599,132.00	523,056.00
Educational Media Services/ School Library	-	-	-	-	-	-	-	-	-	-
Instructional Staff Training	-	-	-	-	-	-	-	-	-	-
Other Administrative Services	122,654.00	91,853.00	116,904.00	101,273.00	105,865.00	98,254.00	110,395.00	91,023.00	129,445.00	130,595.00
Central Services	78,568.00	65,289.00	72,378.00	56,768.00	53,594.00	40,557.00	36,104.00	38,113.00	33,914.00	25,211.00
<b>Administration Information</b>										
Technology Services	15,751.00	20,877.00	14,862.00	8,873.00	7,587.00	31,518.00	37,416.00	55,995.00	29,718.00	28,418.00
School Administrative Services	93,913.00	100,377.00	113,838.00	94,222.00	93,868.00	87,930.00	92,022.00	89,677.00	125,158.00	121,243.00
Plant Operations & Maintenance	629,297.00	391,549.00	308,196.00	308,196.00	279,681.00	338,388.00	305,674.00	287,790.00	1,199,796.00	1,178,045.00
Pupil Transportation	246,449.00	96,207.00	113,235.00	107,544.00	103,127.00	62,981.00	116,039.00	104,021.00	62,423.00	38,252.00
Unallocated Benefits	1,950,032.00	1,754,012.00	1,668,624.00	1,683,472.00	1,611,217.00	1,367,408.00	1,308,635.00	1,163,537.00	1,139,036.00	1,188,148.00
Business and Other Support Services	1,162,594.00	197,732.00	6,840.00	44,289.00	312,521.00	191,647.00	133,968.00	346,920.00	651,331.00	227,442.00
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	76,613.00	19,359.00	17,202.00	45,000.00	184,355.00	-	-	-	131,975.00	128,680.00
Interest & Other Charges	2,866.00	2,465.00	4,622.00	15,645.00	15,645.00	-	-	-	2,451.00	7,267.00
<b>Total Expenditures</b>	<b>8,008,751.00</b>	<b>5,968,696.00</b>	<b>5,318,464.00</b>	<b>5,157,127.00</b>	<b>5,417,279.00</b>	<b>4,959,369.00</b>	<b>4,661,321.00</b>	<b>4,822,143.00</b>	<b>5,906,913.00</b>	<b>5,212,724.00</b>
<b>Other Financing Sources/(Uses):</b>										
Community Disaster Loan (FEMA)	-	-	-	-	-	-	-	266,255.00	777,550.00	-
Community Block Grant	-	-	-	-	-	-	200,000.00	-	14,914.00	-
Transfers in	-	-	-	-	-	-	-	-	3,197.00	-
Lease Purchase Agreements	-	18,043.00	-	-	22,564.00	9,156.00	-	-	-	504,000.00
Capital Asset-Super Storm Sandy	-	-	-	-	-	-	115,895.00	502,437.00	-	601,652.00
FEMA reimbursements	-	-	-	-	-	-	-	32,837.00	-	375,000.00
Cancellation of Prior Year Payables	-	-	-	-	-	-	34,464.00	(356,521.00)	-	-
Transfers Out	-	-	-	-	(9,000.00)	(10,000.00)	(17,000.00)	(20,900.00)	(19,916.00)	(5,000.00)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>18,043.00</b>	<b>-</b>	<b>(58,789.00)</b>	<b>(630,298.00)</b>	<b>(844.00)</b>	<b>333,359.00</b>	<b>424,108.00</b>	<b>775,745.00</b>	<b>1,475,632.00</b>
<b>Net Change in Fund Balances</b>	<b>\$(296,641.00)</b>	<b>\$147,721.00</b>	<b>\$6,565.00</b>	<b>\$(58,789.00)</b>	<b>\$(630,298.00)</b>	<b>\$(151,729.00)</b>	<b>\$606,603.00</b>	<b>\$(107,803.00)</b>	<b>\$(1,177,147.00)</b>	<b>\$680,547.00</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>1.00%</b>	<b>0.41%</b>	<b>0.88%</b>	<b>3.83%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>2.33%</b>	<b>2.68%</b>	<b>3.37%</b>

Source: ACFR Schedule B-2

SEASIDE HEIGHTS SCHOOL DISTRICT  
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)  
 UNAUDITED

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION FROM OTHER LEA's	TUITION OTHER	TRANSPORTATION FEES	MISCELLANEOUS	TOTAL
2022	\$ 150	\$ 71,900.00	\$ -	\$ -	714	\$ 72,764
2021	110	51,707	-	-	23,392	75,209
2020	75	-	93,858	-	27,081	121,014
2019	75	-	1,804	-	60,324	62,203
2018	150	-	3,729	-	35,641	39,520
2017	150	-	-	-	28,775	28,925
2016	150	-	2,192	-	38,337	40,679
2015	150	-	7,883	-	9,944	17,977
2014	125	-	9,264	-	18,629	28,018
2013	200	-	1,080	-	17,850	19,130

Source: District Records



### **Revenue Capacity Information**

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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**SEASIDE HEIGHTS SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS:		PUBLIC UTILITIES a	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE b	ACTUAL (COUNTY EQUALIZED) VALUE
						TAX PROPERTY	EXEMPT PROPERTY				
2022	\$ 21,456,000	\$ 439,464,500	\$ 181,344,100	\$ 30,350,900	\$ 672,615,500	\$ 87,415,800	\$ -	-	\$ 760,031,300	0.964	\$ 794,021,367
2021	19,095,500	425,464,500	187,187,500	29,806,300	661,553,800	88,147,700	-	-	749,701,500	0.944	694,626,405
2020	19,582,800	410,297,000	187,545,000	28,830,100	646,254,900	97,329,000	-	-	743,583,900	0.964	682,783,835
2019	24,022,500	402,655,000	185,718,300	29,332,200	641,728,000	84,335,200	-	-	726,063,200	0.900	665,907,856
2018	24,205,000	397,426,800	189,130,300	26,644,900	637,407,000	84,865,300	-	-	722,272,300	0.879	647,752,177
2017	23,517,700	395,764,200	184,782,100	28,206,900	632,270,900	83,155,500	-	-	715,426,400	0.866	647,752,177
2016	25,230,100	393,639,500	186,208,200	28,345,200	633,423,000	69,658,800	-	-	703,081,800	0.884	637,374,723
2015	28,267,900	396,077,000	188,074,300	28,414,000	640,833,200	62,720,400	-	-	703,553,600	-	659,157,786
2014	34,644,400	389,582,900	172,293,800	27,037,200	623,558,300	60,462,400	-	-	684,020,700	-	661,881,223
2013	24,298,400	383,807,400	183,016,300	26,681,900	617,804,000	60,462,400	-	-	678,266,400	0.595	659,553,753

Source: Abstract of Rateables - Ocean County

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment (R) occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100

**SEASIDE HEIGHTS SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of Assessed Value)  
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	GENERAL OBLIGATION		TOTAL DIRECT	LOCAL SCHOOL DISTRICT TAX RATE		OCEAN COUNTY	
	BASIC RATE <sup>a</sup>	DEBT SERVICE <sup>b</sup>		MUNICIPAL RATE			
2022	0.557	-	0.557	0.407	1.089	0.448	2.501
2021	0.403	-	0.403	0.541	1.054	0.422	2.420
2020	0.443	-	0.443	0.521	1.025	0.439	2.428
2019	0.429	-	0.429	0.471	1.021	0.434	2.355
2018	0.417	-	0.417	0.462	1.002	0.412	2.293
2017	0.431	-	0.431	0.435	0.967	0.417	2.250
2016	0.450	-	0.450	0.434	0.930	0.398	2.212
2015	0.380	-	0.380	0.427	0.901	0.427	2.135
2014	0.264	-	0.264	0.390	0.866	0.435	1.955
2013	0.267	-	0.267	0.328	0.813	0.349	1.757

**Source:** Municipal Tax Collector, Ocean County Board of Taxation.

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

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

**SEASIDE HEIGHTS SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED**

	2022		RANK	2013	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
<b>Seaside Heights</b>					
AFMV LLC	\$ 31,301,800	4.73%	1	\$ 30,737,700	4.66%
Seaside Ocean Terrace LLC	6,322,000	0.96%	3	7,897,000	1.28%
McGrath Partnership	6,000,000	0.91%	2	23,056,000	2.95%
Shree Atlantic Hospitality LLC	5,228,800	0.79%	4	7,744,000	0.52%
Seaside Heights Imp & Dev Co Inc	4,554,200	0.69%	5	7,644,200	0.45%
Samuel Tilles Inc	4,295,300	0.65%	6	6,633,000	0.40%
Nini Feldman & Jill Finlay	3,700,000	0.56%	7	6,552,800	0.31%
Coin Castle Amusements	3,400,000	0.51%	8	5,978,100	0.28%
Beachfront Enterprises LLC	3,274,600	0.50%	9	5,250,000	0.27%
Shree Ambika Balaji LLC	2,834,300	0.43%	10	4,700,000	0.26%
Total	\$ 70,911,000	10.54%		\$ 106,192,800	11.38%

Source: Municipal Tax Assessor

**SEASIDE HEIGHTS SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY <sup>a</sup>		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2022	\$ 3,577,480	\$ 3,577,480	100.00%	\$ -
2021	3,370,000	3,370,000	100.00%	-
2020	3,025,000	3,025,000	100.00%	-
2019	2,945,000	2,945,000	100.00%	-
2018	2,748,368	2,748,368	100.00%	-
2017	2,748,368	2,748,368	100.00%	-
2016	2,737,431	2,737,431	100.00%	-
2015	2,430,356	2,430,356	100.00%	-
2014	2,027,387	2,027,387	100.00%	-
2013	2,806,161	2,806,161	100.00%	-

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

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

**Debt Capacity Information**

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and its debt capacity.

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**SEASIDE HEIGHTS SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME a	PER CAPITA
	GENERAL OBLIGATION BONDS b	CAPITAL LEASES				
2022	\$ -	\$ 18,723	\$ 18,723		N/A	N/A
2021	-	26,934	26,934		N/A	N/A
2020	-	16,990	16,990		N/A	N/A
2019	-	23,125	23,125		N/A	N/A
2018	-	28,701	28,701		N/A	N/A
2017	-	112,868	112,868		N/A	N/A
2016	-	208,869	208,869		N/A	N/A
2015	-	309,869	309,869		N/A	N/A
2014	-	409,599	409,599		N/A	N/A
2013	3,296	504,000	507,296		N/A	N/A

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

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

**b** Includes Early Retirement Incentive Plan ("ERIP") refunding and State Loans

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

**SEASIDE HEIGHTS SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING				
	ESTIMATED SCHOOL DISTRICT POPULATION	NET ASSESSED VALUATION TAXABLE <sup>a</sup>	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PERCENTAGE OF PER CAPITA PER CAPITA <sup>b</sup>
2022	\$ -	\$ 672,615,500	\$ 18,723	0.00%	N/A
2021	-	661,553,800	26,934	0.00%	N/A
2020	-	646,254,900	16,990	0.00%	N/A
2019	-	641,728,000	23,125	0.00%	N/A
2018	-	637,407,000	28,701	0.00%	N/A
2017	-	632,270,900	112,868	0.02%	N/A
2016	-	633,423,000	208,869	0.03%	N/A
2015	-	640,833,200	309,869	0.05%	N/A
2014	-	623,558,300	409,599	0.07%	N/A
2013	131,975	617,804,000	507,296	0.08%	N/A

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

**a** Used Estimated County equalized value from J-6

**b** Population data can be founds in Exhibit J-14

**SEASIDE HEIGHTS SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
YEAR ENDED JUNE 30, 2022  
UNAUDITED**

<b>GOVERNMENTAL UNIT</b>	<b>DEBT OUTSTANDING</b>	<b>ESTIMATED PERCENTAGE APPLICABLE <sup>a</sup></b>	<b>SHARE OF OVERLAPPING DEBT</b>
Debt Repaid With Property Taxes:			
Borough of Seaside Heights	\$ 17,633,900.00	100.00%	\$ 17,633,900
Other Debt:			
Central Regional School District	-	6.82%	-
Ocean County General Obligation Debt	490,104,150.00	0.06824%	334,447
Ocean County Utilities Authority	72,092,707	1.030%	742,555
Subtotal, Overlapping Debt			18,710,902
Seaside Heights School District Direct Debt			-
Total Direct & Overlapping Debt			<u>\$ 18,710,902</u>

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

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

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

SEASIDE HEIGHTS SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 (Dollars in Thousands)  
 UNAUDITED

	FISCAL YEAR ENDED JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit										
Total Net Debt Applicable to Limit	\$ 18,095,263	\$ 17,027,626	\$ 16,637,007	\$ 16,202,423	\$ 16,202,423	\$ 22,575,426	N/A	N/A	N/A	N/A
Legal Debt Margin	\$ 18,095,263	\$ 17,027,626	\$ 16,637,007	\$ 16,202,423	\$ 16,202,423	N/A	N/A	N/A	N/A	N/A
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A

EQUALIZED VALUATION BASIS	
Seaside Heights	TOTAL
2021	\$ 794,021,367
2021	\$ 694,626,405
2020	\$ 682,783,835
	[A] 2,171,431,607

Average Equalized Valuation of Taxable Property [A/3]	723,810,536
Debt Limit (2.5% of Average Equalization Value) [B]	18,095,263
Net Bonded School Debt [C]	-
Legal Debt Margin [B-C]	\$ 18,095,263

Source: Equalized valuation bases were obtained from the Ocean County Board of Taxation

### **Demographic and Economic Information**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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

<b>FOR THE YEAR ENDED JUNE 30,</b>	<b>POPULATION a</b>	<b>PERSONAL INCOME b</b>	<b>PER CAPITA PERSONAL INCOME c</b>	<b>UNEMPLOYMENT RATE d</b>
2022	N/A	N/A	N/A	N/A
2021	2,470	N/A	N/A	N/A
2020	3,024	N/A	57,344	9.10%
2019	2,912	N/A	53,517	7.20%
2018	2,901	N/A	51,725	6.60%
2017	2,887	N/A	50,356	8.00%
2016	2,886	N/A	48,826	7.80%
2015	2,881	N/A	47,267	7.80%
2014	2,883	N/A	45,197	9.40%
2013	2,877	N/A	43,553	17.20%

**Sources:**

- a** Population information provided by the NJ Department of Labor and Workforce Development.
- b** Personal income has been estimated based upon the municipal population and per capita personal income presented.
- c** Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- d** Unemployment data provided by the NJ Department of Labor and Workforce Development.

SEASIDE HEIGHTS SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 UNAUDITED

2022			2013		
EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT

DATA NOT AVAILABLE

DATA NOT AVAILABLE

<u>0</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>
<u>0</u>			<u>0</u>		

Source: Municipal Tax Collector

N/A - Information was not available at reporting time



### **Operating Information**

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**SEASIDE HEIGHTS SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
UNAUDITED**

	FISCAL YEAR ENDED JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Function/Program:</b>										
Instruction:										
Regular	18	18	16	16	15	17	17	19	19	18
Special Education	13	13	12	12	12	12	12	4	4	4
Other Special Education	2	1	1	1	1			4	5	5
Support Services:										
Student & Instruction Related Services	10	10	10	10	9	8	8	8	7	7
School Administrative Services	2	2	2	2	2	1	1	1	2	2
General & Business Administrative Services	1	1	1	1	1	1	1	1	1	1
Plant Operations & Maintenance	3	3	3	3	3	3	3	3	4	4
<b>Total</b>	<b>49</b>	<b>48</b>	<b>45</b>	<b>45</b>	<b>43</b>	<b>42</b>	<b>42</b>	<b>40</b>	<b>42</b>	<b>41</b>

**Source:** District Personnel Records

SEASIDE HEIGHTS SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

FISCAL YEAR Ended June 30,	ENROLLMENT	OPERATING EXPENDITURES a	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF b	PUPIL/TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) c	AVERAGE DAILY ATTENDANCE (ADA) c	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2022	187	\$ 4,676,006	\$ 25,005	30.44%	30	6.2	186.80	166.10	-13.20%	88.92%
2021	211	4,044,879	19,170	-7.10%	29	7.3	215.20	178.70	3.01%	83.04%
2020	203	4,189,095	20,636	-18.07%	28	7.3	208.92	187.49	2.66%	89.74%
2019	203	5,112,838	25,186	4.60%	28	7.3	203.50	189.30	-10.33%	93.02%
2018	212	5,104,758	24,079	0.51%	27	7.9	226.95	204.40	6.40%	90.06%
2017	199	4,767,722	23,958	4.78%	24	8.3	213.30	196.70	-0.19%	92.22%
2016	198	4,527,353	22,865	7.80%	24	8.3	213.70	196.70	-5.69%	92.04%
2015	211	4,475,223	21,210	-14.27%	24	8.8	226.60	205.90	11.08%	90.86%
2014	207	5,121,156	24,740	18.36%	24	8.6	204.00	184.00	23.64%	90.20%
2013	232	4,849,335	20,902	18.90%	24	9.7	165.00	147.00	-26.67%	89.09%

Sources: District records

Note: Enrollment based on annual October district count from the year prior.

a Operating expenditures equal total expenditures less debt service, capital outlay, and on-behalf TPAF Pension and reimbursed TPAF social security contributions. J-4

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

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

SEASIDE HEIGHTS SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 UNAUDITED

	FISCAL YEAR ENDED JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Elementary Schools:										
Hugh J Boyd Jr. Elementary (1967):										
Square Feet	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040
Capacity (Students)	313	313	313	313	313	313	313	313	313	313
Enrollment	211	211	203	203	212	199	198	211	207	232

Number of Schools at June 30, 2022:

- Elementary = 1
- Middle School = 0
- Senior High School = 0
- Other = 0

Source: District Facilities Office, District Records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

SEASIDE HEIGHTS SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN FISCAL YEARS  
 UNAUDITED

SCHOOL FACILITIES	PROJECT # (s)	FISCAL YEAR ENDED JUNE 30,									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Elementary Schools: Hugh J. Boyd, Jr.	N/A	\$ 378,346	\$ 122,079	\$ 82,045	\$ 113,499	\$ 82,970	\$ 67,358	\$ 95,679	\$ 84,118	\$ 977,095	\$ 1,013,562
Grand Total		\$ 378,346	\$ 122,079	\$ 82,045	\$ 113,499	\$ 82,970	\$ 67,358	\$ 95,679	\$ 84,118	\$ 977,095	\$ 1,013,562

Source: District Records

**SEASIDE HEIGHTS SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2022  
UNAUDITED**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>SCHOOL PACKAGE POLICY (1):</b>		
General Liability	\$ 6,000,000	\$ 1,000
Property & Physical Damage	11,317,716	1,000
General Automobile Liability	6,000,000	1,000
Worker's Compensation	2,000,000	Per State Law
<b>SCHOOL ACCIDENT INSURANCE (2):</b>	None	None
<b>SURETY BONDS:</b>		
Treasurer (1)	155,000.00	Per State Law
School Business Administrator (1)	155,000.00	Per State Law

**Source:** District Records

(1) NJ School Boards Insurance Group - Commercial Package Policy

(2) Bollinger Insurance (Parent Paid Option Only)

(3) NJ Jersey School Insurance Group - MOCCSIF Subfund

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**SINGLE AUDIT SECTION**

Fourth Section

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## EXHIBIT 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  
Seaside Heights School District  
County of Ocean  
Seaside Heights, NJ 08751

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 Seaside Heights School District (the School District) 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, and have issued our report thereon dated February 24, 2023.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 Office of School 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, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Lakewood, New Jersey  
February 24, 2023



**EXHIBIT K-2**

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

Honorable President and Members  
of the Board of Education  
Seaside Heights School District  
County of Ocean  
Seaside Heights, NJ 08751

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited Seaside Heights School District's compliance with types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2022. The Seaside Heights 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, the Seaside Heights 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; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Seaside Heights 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 and state program. Our audit does not provide a legal determination of the 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 of grant agreements applicable to the 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 Seaside Heights 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, New Jersey OMB's Circular 15-08 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, New Jersey OMB's Circular 15-08 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 the School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the 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's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the 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 or 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 or 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 or 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's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,  
HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Lakewood, New Jersey  
February 24, 2023

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SEASIDE HEIGHTS SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEARENDED JUNE 30, 2022

FEDERAL ASSISTANCE LISTING	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	UNEARNED REVENUE	BALANCE JUNE 30, 2022 (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
<b>U.S. Department of Agriculture</b>											
Passed Through New Jersey Department of Agriculture:											
Child Nutrition Cluster:											
10.553	21NJ304N1099	100-010-33-50-028	67,439	7/1/20-6/30/21	\$ (6,509)	\$ 6,509	\$ -	\$ -	\$ -	\$ -	\$ -
10.553	21NJ304N1099	100-010-33-50-028	65,819	7/1/21-6/30/22	-	58,566	(65,819)	-	-	(7,253)	-
Subtotal											
10.555	21NJ304N1099	100-010-33-50-026	105,350	7/1/20-6/30/21	(21,540)	21,540	-	-	-	-	-
10.555	21NJ304N1099	100-010-33-50-026	99,795	7/1/21-6/30/22	-	88,845	(99,795)	-	-	(10,950)	-
10.555	21NJ304N1099	100-010-33-50-026	2,085	7/1/20-6/30/21	(202)	202	-	-	-	-	-
10.555	21NJ304N1099	Unavailable	17,961	7/1/21-6/30/21	(1,606)	17,961	(17,961)	-	-	-	-
10.555	202121H70541	100-010-33-50-026	1,606	7/1/20-6/30/21	-	1,606	(9,116)	-	-	(9,116)	-
10.555	Unavailable	100-010-33-50-118	9,116	7/1/21-6/30/22	(23,348)	130,154	(126,872)	-	-	(20,666)	-
Subtotal											
Total Child Nutrition Cluster											
10.582	21NJ304N1099	100-010-33-50-006	12,466	7/1/20-6/30/21	(2,303)	2,303	-	-	-	(27,319)	-
10.582	21NJ304N1099	100-010-33-50-006	11,770	7/1/21-6/30/22	-	11,567	(11,757)	-	-	(190)	-
Subtotal											
10.649	202121S900941	100-115-61-30-000	614	7/1/20-6/30/21	(614)	614	-	-	-	-	-
10.649	202121S900941	100-115-61-30-000	628	7/1/21-6/30/22	(614)	628	(628)	-	-	-	-
Subtotal											
<b>Total U.S. Department of Agriculture</b>											
					(32,774)	210,341	(205,076)	-	-	(27,509)	-
<b>U.S. Department of Education</b>											
Passed through New Jersey Department of Education:											
National Child Nutrition (N.C.L.B.):											
Title I - Part A											
84.010	S010A160030	100-034-5064-194	195,898	7/1/20-6/30/21	(83,005)	83,005	-	-	-	-	-
84.010	S010A160030	100-034-5064-194	187,327	7/1/21-6/30/22	-	187,327	(187,327)	-	-	-	-
84.010	S010A160030	100-034-5064-194	26,400	7/1/21-6/30/22	-	26,400	(26,400)	-	-	-	-
Subtotal											
84.367	S367A150029	100-034-5063-290	15,784	7/1/20-6/30/21	(5,793)	5,793	-	-	-	-	-
84.367	S367A150029	100-034-5063-290	15,978	7/1/21-6/30/22	-	15,978	(15,978)	-	-	-	-
Subtotal											
Special Education Cluster:											
84.027	H027A170100	100-034-5065-016	84,146	7/1/21-6/30/22	-	84,146	(84,146)	-	-	-	-
84.027X	H027X210100	100-034-5065-094	12,348	7/1/21-9/30/22	-	12,348	(12,348)	-	-	-	-
Subtotal											
84.173	H173A150114	100-034-5065-020	2,310	7/1/20-6/30/21	-	2,310	(2,310)	-	-	-	-
84.173X	H173X210114	100-034-5065-094	1,047	7/1/21-9/30/22	-	1,047	(1,047)	-	-	-	-
Subtotal											
Total Special Education Cluster											
					-	99,851	(99,851)	-	-	-	-
Assistance Listing Education Stabilization Fund:											
84.425D	S425D210027	100-034-5120-518	146,673	3/1/20-9/30/23	(72,446)	72,446	-	-	-	-	-
84.425D	S425D210027	100-034-5120-518	600,355	3/1/20-9/30/23	-	350,146	(535,792)	-	-	(185,646)	-
84.425D	S425D210027	100-034-5120-518	38,528	3/1/20-9/30/23	-	37,677	(37,677)	-	-	-	-
84.425D	S425D210027	100-034-5120-518	20,157	3/1/20-9/30/23	-	6,831	(20,157)	-	-	(13,326)	-
84.425U	S425U210027	100-034-5120-523	1,449,258	3/1/20-9/30/24	-	607,405	(966,505)	-	-	(359,500)	-
84.425U	S425U210027	100-034-5120-523	40,000	3/1/20-9/30/24	-	35,051	(40,000)	-	-	(4,949)	-
84.425W	S425W210031	100-034-5064-233	14,983	4/23/21-9/30/23	(72,446)	1,109,556	(1,615,514)	-	-	(578,404)	-
Subtotal											
<b>Total U.S. Department of Education</b>											
					(161,244)	1,527,910	(1,945,070)	-	-	(578,404)	-
<b>Total Expenditures of Federal Awards</b>					<b>\$(194,018)</b>	<b>\$1,735,251</b>	<b>\$(2,150,146)</b>	<b>\$-</b>	<b>\$-</b>	<b>\$(605,913)</b>	<b>\$-</b>

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

SEASIDE HEIGHTS SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2022

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2021	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	UNEARNED REVENUE	BALANCE, JUNE 30, 2022		MEMO CUMULATIVE TOTAL EXPENDITURES
										(ACCOMPLISHED)	(RECEIVABLE)	
<b>New Jersey Department of Education:</b>												
General Fund:												
Special Aid Public:												
Special Education Categorical Aid	495-034-5120-089	\$ 184,630	7/1/21-6/30/22	\$ -	\$ -	\$ 184,630	\$ (184,630)	\$ -	\$ -	\$ -	\$ -	\$ 18,441
Security Aid	495-034-5120-084	92,138	7/1/21-6/30/22	-	-	92,138	(92,138)	-	-	-	-	9,203
Adjustment Aid	495-034-5120-085	219,558	7/1/21-6/30/22	-	-	219,558	(219,558)	-	-	-	-	21,930
Equalization Aid	495-034-5120-078	290,304	7/1/21-6/30/22	-	-	290,304	(290,304)	-	-	-	-	28,996
Choice Aid	495-034-5120-068	62,478	7/1/21-6/30/22	-	-	62,478	(62,478)	-	-	-	-	6,240
<b>Total State Aid Public</b>						<b>849,108</b>	<b>(849,108)</b>					<b>84,810</b>
Transportation Aid	495-034-5120-014	11,203	7/1/21-6/30/22	-	-	11,203	(11,203)	-	-	-	-	1,119
Reimbursed TPAF Social Security Contributions	495-034-5094-003	161,457	7/1/21-6/30/22	-	-	153,565	(161,457)	-	(7,892)	-	-	-
TPAF - Post Retirement												
Medical (Noncash Assistance)	495-034-5094-001	167,419	7/1/21-6/30/22	-	-	167,419	(167,419)	-	-	-	-	-
TPAF - Pension												
Contributions (Noncash Assistance)	495-034-5094-002	716,568	7/1/21-6/30/22	-	-	716,568	(716,568)	-	-	-	-	-
TPAF - Long-Term Disability												
Insurance (Noncash Assistance)	495-034-5094-004	286	7/1/21-6/30/22	-	-	286	(286)	-	-	-	-	-
<b>Total General Fund</b>						<b>1,898,149</b>	<b>(1,906,041)</b>		<b>(7,892)</b>			<b>85,929</b>
<b>Special Revenue Fund:</b>												
Preschool Education Aid	495-034-5095-007	674,245	7/1/20-6/30/21	58,857	(58,857)	-	-	-	-	-	-	-
Preschool Education Aid	495-034-5095-007	685,650	7/1/21-6/30/22	-	58,857	685,650	(546,098)	-	198,409	-	-	-
SDA Emergent and Capital Maintenance Needs	100-034-5120-519	4,393	7/1/21-6/30/22	-	-	4,393	(4,393)	-	-	-	-	4,393
<b>Total Special Revenue Fund</b>						<b>690,043</b>	<b>(530,491)</b>		<b>198,409</b>			<b>550,491</b>
<b>New Jersey Department of Agriculture:</b>												
Enterprise Fund:												
National School Lunch Program	100-010-3360-067	2,365	7/1/20-6/30/21	(1,352)	-	1,352	-	-	-	-	-	-
National School Lunch Program	100-010-3360-067	2,742	7/1/21-6/30/22	-	-	2,490	(2,742)	-	(252)	-	-	2,742
<b>Total Enterprise Fund</b>						<b>3,842</b>	<b>(2,742)</b>		<b>(252)</b>			<b>2,742</b>
<b>Total State Financial Assistance</b>						<b>2,592,034</b>	<b>(2,459,274)</b>		<b>198,409</b>		<b>(8,144)</b>	<b>85,929</b>
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:												
TPAF - Post Retirement												
Medical (Noncash Assistance)	495-034-5094-001	\$ 167,419	7/1/21-6/30/22	-	-	\$ -	\$ 167,419	-	-	-	-	-
TPAF - Pension												
Contributions (Noncash Assistance)	495-034-5094-002	716,568	7/1/21-6/30/22	-	-	716,568	(716,568)	-	-	-	-	-
TPAF - Long-Term Disability												
Insurance (Noncash Assistance)	495-034-5094-004	286	7/1/21-6/30/22	-	-	286	(286)	-	-	-	-	-
<b>Total State Financial Assistance Subject to Calculation for Major Program Determination</b>						<b>\$ (1,575,001)</b>						<b>\$ (1,575,001)</b>

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

**SEASIDE HEIGHTS SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2022**

**Note 1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**Note 2. Summary of Significant Accounting Policies**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

**SEASIDE HEIGHTS SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2022 (Continued)**

**Note 3. Relationship to Basic Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the 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 23,591 for the general fund and (\$369,146) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<b>Fund:</b>	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ -	\$ 1,929,632	\$ 1,929,632
Special Revenue Fund	1,575,924	550,491	2,126,415
Food Service Fund	205,076	2,742	207,818
Total Awards & Financial Assistance	<u>\$ 1,781,000</u>	<u>\$ 2,482,865</u>	<u>\$ 4,263,865</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Federal and State Loans Outstanding**

The School District had no loan balances outstanding at June 30, 2022.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued	Unmodified	
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
2) Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No

**Federal Awards**

Internal control over major programs:		
1) Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
2) Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> None reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____ Yes	_____ <u>X</u> No

Identification of major programs:

<b>Assistance Listing Number(s)</b>	<b>FAIN Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.425D	S425D210027	ESSER II
84.425D	S425D210027	CRRSA - Learning Acceleration
84.425D	S425D210027	CRRSA - Mental Health
84.425U	S425U210027	ESSER III
84.425U	S425U210027	ARP - Evidence-Based Comprehensive Beyond the School Day
84.425W	S425W210031	ARP - Homeless Children & Youth II

Dollar threshold used to determine Type A programs	\$	750,000.00
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Auditee qualified as low-risk auditee?	_____ Yes	_____ <u>X</u> No
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**SEASIDE HEIGHTS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**Section I - Summary of Auditor's Results (Continued)**

**State Financial Assistance**

Dollar threshold used to determine Type A programs	\$	750,000
Auditee qualified as low-risk auditee?	<u>X</u> Yes	<u>        </u> No
Internal control over major programs:		
1) Material weakness(es) identified?	<u>        </u> Yes	<u>  X  </u> No
2) Significant deficiency(ies) identified?	<u>        </u> Yes	<u>  X  </u> None reported
Type of auditor's report issued on compliance for major programs		<u>        </u> Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	<u>        </u> Yes	<u>  X  </u> No

Identification of major programs:

<b>State Grant/Project Number(s)</b>	<b>Name of State Program</b>
495-034-5095-007	Preschool Education Aid

**SEASIDE HEIGHTS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**SEASIDE HEIGHTS SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**Section III - Federal Awards & State Financial Assistance Findings & Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08.

**Federal Awards**

None.

**State Financial Assistance**

None.



**SEASIDE HEIGHTS SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
YEAR ENDED JUNE 30, 2022**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with Government Auditing Standards, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08.

**Financial Statement Findings**

No Prior Year Findings.

**Federal Awards**

No Prior Year Findings.

**State Financial Assistance**

No Prior Year Findings.