

SCHOOL DISTRICT

OF

TUCKERTON



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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

TUCKERTON BOARD OF EDUCATION

TUCKERTON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY

**TUCKERTON BOARD OF EDUCATION
FINANCE DEPARTMENT**

TUCKERTON SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1 to 4.
Roster of Officials	5.
Consultants and Advisors	6.
Organizational Chart	7.
FINANCIAL SECTION	
Independent Auditor's Report	8 to 10.
Required Supplementary Information – Part I	
Management's Discussion and Analysis	11 to 16.
<u>Basic Financial Statements</u>	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	17.
A-2 Statement of Activities	18 & 19.
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	20.
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	21 & 22.
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23.
Proprietary Funds:	
B-4 Statement of Net Position	24.
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	25.
B-6 Statement of Cash Flows	26.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to Financial Statements	27 to 58.

TUCKERTON SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	59 to 68.
C-1a Budgetary Comparison Schedule – General Fund – State Fiscal Stabilization Fund – ARRA-ESF	N/A
C-1b Budgetary Comparison Schedule – General Fund – Education Jobs Fund	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	69 & 70.
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	71.
Required Supplementary Information – Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District’s Proportionate Share of the Net Pension Liability – PERS	72.
L-2 Schedule of District Contributions – PERS	73.
L-3 Schedule of the District’s Proportionate Share of the Net Pension Liability – TPAF	74.
L-4 Schedule of the School District’s Contributions Teacher’s Pension And Annuity Fund (TPAF)	75.
L-5 Notes to Required Supplementary Information – Part III	76.
M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	77.
M-2 Notes to Required Supplementary Information	78.
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A

TUCKERTON SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
E. Special Revenue Fund:	
E-1 Combining Statement of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	79 & 80.
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis	81.
E-3 Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis	N/A
E-6 Targeted At-Risk (TARA) Aid – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	82.
F-2 Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – Additions & Renovations to Elementary School	N/A
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Schedule of Net Position	83.
G-2 Schedule of Revenues, Expenses and Changes in Fund Net Position	84.
G-3 Schedule of Cash Flows	85.
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Schedule of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund - Schedule of Receipts and Disbursements	N/A
H-4 Payroll Agency Fund - Schedule of Receipts and Disbursements	N/A

TUCKERTON SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	86.
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	87.

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component	88.
J-2 Changes in Net Position	89.
J-3 Fund Balances – Governmental Funds	90.
J-4 Changes in Fund Balances – Governmental Funds	91.
J-5 General Fund Other Local Revenue by Source	92.

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	93.
J-7 Direct and Overlapping Property Tax Rates	94.
J-8 Principal Property Taxpayers	95.
J-9 Property Tax Levies and Collections	96.

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	97.
J-11 Ratios of General Bonded Debt Outstanding	98.
J-12 Direct and Overlapping Governmental Activities Debt	99.
J-13 Legal Debt Margin Information	100.

Demographic and Economic Information

J-14 Demographic and Economic Statistics	101.
J-15 Principal Employers	102.

Operating Information

J-16 Full-time Equivalent District Employees by Function/Program	103.
J-17 Operating Statistics	104.
J-18 School Building Information	105.
J-19 Schedule of Required Maintenance Expenditures by School Facility	106.
J-20 Insurance Schedule	107.

SINGLE AUDIT SECTION

K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	108 & 109.
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TUCKERTON SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Schedules of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08	110 to 112.
K-3 Schedule of Expenditures of Federal Awards, Schedule A	113.
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	114.
K-5 Notes to Schedules of Awards and Financial Assistance	115 to 117.
K-6 Schedule of Findings and Questioned Costs	118 to 120.
K-7 Summary Schedule of Prior Audit Findings	121.

INTRODUCTORY SECTION

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

February 15, 2023

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

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. "C.F.R., Part 200", "Audits of State and Local Governments", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

- 1. Reporting Entity and its Services:** Tuckerton School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Tuckerton Borough Board of Education constitutes the District's report entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular, as well as special education for special needs children. The District completed the 2021-2022 fiscal year with an enrollment of 299

students. The following details the changes in the student enrollment over the past ten years.

<u>AVERAGE DAILY ENROLLMENT</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-2022	299	(1.97%)
2020-2021	305	(6.44%)
2019-2020	326	15.7%
2018-2019	285	1.00%
2017-2018	282	(2.19%)
2016-2017	288	(12.59%)
2015-2016	329	(1.5%)
2014-2015	334	2.09%
2013-2014	327	(1.2%)
2012-2013	331	(1.78%)
2011-2012	337	4.3%

2. **Economic Condition and Outlook:** Based upon the school district's Master Plan which was completed by University Associates in May of 1995, and the Long-Range Facilities Plan which was updated in January 2023, Tuckerton Borough is looked upon as one of the more desirable places to live in New Jersey. As a result, the Borough will continue to show some growth potential as a residential area. Local businesses may also prosper with the continued development of the Tuckerton Seaport. This project continues to evolve and should brighten the overall economic outlook of this area.

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

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

During the 2019-2020 school year, TES received Preschool Expansion funding from the New Jersey Department of Education's Division of Early Childhood Education. With this funding, our preschool program is now able to serve up to sixty 3 and 4 years in the Tuckerton Community within 4 classrooms moving well beyond the previous one classroom capacity of an AM/PM preschool program. The preschool program meets high -quality standards with the implementation of a research based curriculum.

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

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

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

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

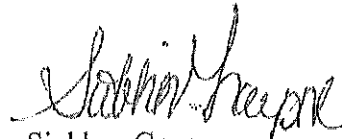
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund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

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

organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. **Cash Management:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. **Risk Management:** The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.
9. **Other Information: Independent Audit -** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPA, was selected by the Board. In addition to meeting the requirements of Title 2 U.S. "C.F.R., Part 200" and State Treasury circular letter 15-08 OMB, the auditor's report on the general purpose financial statements and the combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
10. **Acknowledgements:** We would like to express our appreciation to the members of the Tuckerton Borough School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



Siobhan Grayson
Superintendent/Principal

SG/ms

TUCKERTON BOROUGH BOARD OF EDUCATION**ROSTER OF OFFICIALS****JUNE 30, 2022****Members of the Board of Education****Term Expires**

Trisha Horner, President	2022
David Colapietro, Vice-President	2023
Deborah McMunn	2022
Justin Way	2022
Renee Gioiello	2024
Mike Dupuis	2024

Other Officials

Siobhan Grayson, Superintendent/Principal

Marian F. Smith, Interim BA

Brett Gorman, Solicitor

Mary Seidenfaden, Board Secretary

TUCKERTON BOROUGH BOARD OF EDUCATION**CONSULTANTS AND ADVISORS****AUDIT FIRM**

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

ATTORNEY

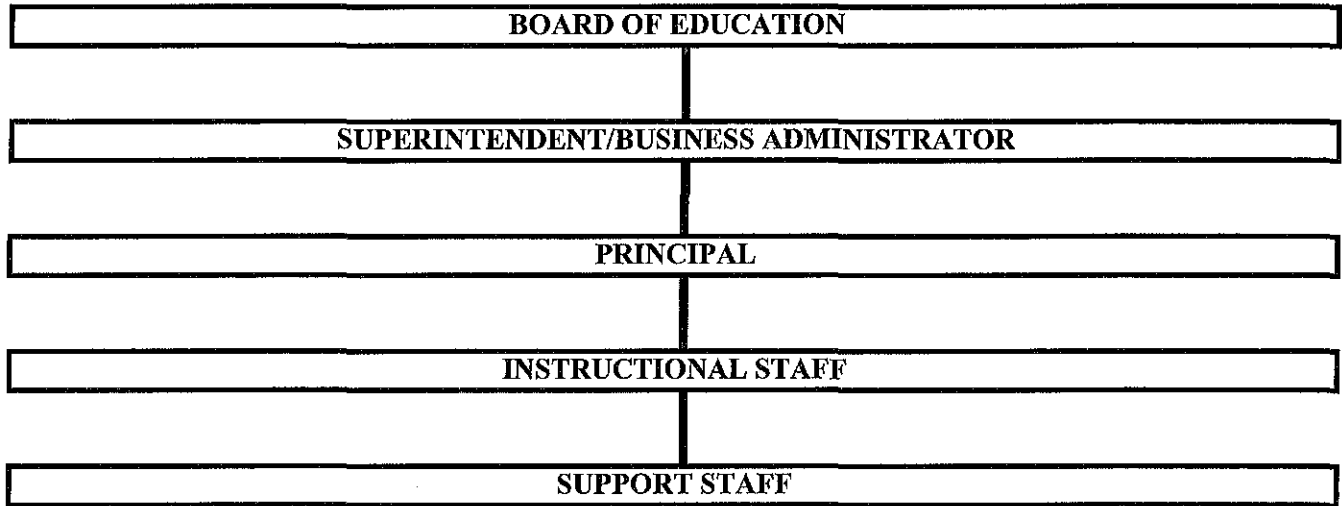
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Parker McCay
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DEPOSITORY

Ocean First Bank
975 Hooper Avenue
Tuckerton, NJ 08753

TUCKERTON BOROUGH BOARD OF EDUCATION

ORGANIZATIONAL CHART
(UNIT CONTROL)



FINANCIAL SECTION

Robert A. Hulsart and Company
 CERTIFIED PUBLIC ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Tuckerton School District, in the County of Ocean, State of New Jersey, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

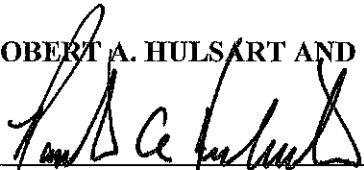
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2023 on our consideration of the Tuckerton's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tuckerton Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



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

February 15, 2023

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TUCKERTON SCHOOL DISTRICT
BOROUGH OF TUCKERTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

The discussion and analysis of Tuckerton School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2021-2022 fiscal year are as follows:

- General revenues accounted for \$7,331,494 in revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,280,088.
- Total net position increased by \$285,660.
- The School District had \$8,325,922 in expenses; only \$1,280,088 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$7,331,494 were adequate to provide for these programs.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 2021-2022 fiscal year?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal years ended 2022 and 2021.

Table 1
Net Position

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Current and Other Assets	\$ 2,645,147	2,623,534
Capital Assets, Net	<u>1,306,306</u>	<u>1,436,096</u>
Total Assets	<u>\$ 3,951,453</u>	<u>4,059,630</u>
<u>Deferred Outflow of Resources</u>		
Contribution to Pension Plan	<u>\$ 208,270</u>	<u>379,396</u>
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 634,547</u>	<u>617,645</u>
<u>Liabilities</u>		
Other Liabilities	\$ 1,123,189	1,031,287
Long-Term Liabilities	<u>3,829,111</u>	<u>4,510,915</u>
Total Liabilities	<u>\$ 4,952,300</u>	<u>5,542,202</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 48,565	48,744
Restricted	1,743,437	1,870,418
Unrestricted	<u>(3,219,126)</u>	<u>(3,639,983)</u>
Total Net Position	<u>\$ (1,427,124)</u>	<u>(1,720,821)</u>

Table 2 shows the changes in net position for fiscal years ended 2022 and 2021.

Table 2
Changes in Net Position

	<u>2022</u>	<u>2021</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 28,558	
Operating Grants and Contributions	1,280,088	960,858
General Revenues		
Property Taxes	3,242,290	3,190,807
Grants and Entitlements	3,906,479	3,316,249
Other	<u>182,869</u>	<u>117,435</u>
Total Revenues	<u>8,640,284</u>	<u>7,585,349</u>
<u>Program Expenses</u>		
Instruction	2,918,314	2,703,628
Support Services		
Pupils and Instructional Staff	1,358,293	1,080,035
General Administration, School Administration, Business	2,696,168	2,855,755
Operations and Maintenance of Facilities	1,075,857	540,339
Pupil Transportation	168,735	107,744
Interest on Debt	108,555	123,453
Proprietary Funds	<u>20,665</u>	<u>179</u>
Total Expenses	<u>8,346,587</u>	<u>7,411,133</u>
Change in Net Position	<u>\$ 293,697</u>	<u>174,216</u>

Business-Type Activities

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

Governmental Activities

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

School Board Funds

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

As the School Board completed the fiscal year ended June 30, 2022, it reported a combined net position balance of \$(1,427,124). The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

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

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

Capital Assets

At June 30, 2022, the School Board had approximately \$4,922,344 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2022 fiscal year.

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Table II Capital Assets at June 30, 2022		
Land	\$ 43,440	
Buildings	1,080,511	
Machinery and Equipment	<u>177,230</u>	<u>5,125</u>
Total	<u>\$ 1,301,181</u>	<u>5,125</u>

Debt Administration

At June 30, 2022, the School District had \$4,114,111 as outstanding debt. Of this amount \$71,125 is for compensated absences, and the balance \$3,245,000 for bonds for school construction and \$797,986 for pension liability.

Economic Factors and Next Year's Budget

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

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

TUCKERTON SCHOOL DISTRICT**STATEMENT OF NET POSITION**

Exhibit A-1

JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ -	39,242	39,242
Receivables, Net	256,497		256,497
Restricted Assets:			
Cash and Cash Equivalents	2,349,408		2,349,408
Capital Assets-Non Depreciable	43,440		43,440
Capital Assets, Net	1,257,741	5,125	1,262,866
Total Assets	<u>3,907,086</u>	<u>44,367</u>	<u>3,951,453</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>208,270</u>		<u>208,270</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>634,547</u>		<u>634,547</u>
<u>Liabilities</u>			
Accounts Payable/Accrued Interest	365,656		365,656
Payroll Deductions and Withholdings	371,291		371,291
Deferred Revenue	101,242		101,242
Noncurrent Liabilities:			
Due Within One Year	285,000		285,000
Due Beyond One Year	3,829,111		3,829,111
Total Liabilities	<u>4,952,300</u>	<u>-</u>	<u>4,952,300</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	43,440	5,125	48,565
Restricted For:			
Debt Service	13,653		13,653
Capital Projects	26,431		26,431
Special Revenue	(62,870)		(62,870)
General Fund	1,766,223		1,766,223
Unrestricted	<u>(3,258,368)</u>	<u>39,242</u>	<u>(3,219,126)</u>
Total Net Position	<u>\$ (1,471,491)</u>	<u>44,367</u>	<u>(1,427,124)</u>

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

TUCKERTON SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 1,421,312			(1,421,312)		(1,421,312)
Special Education	1,275,719		877,536	(398,183)		(398,183)
Other Special Instruction	221,283			(221,283)		(221,283)
Support Services:						
Tuition	292,052			(292,052)		(292,052)
Student & Instruction Related Services	1,066,241		402,552	(663,689)		(663,689)
School Administrative Services	264,093			(264,093)		(264,093)
Other Support Services	89,399			(89,399)		(89,399)
Plant Operations and Maintenance	660,505			(660,505)		(660,505)
Pupil Transportation	168,735			(168,735)		(168,735)
Unallocated Benefits	2,342,676			(2,342,676)		(2,342,676)
Interest on Long-Term Debt	108,555			(108,555)		(108,555)
Capital Outlay	249,884			(249,884)		(249,884)
Unallocated Depreciation	165,468			(165,468)		(165,468)
Total Government Activities	8,325,922	-	1,280,088	(7,045,834)	-	(7,045,834)
Business-Type Activities:						
Food Service & Aftercare Program	20,665	28,558			7,893	7,893
Total Business-Type Activities	20,665	28,558	-	-	7,893	7,893
Total Primary Government	8,346,587	28,558	1,280,088	(7,045,834)	7,893	(7,037,941)

TUCKERTON SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	2,920,655		2,920,655
Property Taxes for Debt Service	321,635		321,635
Federal and State Aid Not Restricted	3,906,479		3,906,479
Miscellaneous Income	182,725	144	182,869
Total General Revenues, Special Items, Extraordinary Items and Transfers	<u>7,331,494</u>	<u>144</u>	<u>7,331,638</u>
Change in Net Position	285,660	8,037	293,697
Net Position - Beginning	<u>(1,757,151)</u>	<u>36,330</u>	<u>(1,720,821)</u>
Net Position - Ending	<u>\$ (1,471,491)</u>	<u>44,367</u>	<u>(1,427,124)</u>

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

FUND FINANCIAL STATEMENTS – B

TUCKERTON SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents-Restricted	\$ 2,309,324	-	26,498	13,586	2,349,408
Interfund Receivable	129,679			67	129,746
Receivable - Net	63,859	192,638			256,497
Total Assets	<u>\$ 2,502,862</u>	<u>192,638</u>	<u>26,498</u>	<u>13,653</u>	<u>2,735,651</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Interfund Payable	\$ -	129,679	67		129,746
Deferred Revenue		101,242			101,242
Payroll Deductions and Withholdings	371,291				371,291
Accounts Payable	291,535	24,587			316,122
Total Liabilities	<u>662,826</u>	<u>255,508</u>	<u>67</u>	<u>-</u>	<u>918,401</u>
Fund Balance:					
Restricted To:					
Designated for Subsequent Years Expenditures - Excess Surplus	159,043				159,043
Designated for Subsequent Years Expenditures	870				870
Designated for Subsequent Years Expenditures - Maintenance Reserve Withdrawal	60,000				60,000
Committed To:					
Capital Reserve	1,100,559				1,100,559
Maintenance Reserve	374,004				374,004
Unemployment Compensation	33,233				33,233
Other Purposes	38,514				38,514
Assigned To:					
Special Revenue		(62,870)			(62,870)
Capital Projects			26,431		26,431
Debt Service				13,653	13,653
Unassigned	73,813				73,813
Total Fund Balances	<u>1,840,036</u>	<u>(62,870)</u>	<u>26,431</u>	<u>13,653</u>	<u>1,817,250</u>
Total Liabilities and Fund Balance	<u>\$ 2,502,862</u>	<u>192,638</u>	<u>26,498</u>	<u>13,653</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,922,344 and the accumulated depreciation is \$3,621,163.

1,301,181

Accrued Interest

(49,534)

Deferred outflow of resources - contributions to pension plan

208,270

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

(634,547)

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

(4,114,111)

Net position of governmental activities

\$ (1,471,491)

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

TUCKERTON SCHOOL DISTRICT

Exhibit B-2

Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 2,920,655			321,635	3,242,290
Miscellaneous	173,608	9,091	26		182,725
Total Local Sources	3,094,263	9,091	26	321,635	3,425,015
State Sources	3,821,277	740,313		85,202	4,646,792
Federal Sources		539,775			539,775
Total Revenues	6,915,540	1,289,179	26	406,837	8,611,582
<u>Expenditures</u>					
Current:					
Regular Instruction	1,449,687				1,449,687
Special Education Instruction	659,092	616,627			1,275,719
Other Special Instruction	221,283				221,283
Support Services and Undistributed Costs:					
Tuition	292,052				292,052
Students and Instruction Related Services	663,689	402,552			1,066,241
School Administrative Services	264,093				264,093
Other Support Services	89,399				89,399
Plant Operations and Maintenance	660,505				660,505
Pupil Transportation	168,735				168,735
Unallocated Benefits	2,491,568				2,491,568
Debt Service:					
Principal				280,000	280,000
Interest and Other Charges				113,285	113,285
Capital Outlay	54,828	271,505	-		326,333
Total Expenditures	7,014,931	1,290,684	-	393,285	8,698,900

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

TUCKERTON SCHOOL DISTRICT

Exhibit B-2

Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(99,391)</u>	<u>(1,505)</u>	<u>26</u>	<u>13,552</u>	<u>(87,318)</u>
Other Financing Sources/(Uses):					
Transfer from Capital Projects to Debt Service			<u>(26)</u>	<u>26</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>(26)</u>	<u>26</u>	<u>-</u>
Net Change in Fund Balances	(99,391)	(1,505)	-	13,578	(87,318)
Fund Balance - July 1	<u>1,939,427</u>	<u>(61,365)</u>	<u>26,431</u>	<u>75</u>	<u>1,904,568</u>
Fund Balance - June 30	<u>\$ 1,840,036</u>	<u>(62,870)</u>	<u>26,431</u>	<u>13,653</u>	<u>1,817,250</u>

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

TUCKERTON SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

Exhibit B-3

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (87,318)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(165,468)
Capital Outlay	76,449
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	280,000
Change in net pension liability	336,920
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.	4,730
Contributions to pension plan in the current fiscal year are deferred outflows of resources on the statement of net position	(171,126)
Pension related deferrals	(16,902)
In the statement of activities, certain operating expenses as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported when paid.	<u>28,375</u>
Change in Net Position of Governmental Activities	<u>\$ 285,660</u>

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

TUCKERTON SCHOOL DISTRICT**STATEMENT OF NET POSITION**

Exhibit B-4

PROPRIETARY FUNDS**JUNE 30, 2022**

	<u>Enterprise Fund</u>
<u>Assets:</u>	
Current Assets:	
Cash	\$ 39,242
Total Current Assets	<u>39,242</u>
Noncurrent Assets:	
Equipment	72,105
Less: Accumulated Depreciation	<u>(66,980)</u>
Total Noncurrent Assets	<u>5,125</u>
Total Assets	<u><u>\$ 44,367</u></u>
<u>Net Position:</u>	
Investment in Capital Assets	\$ 5,125
Unrestricted	<u>39,242</u>
Total Net Position	<u><u>\$ 44,367</u></u>

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

TUCKERTON SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2022

	<u>Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Fees	\$ 28,558
Total Operating Revenue	<u>28,558</u>
Operating Expenses:	
Salaries	20,440
Supplies	46
Depreciation	179
Total Operating Expenses	<u>20,665</u>
Operating (Loss)/Profit	7,893
Non-Operating Revenues:	
Interest Revenue	144
Total Non-Operating Revenues	<u>144</u>
Change in Net Position	8,037
Net Position, July 1	<u>36,330</u>
Net Position, June 30	<u>\$ 44,367</u>

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

TUCKERTON SCHOOL DISTRICT**STATEMENT OF CASH FLOWS****Exhibit B-6****PROPRIETARY FUNDS****JUNE 30, 2022**

	<u>Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Miscellaneous and Fees	\$ 28,558
Payments to Employees	<u>(20,486)</u>
Net Cash Used by Operating Activities	<u>8,072</u>
Cash Flows from Investing Activities:	
Interest	<u>144</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	8,216
Cash and Cash Equivalents July 1	<u>31,026</u>
Cash and Cash Equivalents June 30	<u>\$ 39,242</u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ 7,893
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	<u>179</u>
Net Cash Used by Operating Activities	<u>\$ 8,072</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
TUCKERTON SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Tuckerton School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Tuckerton School District had an approximate enrollment at June 30, 2022 of 299 students.

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

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

B. Government-Wide Financial Statements

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

D. Fund Accounting:

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

Governmental Fund Types

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

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

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

Proprietary Fund Type

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

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

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

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

E. Basis of Accounting:

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

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

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

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2022 were insignificant.

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

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

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

G. Encumbrances:

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

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

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

H. Short-Term Interfund Receivables/Payables:

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

I. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

J. Capital Assets and Depreciation

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

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2021-2022 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2022, fiscal year 2022 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

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

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

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

	<u>Balance</u> <u>July 1, 2021</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2022</u>
Governmental Activities:				
Capital Assets That are Not Being Depreciated:				
Land	\$ 43,440	_____	_____	43,440
Total Capital Assets Not Being Depreciated	<u>43,440</u>	_____	_____	<u>43,440</u>
Depreciable Assets:				
Buildings & Sites	3,967,724			3,967,724
Machinery & Equipment	<u>875,323</u>	_____	<u>35,857</u>	<u>911,180</u>
Total	<u>4,843,047</u>	_____	<u>35,857</u>	<u>4,878,904</u>
Less: Accumulated Depreciation for:				
Buildings and Sites	(2,763,951)		(123,262)	(2,887,213)
Machinery & Equipment	<u>(691,744)</u>	_____	<u>(42,206)</u>	<u>(733,950)</u>
Total Accumulated Depreciation	<u>(3,455,695)</u>	_____	<u>(165,468)</u>	<u>(3,621,163)</u>
Net Depreciable Assets	<u>1,387,352</u>	_____	(129,611)	<u>1,257,741</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,430,792</u>	_____	<u>(129,611)</u>	<u>1,301,181</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 165,468</u>
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	<u>Balance</u> <u>July 1, 2021</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2022</u>
Business-Type Activities:				
Equipment	\$ 72,105			72,105
Less: Accumulated Depreciation for:				
Equipment	<u>(66,801)</u>	_____	<u>(179)</u>	<u>(66,980)</u>
	<u>\$ 5,304</u>	_____	<u>(179)</u>	<u>5,125</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Compensated Absences

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

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

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

L. Deferred Revenue

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

M. Long-Term Obligations

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

N. Fund Equity

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

O. Tuition Receivable

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

P. Tuition Payable

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

Q. Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

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

Investments

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

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

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

	<u>2022</u>
FDIC	\$ 250,000
GUPDA	<u>2,275,267</u>
	<u>\$ 2,525,267</u>

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

	Cash and Cash
	<u>Equivalents</u>
Interest Bearing Checking Accounts	<u>\$ 2,388,650</u>
Total	<u>\$ 2,388,650</u>

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2022 was \$2,388,650 and the bank balance was \$2,525,267. Of the bank balance \$250,000 was covered by federal depository insurance and \$2,275,267 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

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

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

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>	<u>Long-Term</u> <u>Portion</u>
Compensated						
Absences Payable	\$ 99,500		(28,375)	71,125		71,125
Pension Liability	1,134,906		(336,920)	797,986		797,986
Loans Payable	40,592		(40,592)			
Bonds Payable	<u>3,525,000</u>	<u> </u>	<u>(280,000)</u>	<u>3,245,000</u>	<u>285,000</u>	<u>2,960,000</u>
	<u>\$ 4,799,998</u>	<u> </u>	<u>(685,887)</u>	<u>4,114,111</u>	<u>285,000</u>	<u>3,829,111</u>

A. Bonds Payable

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2023	\$ 285,000	102,800	387,800
2024	290,000	92,125	382,125
2025	295,000	81,066	376,066
2026	160,000	72,906	232,906
2027	165,000	67,828	232,828
2028-2032	925,000	256,173	1,181,173
2033-2037	<u>1,125,000</u>	<u>95,502</u>	<u>1,220,502</u>
	<u>\$ 3,245,000</u>	<u>768,400</u>	<u>4,013,400</u>

Bonds issued 10/1/92 for \$2,443,000 at 4.0% thru 4.62% interest, maturing 7/15/24 with a balance of \$420,000 at June 30, 2022.

Bonds issued 2/9/17 for \$3,386,000 at 2.75% thru 3.375% interest maturing 7/15/36 with a balance of \$2,825,000 at June 30, 2022.

NOTE 4: Pension Plans

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

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

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

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

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

NOTE 4: Pension Plans – (Continued)

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

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

Three-Year Trend Information for PERS

Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/22	\$ 79,881	100%	0
6/30/21	76,133	100%	0
6/30/20	62,677	100%	0

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

Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/22	\$ 1,193,585	100%	0
6/30/21	833,266	100%	0
6/30/20	619,147	100%	0

During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$1,193,585 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$192,963 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

NOTE 4: Pension Plans – (Continued)**Public Employees' Retirement System (PERS)****Plan Description**

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

The following represents the membership tiers for PERS:

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

Basis of Presentation

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

NOTE 4: Pension Plans – (Continued)

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2021 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2021.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by Local employers under Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. The June 30, 2021 State special funding situation net pension liability amount of \$126.3 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$11.1 million, for the fiscal year ending June 30, 2021, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2021. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

NOTE 4: Pension Plans – (Continued)

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

For the year ended June 30, 2022, the District recognized pension expense of \$79,881. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 12,585	5,713
Changes of Assumptions	4,156	284,088
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		210,211
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	111,648	134,535
District Contributions Subsequent to the Measurement Date	<u>79,881</u>	<u> </u>
Total	<u>\$ 208,270</u>	<u>634,547</u>

\$79,881 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ending
June 30,**

2022	\$ (186,377)
2023	(133,120)
2024	(90,765)
2025	(68,229)
2026	<u>26</u>
	<u>\$ (478,465)</u>

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

Collective balances at December 31, 2021 and 2020 are as follows:

	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>
Collective Deferred Outflows of Resources	\$ 208,270	379,396
Collective Deferred Inflows of Resources	634,547	617,645
Collective Net Pension Liability	797,986	1,134,906
District's Proportion	.00667%	.00691%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2021 were as follows:

	<u>2021</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,950,516,944	40,359,568,055	69,310,084,999
Plan Fiduciary Net Position	<u>7,321,019,459</u>	<u>28,386,785,177</u>	<u>35,707,804,636</u>
Net Pension Liability	<u>\$ 21,629,497,485</u>	<u>11,972,782,878</u>	<u>33,602,280,363</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.29%	70.33%	42.90%

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 actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00%
	Based on years of service
Thereafter	3.00% – 7.00%
	Based on years of service
Investment Rate of Return	7.00%

NOTE 4: Pension Plans – (Continued)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Medial Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of 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:

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

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

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	<u>2021</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 1,086,695</u>	<u>797,986</u>	<u>552,975</u>

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

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

NOTE 4: Pension Plans – (Continued)

The following represents the membership tiers for TPAF:

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

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

NOTE 4: Pension Plans – (Continued)

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

Special Funding Situation

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

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Total Pension Liability	\$ 74,699,133,697	87,522,678,686
Plan Fiduciary Net Position	<u>26,533,142,515</u>	<u>21,529,179,998</u>
Net Pension Liability	<u>\$ 48,165,991,182</u>	<u>65,993,498,688</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2021</u>	<u>2020</u>
District's Liability	<u>\$ 10,292,369</u>	<u>13,310,579</u>
District's Proportion	.02137%	.02017%

NOTE 4: Pension Plans – (Continued)

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

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. 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:

NOTE 4: Pension Plans – (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2021</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>12,177,592</u>	<u>10,292,369</u>	<u>8,708,900</u>
	<u>\$ 12,177,592</u>	<u>10,292,369</u>	<u>8,708,900</u>

NOTE 5: Post-Retirement Benefits**General Information about the OPEB Plan****Plan description and benefits provided**

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

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

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.

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

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

NOTE 5: Post-Retirement Benefits (Continued)**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 20, 2020, with was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability	\$60,007,650,970		
Inflation rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 – 4.45% based on service years	2.00% - 6.00% based on service years	3.25% - 15.25% based on service years
Thereafter	2.75 – 5.65% based on service years	3.00% - 7.00% based on service years	Not applicable

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

(a) Health Care Trend Assumptions

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

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

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

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

	Total OPEB Liability
Balances at June 30, 2020	\$ 17,607,887
Changes for the Year:	
Service Cost	835,854
Interest	413,377
Change of Benefit	(16,961)
Difference Between Expected and Actual Experience	(2,605,596)
Changes in Assumptions or Other Inputs	15,721
Benefit Payments	(325,625)
Member Contributions	<u>10,568</u>
Balance at June 30, 2021	<u>\$ 15,935,225</u>

There were no changes in benefit terms between the June 30, 2020 measurement date and the June 30, 2021 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% percent in 2020 to 2.16% percent in 2021.

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

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 19,087,898</u>	<u>15,935,225</u>	<u>13,452,684</u>

NOTE 5: Post-Retirement Benefits (Continued)

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 12,899,616</u>	<u>15,935,225</u>	<u>20,011,823</u>

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

For the year ended June 30, 2021, the Board of Education recognized OPEB expense of \$1,156,433 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Tuckerton Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,402,164	4,782,444
Changes in Proportion	1,768,993	1,640
Changes of Assumptions or Other Inputs	<u>2,703,209</u>	<u>1,709,701</u>
Total	<u>\$ 6,874,366</u>	<u>6,493,785</u>

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

Year Ended June 30:	
2023	\$ 44,774
2024	44,774
2025	44,774
2026	44,774
2027	44,774
Thereafter	<u>156,711</u>
	<u>\$ 380,581</u>

NOTE 6: Contingent Liabilities

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

NOTE 7: Equity Balance

At June 30, 2022, the General Fund equity balance was as follows:

Unassigned Fund Balance	\$ 305,022
Capital Reserve	1,100,559
Reserved for Encumbrances	38,514
Maintenance Reserve	374,004
Unemployment Compensation	33,233
Designated for Subsequent Years Expenditures – Excess Surplus	159,043
Designated for Subsequent Years Expenditures	870
Designated for Subsequent Years Expenditures – Maintenance Reserve Withdrawal	<u>60,000</u>
	<u>\$ 2,071,245</u>

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

4% Calculation of Excess Surplus

2021-22 Total General Fund Expenditures Per the ACFR	\$ 7,014,931
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,386,548)</u>
Adjusted 2021-22 General Fund Expenditures	<u>\$ 5,628,383</u>
4% of Adjusted 2021-22 General Fund Expenditures	<u>\$ 225,135</u>
Minimum Allowed	\$ 250,000
Increased by Allowable Adjustment	<u>55,022</u>
Maximum Unassigned Fund Balance	<u>\$ 305,022</u>
Total General Fund – Fund Balance @ 6-30-22	\$ 2,071,245
Decreased by:	
Reserved for Encumbrances	38,514
Unemployment Compensation	33,233
Designated for Subsequent Years Expenditures – Excess Surplus	159,043
Designated for Subsequent Years Expenditures	870
Designated for Subsequent Years Expenditures – Maintenance Reserve Withdrawal	60,000
Reserves	<u>1,474,563</u>
Total Unassigned Fund Balance	<u>\$ 305,022</u>

NOTE 7: Equity Balance (Continued)

Maximum Unassigned Fund Balance	<u>\$ 250,870</u>
Reserved Fund Balance – Excess Surplus	<u>\$ 54,152</u>
<u>Recapitulation of Excess Surplus as of June 30, 2022</u>	
Reserved Fund Balance – Excess Surplus	\$
Designated for Subsequent Years Expenditures – Excess Surplus	<u>159,043</u>
	<u>\$ 159,043</u>
<u>Detail of Reserves</u>	
Capital Reserve	\$ 1,100,559
Maintenance Reserve	<u>374,004</u>
	<u>\$ 1,474,563</u>
<u>Detail of Allowable Adjustments</u>	
Extraordinary Aid	\$ 51,252
Non-Public Transportation Aid	<u>3,770</u>
	<u>\$ 55,022</u>

NOTE 8: Risk Management

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 56	0	0	19,231
2020-2021	29	0	0	19,260
2021-2022	13,973	0	0	33,233

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed at June 30, 2022.

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 129,679	
Special Revenue Fund		129,679
Capital Projects Fund		67
Debt Service Fund	<u>67</u>	<u> </u>
	<u>\$ 129,746</u>	<u>129,746</u>

All interfunds are expected to be liquidated in 2022-2023.

NOTE 10: FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

NOTE 11: FUND BALANCE APPROPRIATED

General Fund – Of the \$2,071,245 General Fund fund balance at June 30, 2022, \$38,514 is reserve for encumbrances; \$1,100,559 is Capital Reserve; \$374,004 is in Maintenance Reserve; \$219,913 is Designated for Subsequent Years Expenditures; \$305,022 is unassigned; and \$33,233 is for unemployment compensation.

NOTE 12: ECONOMIC DEPENDENCY

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

NOTE 13: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$62,870 in the Special Revenue Fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school year budget. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need or corrective action. The District deficit in the GAAP fund statements of \$62,870 is due to the last state aid payment.

NOTE 14: Subsequent Events

Subsequent events have been evaluated through February 15, 2023, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

TUCKERTON SCHOOL DISTRICT

Exhibit C-1

Sheet 1 of 10

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,920,655		2,920,655	2,920,655	-
Tuition - Individuals	6,000		6,000		(6,000)
Interest Earned on Capital Reserve	100		100		(100)
Interest Earned on Maintenance Reserve	100		100		(100)
Miscellaneous	20,000		20,000	173,586	153,586
Other Restricted Miscellaneous Revenues			-	22	22
Total Local Sources	<u>2,946,855</u>	<u>-</u>	<u>2,946,855</u>	<u>3,094,263</u>	<u>147,408</u>
State Sources:					
Equalization Aid	1,450,933		1,450,933	1,450,933	-
Special Education Aid	207,010		207,010	207,010	-
Security Aid	51,045		51,045	51,045	-
School Choice	421,840		421,840	421,840	-
Transportation Aid	35,403		35,403	35,403	-
Adjustment Aid	227,965		227,965	227,965	-
Extraordinary Aid				51,252	51,252
Non-Public Transportation Aid				3,770	3,770
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	225,987	225,987
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	89,215	89,215
On-Behalf T.P.A.F Non-Contributory Insurance			-	878,030	878,030
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	353	353
TPAF Social Security (Reimbursed - Non-Budgeted)			-	192,963	192,963
Total State Sources	<u>2,394,196</u>	<u>-</u>	<u>2,394,196</u>	<u>3,835,766</u>	<u>1,441,570</u>
Total Revenues	<u>5,341,051</u>	<u>-</u>	<u>5,341,051</u>	<u>6,930,029</u>	<u>1,588,978</u>

TUCKERTON SCHOOL DISTRICT

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures:</u>					
Current Expense:					
Regular Programs - Instruction:					
Preschool-Salaries	26,442		26,442	26,442	-
Kindergarten-Salaries	145,149	(3,000)	142,149	142,149	-
Grades 1-5 - Salaries of Teachers	1,087,843	11,074	1,098,917	1,098,917	-
Grades 6-8 - Salaries of Teachers	114,874	(67,942)	46,932	46,932	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	3,500	(3,500)	-		-
General Supplies	42,000	20,192	62,192	40,806	21,386
Textbooks	65,000	22,423	87,423	78,475	8,948
Other Objects	24,400		24,400	15,966	8,434
Total Regular Programs - Instruction	<u>1,509,208</u>	<u>(20,753)</u>	<u>1,488,455</u>	<u>1,449,687</u>	<u>38,768</u>
Resource Room/Resource Center:					
Salaries of Teachers	394,647	(39,324)	355,323	327,096	28,227
Other Salaries for Instruction	88,352	51,046	139,398	138,711	687
General Supplies	1,500	(1,500)	-		-
Total Resource Room/Resource Center	<u>484,499</u>	<u>10,222</u>	<u>494,721</u>	<u>465,807</u>	<u>28,914</u>
Multiple Disabilities:					
Salaries of Teachers	55,887		55,887	55,887	-
Other Salaries For Instruction	21,213		21,213	17,063	4,150
Other Objects	1,500		1,500	369	1,131
Total Multiple Disabilities	<u>78,600</u>	<u>-</u>	<u>78,600</u>	<u>73,319</u>	<u>5,281</u>
Preschool Disabilities-Full-Time:					
Salaries-Teachers	56,987		56,987	56,987	-
Other Salaries for Instruction	106,065	(42,426)	63,639	62,572	1,067
Purchased Prof/Educational Services		94	94	94	-
General Supplies	1,500	(94)	1,406	313	1,093
Total Preschool Disabilities-Full-Time	<u>164,552</u>	<u>(42,426)</u>	<u>122,126</u>	<u>119,966</u>	<u>2,160</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 10

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Special Education - Instruction	<u>727,651</u>	<u>(32,204)</u>	<u>695,447</u>	<u>659,092</u>	<u>36,355</u>
Basic Skills/Remedial Instruction:					
Salaries of Teachers	183,073	16,710	199,783	153,506	46,277
Total Basic Skills/Remedial Instruction	<u>183,073</u>	<u>16,710</u>	<u>199,783</u>	<u>153,506</u>	<u>46,277</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	45,000		45,000	33,725	11,275
Other Objects	-	1,000	1,000	1,000	-
Total School Sponsored Co-Curricular	<u>45,000</u>	<u>1,000</u>	<u>46,000</u>	<u>34,725</u>	<u>11,275</u>
Summer School-Instruction					
Salaries of Teachers	20,000		20,000		20,000
Other Salaries for Instruction	22,100	11,534	33,634	33,052	582
Purchased Professional & Tech. Services	1,500		1,500		1,500
General Supplies	3,000		3,000		3,000
Total Summer School	<u>46,600</u>	<u>11,534</u>	<u>58,134</u>	<u>33,052</u>	<u>25,082</u>
Total Instruction	<u>2,511,532</u>	<u>(23,713)</u>	<u>2,487,819</u>	<u>2,330,062</u>	<u>157,757</u>
Undistributed Expenditures-Instruction:					
Tuition to Other LEA's - Within State-Special	152,000	24,681	176,681	176,681	-
Tuition to County Special Services		9,471	9,471	9,471	-
Tuition to Private Schools - Disabled	-	105,900	105,900	105,900	-
Total Undistributed Expenditures-Instruction	<u>152,000</u>	<u>140,052</u>	<u>292,052</u>	<u>292,052</u>	<u>-</u>
Undistributed Expenditures-Health:					
Salaries	55,589	12,350	67,939	67,939	-
Purchased Professional Services	3,500	(3,500)	-		-
Supplies and Materials	3,000	(2,194)	806	806	-
Total Undistributed Expenditures-Health:	<u>62,089</u>	<u>6,656</u>	<u>68,745</u>	<u>68,745</u>	<u>-</u>

TUCKERTON SCHOOL DISTRICT

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Other Sup. Serv. Students - Related					
Salaries	58,487		58,487	58,487	-
Purchased Professional Educational Services	35,000	(934)	34,066	7,709	26,357
Supplies and Materials	4,500	(2,308)	2,192	804	1,388
Total Undistributed Expenditures-Other Sup. Serv. Students-Related Services	<u>97,987</u>	<u>(3,242)</u>	<u>94,745</u>	<u>67,000</u>	<u>27,745</u>
Undistributed Expenditures-Other Sup. Serv. Students - Regular					
Salaries of Other Professional Staff		65,787	65,787	65,787	-
Total Undistributed Expenditures-Other Sup. Serv. Students - Regular	<u>-</u>	<u>65,787</u>	<u>65,787</u>	<u>65,787</u>	<u>-</u>
Undistributed Expenditures-Child Study Teams					
Salaries of Other Professional Staff	120,629	(73,510)	47,119	47,119	-
Salaries of Secretarial & Clerical Assistants	45,912		45,912	45,912	-
Purchased Prof./Educational Services	27,500	(8,499)	19,001	19,001	-
Supplies and Materials	3,000	6,077	9,077	9,077	-
Total Undistributed Expenditures-Other Supp. Serv.	<u>197,041</u>	<u>(75,932)</u>	<u>121,109</u>	<u>121,109</u>	<u>-</u>
Undistributed Expenditures-Improvement of Inst. Serv.:					
Salaries of Supervisors of Instruction	-	45,209	45,209	41,085	4,124
Salaries of Secretarial & Clerical Assistants	32,835	503	33,338	33,338	-
Supplies and Materials	2,500	(1,000)	1,500	895	605
Total Undistributed Expenditures-Improvement of Inst. Serv.:	<u>35,335</u>	<u>44,712</u>	<u>80,047</u>	<u>75,318</u>	<u>4,729</u>
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries of Technology Coordinators	63,345	11,588	74,933	74,933	-
Purchased Professional and Tech Services	25,000	(2,124)	22,876	22,876	-
Other Purchased Services	132,500	32,338	164,838	164,478	360
Supplies and Materials	40,000	(36,889)	3,111	3,111	-
Other Objects		332	332	332	-
Total Undistributed Expenditures - Edu. Media Serv./School Library	<u>260,845</u>	<u>5,245</u>	<u>266,090</u>	<u>265,730</u>	<u>360</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 10

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Instr. Staff Training Serv:					
Secretarial and Clerical-Salaries	36,000	(36,000)	-		-
Total Undistributed Expenditures - Instructional Staff Training Serv.	<u>36,000</u>	<u>(36,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undistributed Expenditures - Supp. Serv. - General Administration:					
Salaries	102,000	18,618	120,618	120,618	-
Legal Services	10,000	4,069	14,069	14,069	-
Audit Fees	9,000	(500)	8,500	8,500	-
Other Purchased Professional Services	7,097	357	7,454	7,454	-
Communications/Telephone	12,000	3,065	15,065	15,065	-
BOE Other Purchased Services	4,500	(3,768)	732	600	132
Other Purchased Services	4,300	(277)	4,023		4,023
Judgments	2,000	(2,000)	-		-
General Supplies	1,500		1,500	366	1,134
BOE In-House Training/Meeting Supplies	1,000		1,000		1,000
BOE Dues and Fees	3,000	(379)	2,621	2,621	-
Total Undistributed Expenditures - Supp. Serv. - General Administration	<u>156,397</u>	<u>19,185</u>	<u>175,582</u>	<u>169,293</u>	<u>6,289</u>
Undistributed Expenditures - School Administration:					
Salaries of Principals/Assistant Principals	84,250	9,670	93,920	93,920	-
Supplies and Materials	5,200	(2,000)	3,200	880	2,320
Total Undistributed Expenditures - School Administration	<u>89,450</u>	<u>(2,000)</u>	<u>97,120</u>	<u>94,800</u>	<u>2,320</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 10

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Central Services					
Salaries	63,232	21,383	84,615	82,773	1,842
Purchased Professional Services	4,000	(4,000)	-		-
Supplies and Materials	6,800	(174)	6,626	6,626	-
Total Undistributed Expenditures - Central Services	<u>74,032</u>	<u>17,209</u>	<u>91,241</u>	<u>89,399</u>	<u>1,842</u>
Undistributed Expenditures-Allow. Maint. School Facilities:					
Cleaning, Repair and Maintenance Services	31,000	(2,842)	28,158	15,083	13,075
General Supplies	37,000	(16,126)	20,874	19,078	1,796
Other Objects	105,000	(98,040)	6,960	214	6,746
Total Undistributed Expenditures-Allow. Maint. School Facilities	<u>173,000</u>	<u>(117,008)</u>	<u>55,992</u>	<u>34,375</u>	<u>21,617</u>
Undistributed Expenditures-Other Oper. & Maint. Of Plant:					
Salaries	214,979	33,279	248,258	248,258	-
Purchased Professional & Tech. Services	70,000	48,270	118,270	112,355	5,915
Other Purchased Property Services	6,600	(3,777)	2,823	906	1,917
Insurance	90,000	(1,695)	88,305	86,930	1,375
Supplies	7,000	4,524	11,524	10,911	613
Other Objects	7,500	(907)	6,593	6,593	-
Energy (Oil)	2,500	2,345	4,845	4,845	-
Energy (Natural Gas)	16,500	12,644	29,144	29,144	-
Energy (Electricity)	79,000	29,675	108,675	108,675	-
Total Undistributed Expenditures-Other Oper. & Maint. of Plant	<u>494,079</u>	<u>124,358</u>	<u>618,437</u>	<u>608,617</u>	<u>9,820</u>

TUCKERTON SCHOOL DISTRICT

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance	4,500		4,500	165	4,335
Total Care and Upkeep of Grounds	<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>165</u>	<u>4,335</u>
Security:					
Purchased Professional and Tech Services	25,000		25,000	16,863	8,137
Other Objects	3,250		3,250	485	2,765
Total Security	<u>28,250</u>	<u>-</u>	<u>28,250</u>	<u>17,348</u>	<u>10,902</u>
Total Undistributed Expenditures - Operation & Maintenance of Plant Services	<u>699,829</u>	<u>7,350</u>	<u>707,179</u>	<u>660,505</u>	<u>46,674</u>
Undistributed Expenditures - Student Transportation Serv:					
Salaries for Transportation Aides			-		-
Salaries for Transportation	19,765	6,173	25,938	25,938	-
Cleaning and Repairs	3,000		3,000	1,560	1,440
Contr. Serv. - Aid in Lieu of Payments - NonPublic Schools	7,500	(7,500)	-		-
Contr. Serv. - Aid in Lieu of Payments - Choice Schools	4,000	10,000	14,000	14,000	-
Contr. Serv. (Bet. Home & Sch.)-Joint Agreement	98,000	32,579	130,579	123,028	7,551
Contr. Serv. (Special Ed.)-Vendors	1,500	(1,079)	421	159	262
General Supplies	1,750	2,300	4,050	4,050	-
Transportation Supplies	2,250	(2,250)	-		-
Total Undistributed Expenditures - Student Transportation Services	<u>137,765</u>	<u>40,223</u>	<u>177,988</u>	<u>168,735</u>	<u>9,253</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 10

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	120,000	(38,815)	81,185	81,185	-
T.P.A.F. Contributions-ERIP	7,500		7,500	7,027	473
Other Retirement Contributions- PERS	77,500	2,381	79,881	79,881	-
Other Retirement Contributions- ERIP	3,000	5,813	8,813	8,813	-
Unemployment Compensation	10,000	(2,649)	7,351	141	7,210
Workmen's Compensation	2,500	(2,500)	-		-
Health Benefits	848,558	60,316	908,874	908,874	-
Tuition Reimbursement	10,000		10,000	9,999	1
Other Employee Benefits	7,000	2,100	9,100	9,100	-
Total Unallocated Benefits	<u>1,086,058</u>	<u>26,646</u>	<u>1,112,704</u>	<u>1,105,020</u>	<u>7,684</u>
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	225,987	(225,987)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	89,215	(89,215)
On-Behalf T.P.A.F Non-Contributory Insurance			-	878,030	(878,030)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	353	(353)
Reimbursed TPAF Social Security Contributions - (Non Budgeted)	-	-	-	192,963	(192,963)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,386,548</u>	<u>(1,386,548)</u>
Total Undistributed Expenditures	<u>3,084,828</u>	<u>255,891</u>	<u>3,350,389</u>	<u>4,630,041</u>	<u>(1,279,652)</u>
Total Current Expense	<u>5,596,360</u>	<u>232,178</u>	<u>5,838,208</u>	<u>6,960,103</u>	<u>(1,121,895)</u>

TUCKERTON SCHOOL DISTRICT

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Interest Earned on Maintenance Reserve	100		100		100
Facilities, Acquisition & Construction Services:					
Required Maintance for School Facilities		35,857	35,857	35,857	-
Assessment for Debt Service	18,971		18,971	18,971	-
Total Capital Outlay	<u>19,071</u>	<u>35,857</u>	<u>54,928</u>	<u>54,828</u>	<u>100</u>
 Total Expenditures	 <u>5,615,431</u>	 <u>268,035</u>	 <u>5,893,136</u>	 <u>7,014,931</u>	 <u>(1,121,795)</u>
 Excess/(Deficiency) of Revenues Over/(Under) Expenditures	 (274,380)	 (268,035)	 (552,085)	 (84,902)	 467,183
 Fund Balance, July 1	 <u>2,156,147</u>		 <u>2,156,147</u>	 <u>2,156,147</u>	 <u>-</u>
 Fund Balance, June 30	 <u>\$ 1,881,767</u>	 <u>(268,035)</u>	 <u>1,604,062</u>	 <u>2,071,245</u>	 <u>467,183</u>

TUCKERTON SCHOOL DISTRICT

GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Committed Fund Balances					
Capital Reserve				\$ 1,100,559	
Maintenance Reserve				374,004	
Unemployment Compensation				33,233	
Assigned Fund Balances:					
Year End Encumbrances				38,514	
Designated For Subsequent Years Expenditures - Excess Surplus				159,043	
Designated For Subsequent Years Expenditures				870	
Designated For Subsequent Years Expenditures - Withdrawal from Maintenance Reserve				60,000	
Unassigned				<u>305,022</u>	
				2,071,245	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(231,209)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,840,036</u>	

TUCKERTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-2
Sheet 1 of 2

SPECIAL REVENUE FUND

JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ -	9,091	9,091	9,091	-
State Sources					
Preschool Education Aid	764,166	71,425	835,591	734,349	101,242
SDA -Emergent		5,195	5,195	5,195	-
Total State Sources	<u>764,166</u>	<u>76,620</u>	<u>840,786</u>	<u>739,544</u>	<u>101,242</u>
Federal Sources:					
Title I, Part A	70,000	(3,458)	66,542	66,542	-
Title IIA, Part A	20,000	(16,521)	3,479	3,479	-
IDEA Part B, Basic	70,000	9,531	79,531	79,531	-
IDEA Part B, Preschool	-	5,517	5,517	5,517	-
IDEA - ARP - Basic		17,598	17,598	17,598	-
IDEA - ARP - Preschool		1,496	1,496	1,496	-
CRSSA- ESSER II		220,815	220,815	220,815	-
CRSSA- Learning		3,020	3,020	3,020	-
CRSSA- Mental Health		3,000	3,000	3,000	-
ARP - ESSER		100,876	100,876	100,876	-
ARP - Accerlated Learning	-	31,604	31,604	31,604	-
ARP - Mental Health	-	6,297	6,297	6,297	-
Total Federal Sources	<u>160,000</u>	<u>379,775</u>	<u>539,775</u>	<u>539,775</u>	<u>-</u>
Total Revenues	<u>924,166</u>	<u>465,486</u>	<u>1,389,652</u>	<u>1,288,410</u>	<u>101,242</u>
Expenditures:					
Instruction:					
Salaries of Teachers	308,998	(3,458)	305,540	304,940	600
Other Salaries for Instruction	84,852	22,664	107,516	107,516	-
Purchased Services	70,000	50,226	120,226	120,226	-
Other Purchased Services		11,914	11,914	11,914	-
General Supplies	10,000	66,940	76,940	62,579	14,361
Purchased Professional/Ed. Services	1,500	10,000	11,500	9,452	2,048
Total Instruction	<u>475,350</u>	<u>158,286</u>	<u>633,636</u>	<u>616,627</u>	<u>17,009</u>

TUCKERTON SCHOOL DISTRICT

Exhibit C-2

Sheet 2 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Salaries of Supervisors of Instruction	18,900	-	18,900	18,900	-
Salaries of Program Director	27,853		27,853	27,853	-
Salaries of Other Professional Staff	43,217		43,217	42,697	520
Salaries of Secreterial & Clerical	8,208		8,208	8,208	-
Other Salaries	20,336		20,336	20,336	-
Salaries of Community Parent	28,500		28,500	7,707	20,793
Salaries of Master Teacher	28,500	(6,308)	22,192	21,120	1,072
Employee Benefits	171,557		171,557	171,557	-
Professional and Technical Services	20,000	9,651	29,651	29,651	-
Other Purchased Services	36,442	15,384	51,826	15,384	36,442
Contracted Services - Transportation	35,303	(14,149)	21,154	1,767	19,387
Supplies and Materials	10,000	17,163	27,163	26,007	1,156
Student Activities	-	11,365	11,365	11,365	-
Total Support Services	<u>448,816</u>	<u>33,106</u>	<u>481,922</u>	<u>402,552</u>	<u>79,370</u>
Facilities Acquisition and Construction Services:					
Bulding	-	250,705	250,705	250,705	-
Non-Instructional Equipment	-	25,663	25,663	20,800	4,863
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>276,368</u>	<u>276,368</u>	<u>271,505</u>	<u>4,863</u>
Total Expenditures	<u>924,166</u>	<u>467,760</u>	<u>1,391,926</u>	<u>1,290,684</u>	<u>101,242</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,274)</u>	<u>(2,274)</u>	<u>(2,274)</u>	<u>-</u>
Fund Balance, July 1				<u>\$ 10,796</u>	
Fund Balance, June 30				<u>\$ 8,522</u>	
Recapitulation:					
Restricted - Student Activities				<u>\$ 8,522</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

TUCKERTON SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

Exhibit L-1

NET PENSION LIABILITY - PERS

LAST NINE FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.00667%	0.00691%	0.00637%	0.00740%	0.00717%	0.00609%	0.00515%	0.00577%	0.00509%
District's Proportionate Share of the Net Pension Liability	<u>\$ 797,986</u>	<u>1,134,906</u>	<u>1,155,070</u>	<u>1,457,496</u>	<u>1,668,072</u>	<u>1,804,360</u>	<u>1,155,545</u>	<u>1,079,892</u>	<u>971,960</u>
District's Covered-Employee Payroll	\$ 469,004	509,580	548,030	453,696	515,164	467,238	385,920	336,444	380,029
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	58.77%	44.90%	47.45%	31.13%	30.88%	25.89%	33.40%	31.16%	39.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.90%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for Nine years. Additional years will be presented as they become available.

TUCKERTON SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST NINE FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 76,133	62,677	74,246	68,078	54,273	62,154	40,670	44,300	42,015
Contributions in Relation to the Contractually Required Contribution	76,133	62,677	74,246	68,078	54,273	62,154	40,670	44,300	42,015
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 469,004	509,580	548,030	453,696	515,164	467,238	385,920	336,444	380,029
Contributions as a Percentage of Covered-Employee Payroll	16.23%	12.30%	13.55%	15.01%	10.54%	13.30%	10.54%	13.17%	11.06%

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for Nine years. Additional years will be presented as they become available.

TUCKERTON SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

Exhibit L-3

NET PENSION LIABILITY - TPAF

LAST NINE FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
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%
District's Proportionate Share of the Net Pension Liability	\$ -	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>10,292,369</u>	<u>13,310,579</u>	<u>11,115,465</u>	<u>11,402,069</u>	<u>11,941,401</u>	<u>14,467,586</u>	<u>12,498,424</u>	<u>9,969,695</u>	<u>9,511,755</u>
Total	<u>\$ 10,292,369</u>	<u>13,310,579</u>	<u>11,115,465</u>	<u>11,402,069</u>	<u>11,941,401</u>	<u>14,467,586</u>	<u>12,498,424</u>	<u>9,969,695</u>	<u>9,511,755</u>
District's Covered-Employee Payroll	\$ 2,626,648	2,542,754	2,434,902	2,144,600	2,011,728	1,850,172	1,777,801	1,832,479	1,972,505
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	25.52%	19.10%	21.91%	18.81%	16.85%	12.79%	14.22%	18.38%	20.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for Nine years. Additional years will be presented as they become available.

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

L-4

This schedule is not applicable.

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

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

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

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 2022**Public Employee's Retirement System (PERS)**

Changes in Benefit Terms – None

Changes in Assumptions – The discount rate remained at 7.00% as of June 30, 2020, and as of June 30, 2021, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None

Changes in Assumption – The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021, in accordance with Paragraph 44 of GASB Statement No. 67.

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

TUCKERTON SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST SIX FISCAL YEARS

Exhibit M-1

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	\$ -	-	-	-	-	-
<u>State's OPEB Liability Attributable to the District</u>						
Service Cost	\$ 835,854	449,289	413,756	455,006	548,823	*
Interest	413,377	376,601	437,012	440,883	380,732	*
Change of Benefit Terms	(16,961)					*
Benefit Payments	(325,625)	(306,539)	(321,032)	(295,014)	(277,976)	*
Member Contributions	10,568	9,291	9,516	10,196	10,236	*
Difference between Expected and Actual Experience	(2,605,596)	3,404,809	(1,269,931)	(313,495)		*
Change of Assumptions or Other Inputs	<u>15,721</u>	<u>3,216,356</u>	<u>155,931</u>	<u>(1,266,072)</u>	<u>(1,603,620)</u>	*
Net Change in Total OPEB Liability	(1,672,662)	7,149,807	(574,748)	(968,496)	(941,805)	*
Total Attributable OPEB Liability - Beginning	<u>17,607,887</u>	<u>10,458,080</u>	<u>11,032,828</u>	<u>12,001,324</u>	<u>12,943,129</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 15,935,225</u>	<u>17,607,887</u>	<u>10,458,080</u>	<u>11,032,828</u>	<u>12,001,324</u>	<u>12,943,129</u>
District's Covered Payroll	\$ 3,095,652	3,052,334	2,982,932	2,598,296	2,526,892	2,317,410
District's Contribution	None	None	None	None	None	None
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	514.76%	576.87%	350.60%	424.62%	474.94%	558.52%

* - Information not available

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

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

TUCKERTON SCHOOL DISTRICTNOTES TO REQUIRED SUPPLEMENTARY INFORMATIONFOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit M-2

Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2020 to June 30, 2021 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

TUCKERTON SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1
Sheet 1 of 2

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I	Title II Part A	CRSSA			ARP		
			ESSER II	Learning	Mental Health	ESSER	Accerlated Learning	Mental Health
Revenues:								
Federal Sources	\$ 66,542	3,479	220,815	3,020	3,000	100,876	31,604	6,297
Local Sources								
State Sources								
Total Revenue	<u>66,542</u>	<u>3,479</u>	<u>220,815</u>	<u>3,020</u>	<u>3,000</u>	<u>100,876</u>	<u>31,604</u>	<u>6,297</u>
Expenditures:								
Instruction:								
Salaries of Teachers	66,542		-					
Other Salaries for Instructors								
Purchased Services						16,084		
Other Purchased Services						11,914		
General Supplies				3,020		18,193	18,172	
Purchased Professional/Ed. Services								
Total Instruction	<u>66,542</u>	<u>-</u>	<u>-</u>	<u>3,020</u>	<u>-</u>	<u>46,191</u>	<u>18,172</u>	<u>-</u>
Support Services:								
Salaries of Supervisors of Instruction								
Salaries of Program Director								
Salaries of Other Professional Staff								
Salaries of Secreterial & Cleric Asst.								
Other Salaries								
Salaries of Community Parent								
Salaries of Master Teachers								
Personal Services - Employee Benefits								
Professional and Tech. Services		3,479			3,000		13,432	4,545
Other Purchased Services						15,384		
Contr. Services - Transportation								
Supplies and Materials						9,411		1,752
Student Activities								
Total Support Services	<u>-</u>	<u>3,479</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>24,795</u>	<u>13,432</u>	<u>6,297</u>
Facilities, Acquisition and Construction Services:								
Building			220,815			29,890		
Non Instructional Equipment								
Total Facilities, Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>220,815</u>	<u>-</u>	<u>-</u>	<u>29,890</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>66,542</u>	<u>3,479</u>	<u>220,815</u>	<u>3,020</u>	<u>3,000</u>	<u>100,876</u>	<u>31,604</u>	<u>6,297</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TUCKERTON SCHOOL DISTRICT

SPECIAL REVENUE FUND

Exhibit E-1
Sheet 2 of 2

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	I.D.E.A.				SDA Emergent	Preschool Education Aid	Student Activity	Totals 2022
	ARP Basic	ARP Preschool	Basic	Preschool				
Revenues:								
Federal Sources	17,598	1,496	79,531	5,517				539,775
Local Sources							9,091	9,091
State Sources					5,195	734,349		739,544
Total Revenue	<u>17,598</u>	<u>1,496</u>	<u>79,531</u>	<u>5,517</u>	<u>5,195</u>	<u>734,349</u>	<u>9,091</u>	<u>1,288,410</u>
Expenditures:								
Instruction:								
Salaries of Teachers						238,398		304,940
Other Salaries for Intructions						107,516		107,516
Purchased Services	17,598	1,496	79,531	5,517				120,226
Other Purchased Services								11,914
General Supplies						23,194		62,579
Purchased Professional/Ed. Services						9,452		9,452
Total Instruction	<u>17,598</u>	<u>1,496</u>	<u>79,531</u>	<u>5,517</u>	<u>-</u>	<u>378,560</u>	<u>-</u>	<u>616,627</u>
Support Services:								
Salaries of Supervisors of Instruction						18,900		18,900
Salaries of Program Director						27,853		27,853
Salaries of Other Professional Staff						42,697		42,697
Salaries of Secreterial & Cleric Asst.						8,208		8,208
Other Salaries						20,336		20,336
Salaries of Community Parent						7,707		7,707
Salaries of Master Teachers						21,120		21,120
Personal Services - Employee Benefits						171,557		171,557
Professional and Tech. Services					5,195			29,651
Other Purchased Services								15,384
Contr. Services - Transportation						1,767		1,767
Supplies and Materials						14,844		26,007
Student Activities							11,365	11,365
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,195</u>	<u>334,989</u>	<u>11,365</u>	<u>402,552</u>
Facilities, Acquisition and Construction Services:								
Instructional Equipment								250,705
Non Instructional Equipment						20,800		20,800
Total Facilities, Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,800</u>	<u>-</u>	<u>271,505</u>
Total Expenditures	<u>17,598</u>	<u>1,496</u>	<u>79,531</u>	<u>5,517</u>	<u>5,195</u>	<u>734,349</u>	<u>11,365</u>	<u>1,290,684</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,274)</u>	<u>(2,274)</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,796</u>	<u>10,796</u>
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,522</u>	<u>8,522</u>

TUCKERTON SCHOOL DISTRICT**SPECIAL REVENUE FUND**

Exhibit E-2

PRESCHOOL EDUCATION AID**SCHEDULE OF EXPENDITURES****BUDGETARY BASIS****FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 238,998	238,398	600
Other Salaries for Instruction	107,516	107,516	
Purchased Professional/Ed. Services	11,500	9,452	2,048
General Supplies	37,555	23,194	14,361
Total Instruction	<u>395,569</u>	<u>378,560</u>	<u>17,009</u>
Support Services:			
Salaries of Supervisors of Instruction	18,900	18,900	-
Salaries of Program Director	27,853	27,853	-
Salaries of Other Professional Staff	43,217	42,697	520
Salaries of Secreterial & Cleric Asst.	8,208	8,208	-
Other Salaries	20,336	20,336	-
Salaries of Community Parent	28,500	7,707	20,793
Salaries of Master Teachers	22,192	21,120	1,072
Personal Services - Employee Benefits	171,557	171,557	-
Cleaning, Repair Services	36,442	-	36,442
Contr. Services - Transportation (Between Home & School)	19,154		19,154
Contr. Services - Transportation (Field Trips)	2,000	1,767	233
Supplies and Materials	16,000	14,844	1,156
Total Support Services	<u>414,359</u>	<u>334,989</u>	<u>79,370</u>
Facilities, Acquisition and Construction Services:			
Non Instructional Equipment	25,663	20,800	4,863
Total Facilities, Acquisition and Construction Services	<u>25,663</u>	<u>20,800</u>	<u>4,863</u>
Total Expenditures	<u>\$ 835,591</u>	<u>734,349</u>	<u>101,242</u>

Calculation of Budget and Carryover

Total 2021-2022 Preschool Education Aid Allocation	\$ 713,934
Add: Actual ECPA/PEA Carryover (June 30, 2021)	95,215
Add: Budgeted Transfer from the General Fund 2021-22	26,442
Total Preschool Education Aid Funds Available for 2021-2022 Budget	<u>835,591</u>
Less: 2021-2022 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>835,591</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2021	
Add: June 30, 2022 Unexpended Preschool Education Aid	<u>101,242</u>
2021-2022 Carryover - Preschool Education Aid Programs	<u>\$ 101,242</u>
2021-2022 Preschool Education Aid Carryover Budgeted for Preschool Programs 2022-2023	<u>\$ 71,425</u>

CAPITAL PROJECTS FUND – F

TUCKERTON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF PROJECT EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2022

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

PROPRIETARY FUNDS – G

TUCKERTON SCHOOL DISTRICT

SCHEDULE OF NET POSITION

Exhibit G-1

ENTERPRISE FUNDS

JUNE 30, 2022

**Business - Type Activities
Enterprise Funds**

	<u>Food Services</u>	<u>Aftercare</u>	<u>Totals</u>
<u>Assets:</u>			
Current Assets:			
Cash	\$ -	39,242	39,242
Total Current Assets	<u>-</u>	<u>39,242</u>	<u>39,242</u>
Noncurrent Assets:			
Equipment	72,105		72,105
Less: Accumulated Depreciation	<u>(66,980)</u>		<u>(66,980)</u>
Total Noncurrent Assets	<u>5,125</u>	<u>-</u>	<u>5,125</u>
Total Assets	<u>\$ 5,125</u>	<u>39,242</u>	<u>44,367</u>
<u>Net Position:</u>			
Investment in Capital Assets	\$ 5,125		5,125
Unrestricted		<u>39,242</u>	<u>39,242</u>
Total Net Position	<u>\$ 5,125</u>	<u>39,242</u>	<u>44,367</u>

TUCKERTON SCHOOL DISTRICTSCHEDULE OF REVENUES, EXPENSES AND CHANGES

Exhibit G-2

IN FUND NET POSITIONENTERPRISE FUNDSJUNE 30, 2022

	Business - Type Activities		Totals
	Enterprise Funds		
	Food Services	Aftercare Program	
Operating Revenues:			
Local Sources:			
Fees	\$ -	28,558	28,558
Total Operating Revenue	-	28,558	28,558
Operating Expenses:			
Salaries		20,440	20,440
Supplies		46	46
Depreciation	179		179
Total Operating Expenses	179	20,486	20,665
Operating (Loss)/Profit	(179)	8,072	7,893
Non-Operating Revenues:			
Interest Revenue	-	144	144
Total Non-Operating Revenues	-	144	144
Excess/(Deficiency) of Revenues Over/(Under)			
Expenditures	(179)	8,216	8,037
Net Position, July 1	5,304	31,026	36,330
Net Position, June 30	\$ 5,125	39,242	44,367

TUCKERTON SCHOOL DISTRICT**SCHEDULE OF CASH FLOWS**

Exhibit G-3

ENTERPRISE FUNDS**JUNE 30, 2022**

	Business - Type Activities		Totals
	Enterprise Funds		
	Food Services	Aftercare Program	
Cash Flows from Operating Activities:			
Receipts from Miscellaneous and Fees	\$ -	28,558	28,558
Payments to Employees		(20,486)	(20,486)
Net Cash Used by Operating Activities	-	8,072	8,072
Cash Flows from Investing Activities:			
Interest		144	144
Net Increase/(Decrease) in Cash and Cash Equivalents	-	8,216	8,216
Cash and Cash Equivalents July 1		31,026	31,026
Cash and Cash Equivalents June 30	\$ -	39,242	39,242
Cash Flows from Operating Activities:			
Operating (Loss)/Profit	\$ (179)	8,072	7,893
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:			
Depreciation	179		179
Net Cash Used by Operating Activities	\$ -	8,072	8,072

FIDUCIARY FUND – H

N/A

LONG-TERM DEBT – I

TUCKERTON SCHOOL DISTRICT

Exhibit I-1

LONG-TERM DEBT

SCHEDULE OF SERIAL BONDS PAYABLE

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Retired</u>	<u>Cancelled</u>	<u>Balance June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>					
Renovations to Elementary School	7/14/2004	\$ 2,443,000	7/15/22-23	\$ 140,000	4.50%	\$ 560,000	140,000		420,000
			7/15/2024	140,000	4.62%				
Renovations to Elementary School	2/9/2017	3,386,000	7/15/2022	145,000	3.00%	2,965,000	140,000		2,825,000
			7/15/2023	150,000					
			7/15/2024	155,000	3.125%				
			7/15/2025	160,000					
			7/15/2026	165,000					
			7/15/2027	170,000					
			7/15/2028	180,000					
			7/15/2029	185,000					
			7/15/2030	190,000					
			7/15/2031	200,000					
			7/15/2032	205,000					
			7/15/2033	215,000					
			7/15/2034	225,000	3.25%				
			7/15/2035	235,000					
7/15/2036	245,000	3.375%							
Community Disaster Loan	2014/15	49,855	7/18/2022	10,118	1.500%	40,592	-	40,592	-
			7/18/2023	10,533					
			7/18/2024	10,858					
						<u>\$ 3,565,592</u>	<u>280,000</u>	<u>40,592</u>	<u>3,245,000</u>

TUCKERTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit I-3

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 308,083		308,083	308,083	
Local Tax Levy - CDL	13,552		13,552	13,552	
State Aid	85,202	-	85,202	85,202	-
Total Revenues	<u>406,837</u>	<u>-</u>	<u>406,837</u>	<u>406,837</u>	<u>-</u>
Expenditures:					
Community Disaster Loan:					
Interest	4,469		4,469	-	4,469
Redemption of Principal	9,083		9,083	-	9,083
Regular Debt Service:					
Interest	113,285	-	113,285	113,285	-
Redemption of Principal	280,059	-	280,059	280,000	59
Total Expenditures	<u>406,896</u>	<u>-</u>	<u>406,896</u>	<u>393,285</u>	<u>13,611</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59)	-	(59)	13,552	13,611
Other Financing Sources/(Uses):					
Transfer from Capital Projects				26	26
Excess (Deficiency) of Revenues Over (Under) Expenditures and Financing Sources/(Uses)	(59)	-	(59)	13,578	13,637
Fund Balance July 1	<u>75</u>	<u>-</u>	<u>75</u>	<u>75</u>	
Fund Balance June 30	<u>\$ 16</u>	<u>-</u>	<u>16</u>	<u>13,653</u>	<u>13,637</u>

STATISTICAL SECTION

(Unaudited)

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

Exhibit J-1

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities										
Invested in Capital Assets, net of related Debt	\$ 43,440	43,440	43,440	43,440	43,440	260,298	245,372	236,459	405,596	2,191,828
Restricted	1,743,437	1,870,418	1,793,528	1,867,141	1,630,195	4,560,060	1,783,257	1,576,360	1,186,006	1,086,289
Unrestricted	<u>(3,258,368)</u>	<u>(3,671,009)</u>	<u>(3,798,065)</u>	<u>(3,858,889)</u>	<u>(3,889,948)</u>	<u>(4,671,739)</u>	<u>(1,095,474)</u>	<u>(1,031,887)</u>	<u>(70,545)</u>	<u>(12,928)</u>
Total Governmental Activities	<u>\$ (1,471,491)</u>	<u>(1,757,151)</u>	<u>(1,961,097)</u>	<u>(1,948,308)</u>	<u>(2,216,313)</u>	<u>148,619</u>	<u>933,155</u>	<u>780,932</u>	<u>1,521,057</u>	<u>3,265,189</u>
Business Type Activities										
Invested in Capital Assets, net of related Debt	\$ 5,125	5,304	5,483	5,662	5,841	4,097	4,097	1,568	1,565	43,684
Unrestricted	<u>39,242</u>	<u>31,026</u>	<u>30,898</u>	<u>28,406</u>	<u>34,858</u>	<u>33,081</u>	<u>16,166</u>	<u>37,096</u>	<u>38,200</u>	<u>26,788</u>
Total Business Type Activities	<u>\$ 44,367</u>	<u>36,330</u>	<u>36,381</u>	<u>34,068</u>	<u>40,699</u>	<u>37,178</u>	<u>20,263</u>	<u>38,664</u>	<u>39,765</u>	<u>70,472</u>
District-wide										
Invested in Capital Assets, net of related Debt	\$ 48,565	48,744	48,923	49,102	49,281	264,395	249,469	238,027	407,161	2,235,512
Restricted	1,743,437	1,870,418	1,793,528	1,867,141	1,630,195	4,560,060	1,783,257	1,576,360	1,186,006	1,086,289
Unrestricted	<u>(3,219,126)</u>	<u>(3,639,983)</u>	<u>(3,767,167)</u>	<u>(3,830,483)</u>	<u>(3,855,090)</u>	<u>(4,638,658)</u>	<u>(1,079,308)</u>	<u>(994,791)</u>	<u>(32,345)</u>	<u>13,860</u>
Total District Net Position	<u>\$ (1,427,124)</u>	<u>(1,720,821)</u>	<u>(1,924,716)</u>	<u>(1,914,240)</u>	<u>(2,175,614)</u>	<u>185,797</u>	<u>953,418</u>	<u>819,596</u>	<u>1,560,822</u>	<u>3,335,661</u>

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

Exhibit J-2

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental Activities	\$ 8,325,922	7,410,954	7,042,407	6,400,003	8,565,130	6,675,887	5,705,983	5,238,626	5,481,225	5,095,046
Business Type Activities	20,665	179	21,758	43,563	25,100	20,097	52,635	37,859	25,237	37,306
Total District Expenses	<u>8,346,587</u>	<u>7,411,133</u>	<u>7,064,165</u>	<u>6,443,566</u>	<u>8,590,230</u>	<u>6,695,984</u>	<u>5,758,618</u>	<u>5,276,485</u>	<u>5,506,462</u>	<u>5,132,352</u>
Program Revenues:										
Governmental Activities	1,280,088	960,858	798,175	211,736	199,595	194,698	243,665	201,549	204,988	261,575
Business Type Activities	28,558		23,857	36,797	26,578	27,857	31,636	36,694	31,561	
Total District Program Revenues	<u>1,308,646</u>	<u>960,858</u>	<u>822,032</u>	<u>248,533</u>	<u>226,173</u>	<u>222,555</u>	<u>275,301</u>	<u>238,243</u>	<u>236,549</u>	<u>261,575</u>
Net (Expense):										
Governmental Activities	(7,045,834)	(6,450,096)	(6,244,232)	(6,188,267)	(8,365,535)	(6,481,189)	(5,462,318)	(5,037,077)	(5,276,237)	(4,833,471)
Business Type Activities	7,893	(179)	2,099	(6,766)	1,478	7,760	(20,999)	(1,165)	6,324	(37,306)
Total District-wide Net Expense	<u>(7,037,941)</u>	<u>(6,450,275)</u>	<u>(6,242,133)</u>	<u>(6,195,033)</u>	<u>(8,364,057)</u>	<u>(6,473,429)</u>	<u>(5,483,317)</u>	<u>(5,038,242)</u>	<u>(5,269,913)</u>	<u>(4,870,777)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities	7,331,494	6,624,363	6,231,443	6,456,272	6,000,603	5,696,653	5,614,541	5,549,811	5,395,084	5,133,037
Business Type Activities	144	128	214	135	120	9,155	2,598	64	28	65,916
Total District-wide	<u>7,331,638</u>	<u>6,624,491</u>	<u>6,231,657</u>	<u>6,456,407</u>	<u>6,000,723</u>	<u>5,705,808</u>	<u>5,617,139</u>	<u>5,549,875</u>	<u>5,395,112</u>	<u>5,198,953</u>
Change in Net Position:										
Governmental Activities	285,660	174,267	(12,789)	268,005	(2,364,932)	(784,536)	152,223	512,734	118,847	299,566
Business Type Activities	8,037	(51)	2,313	(6,631)	1,598	16,915	(18,401)	(1,101)	6,352	28,610
Total District	<u>\$ 293,697</u>	<u>174,216</u>	<u>(10,476)</u>	<u>261,374</u>	<u>(2,363,334)</u>	<u>(767,621)</u>	<u>133,822</u>	<u>511,633</u>	<u>125,199</u>	<u>328,176</u>

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

Exhibit J-3

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:										
Reserved	\$ 1,766,223	1,905,277	1,769,208	1,673,291	1,395,056	1,677,948	1,686,277	1,479,380	1,095,970	928,648
Unreserved	73,813	34,150	27,803	26,256	25,681	31,334	30,053	35,756	50,796	14,859
Total General Fund	<u>\$ 1,840,036</u>	<u>1,939,427</u>	<u>1,797,011</u>	<u>1,699,547</u>	<u>1,420,737</u>	<u>1,709,282</u>	<u>1,716,330</u>	<u>1,515,136</u>	<u>1,146,766</u>	<u>943,507</u>
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund	\$ (62,870)	(61,365)	(74,078)	(3,273)	(2,725)	(3,130)	(3,711)	(3,133)	(4,184)	(5,279)
Capital Projects Fund	26,431	26,431	98,339	195,898	235,151	2,880,590	94,220	94,220	94,220	165,100
Debt Service Fund	13,653	75	59	1,225	2,713	1,522	2,760	2,760	2,760	2,760
Total All Other Government Funds	<u>\$ (22,786)</u>	<u>(34,859)</u>	<u>24,320</u>	<u>193,850</u>	<u>235,139</u>	<u>2,878,982</u>	<u>93,269</u>	<u>93,847</u>	<u>90,036</u>	<u>162,581</u>

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

Exhibit J-4

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues:										
Local Tax Levy	\$ 3,242,290	3,190,807	3,128,073	3,056,550	2,973,743	2,834,436	2,789,062	2,746,490	2,699,395	2,704,915
Other Local Revenue	182,725	117,306	33,467	247,062	165,095	3,526,747	138,391	115,806	71,659	110,348
State Revenue	4,646,792	3,974,797	3,705,875	3,153,362	2,896,649	2,824,866	2,761,307	2,684,021	2,624,530	2,563,609
Federal Revenue	539,775	302,310	162,203	164,291	164,711	161,644	169,446	168,025	211,997	173,302
Total Revenues	<u>8,611,582</u>	<u>7,585,220</u>	<u>7,029,618</u>	<u>6,621,265</u>	<u>6,200,198</u>	<u>9,347,693</u>	<u>5,858,206</u>	<u>5,714,342</u>	<u>5,607,581</u>	<u>5,552,174</u>
Expenditures:										
Instruction:										
Regular	1,449,687	1,236,207	1,218,909	1,332,140	1,196,915	1,252,545	1,203,987	1,198,144	1,170,085	1,234,202
Special	659,092	683,800	739,973	692,186	588,044	578,022	565,295	579,702	604,042	541,634
Other	221,283	239,050	155,606	173,366	171,408	221,445	105,303	155,085	105,615	84,220
Total Instruction	<u>2,330,062</u>	<u>2,159,057</u>	<u>2,114,488</u>	<u>2,197,692</u>	<u>1,956,367</u>	<u>2,052,012</u>	<u>1,874,585</u>	<u>1,932,931</u>	<u>1,879,742</u>	<u>1,860,056</u>
Undistributed:										
Instruction	292,052	98,800	28,572	8,483	64,708	49,078	59,308	169,461	171,272	39,721
Support Service:										
Students	663,689	624,626	586,518	602,422	659,509	577,255	534,409	413,076	497,036	594,745
School Administration	353,492	305,950	291,901	312,338	279,897	264,893	186,305	264,633	279,044	112,177
Operations and Maintenance	660,505	540,339	585,388	523,211	495,899	561,327	632,780	469,511	454,267	424,148
Student Transportation	168,735	107,744	130,062	149,670	236,698	150,899	178,569	146,907	135,854	132,634
Business and Other Support Services:										
Employee Benefits	2,491,568	2,079,502	1,722,418	1,889,004	1,710,382	1,624,177	1,624,367	1,481,780	1,272,089	1,250,175
Other							91,725			
Total Undistributed	<u>4,630,041</u>	<u>3,756,961</u>	<u>3,344,859</u>	<u>3,485,128</u>	<u>3,447,093</u>	<u>3,227,629</u>	<u>3,307,463</u>	<u>2,945,368</u>	<u>2,809,562</u>	<u>2,553,600</u>
Capital Outlay:										
Facilities Acq. and Construction Serv.										
Other	54,828	166,918	271,060	26,714	110,811	77,648	73,379	99,257	31,426	308,898
Total Capital Outlay	<u>54,828</u>	<u>166,918</u>	<u>271,060</u>	<u>26,714</u>	<u>110,811</u>	<u>77,648</u>	<u>73,379</u>	<u>99,257</u>	<u>31,426</u>	<u>308,898</u>
Total General Fund Expenditures	<u>7,014,931</u>	<u>6,082,936</u>	<u>5,730,407</u>	<u>5,709,534</u>	<u>5,514,271</u>	<u>5,357,289</u>	<u>5,255,427</u>	<u>4,977,556</u>	<u>4,720,730</u>	<u>4,722,554</u>
Special Revenue:										
Federal	539,775	305,971	162,203	164,839	164,711	161,644	169,446	168,025	161,047	173,258
State	750,909	658,548	703,120	32,415	27,834	32,473	37,112	32,473	42,846	54,284
Total Special Revenue Expenditures	<u>1,290,684</u>	<u>964,519</u>	<u>865,323</u>	<u>197,254</u>	<u>192,545</u>	<u>194,117</u>	<u>206,558</u>	<u>200,498</u>	<u>203,893</u>	<u>227,542</u>
Debt Service Expenditures	<u>393,285</u>	<u>412,299</u>	<u>408,395</u>	<u>434,446</u>	<u>280,331</u>	<u>191,870</u>	<u>195,605</u>	<u>201,125</u>	<u>209,405</u>	<u>214,925</u>
Capital Project Expenditures	-	71,908	97,559	89,253	3,145,439	755,410	-	-	335,330	129,877
Total Governmental Fund Expenditures	<u>8,698,900</u>	<u>7,531,662</u>	<u>7,101,684</u>	<u>6,430,487</u>	<u>9,132,586</u>	<u>6,498,686</u>	<u>5,657,590</u>	<u>5,379,179</u>	<u>5,469,358</u>	<u>5,294,898</u>
Other Financing Sources/(Uses)				46,743		(70,342)		37,018	(7,509)	(157,562)
Net Changes in Fund Balance	<u>\$ (87,318)</u>	<u>53,558</u>	<u>(72,066)</u>	<u>237,521</u>	<u>(2,932,388)</u>	<u>2,778,665</u>	<u>200,616</u>	<u>372,181</u>	<u>130,714</u>	<u>99,714</u>

Source: District Records

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Interest</u>	<u>Tuition/ Transportation</u>	<u>Misc.</u>	<u>Total</u>
2013	\$ 1,915	33,989	74,444	110,348
2014	1,752	45,320	24,587	71,659
2015		49,051	66,755	115,806
2016	2,285	37,685	98,421	138,391
2017	1,522	11,748	127,477	140,747
2018	-	50,509	113,395	163,904
2019	-	53,175	193,853	247,028
2020	-	5,457	27,985	33,442
2021	2,660	-	161,597	164,257
2022			182,725	182,725

Source: District Records

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

Exhibit J-6

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2012	\$ 433,424,395	491,857,007	88.12%
2013	439,222,953	458,383,378	95.82%
2014	411,829,747	420,964,681	97.83%
2015	404,952,400	392,700,155	103.12%
2016	403,656,400	388,542,112	103.89%
2017	405,555,300	404,867,026	100.17%
2018	407,072,959	405,572,341	100.37%
2019	414,731,900	417,319,280	99.38%
2020	418,682,900	426,357,332	98.20%
2021	425,252,800	447,163,828	95.10%

Source: Abstract of Ratables, Ocean County Board of Taxation

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

Exhibit J-7

Assessment Year	Tuckerton		Pinelands Regional	Ocean County	Total
	School District	Borough			
2012	\$ 0.625	0.612	0.498	0.409	2.144
2013	0.643	0.612	0.519	0.411	2.185
2014	0.667	0.626	0.553	0.417	2.263
2015	0.689	0.633	0.554	0.401	2.277
2016	0.702	0.661	0.541	0.401	2.305
2017	0.733	0.679	0.604	0.416	2.432
2018	0.751	0.698	0.691	0.411	2.551
2019	0.754	0.737	0.712	0.412	2.615
2020	0.762	0.759	0.686	0.413	2.620
2021	0.762	0.776	0.644	0.413	2.595

Source: Tax Collector

TUCKERTON SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED DECEMBER 31, 2021
UNAUDITED

Exhibit J-8

Current Year

<u>Taxpayer</u>	<u>Assessed Valuation 2021</u>	<u>As a Percentage of District Net Assessed Valuation</u>
	\$ -	0.00%
		0.00%
		0.00%
		0.00%
		0.00%
		0.00%
		0.00%
		0.00%
		0.00%
		0.00%
	\$ -	0.00%

Source: Tax Assessor

* - Information not available for Current Year and 9 years ago.

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

Exhibit J-9

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2012	\$ 9,311,829	8,917,623	95.77%
2013	9,174,218	8,778,799	95.69%
2014	9,358,024	8,991,914	96.09%
2015	9,294,575	8,970,099	96.51%
2016	9,385,420	9,107,462	97.04%
2017	9,967,656	9,610,308	96.41%
2018	10,431,234	10,140,776	97.22%
2019	10,960,278	10,704,490	97.67%
2020	11,113,682	10,869,033	97.80%
2021	11,135,156	10,902,799	97.91%

Source: Municipal Tax Collector

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

Exhibit J-10

Information not available

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

Exhibit J-11

<u>Year</u>	<u>School District Population *</u>	<u>Net Assessed Valuation Taxable</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2012	3,364	433,860,431	1,812,000	0.42%	538.64
2013	3,378	419,334,514	1,536,000	0.37%	454.71
2014	3,396	411,829,747	1,398,000	0.34%	411.66
2015	3,364	404,952,400	1,260,000	0.31%	374.55
2016	3,362	403,656,400	4,555,855	1.13%	1,355.10
2017	3,352	405,555,300	4,415,855	1.09%	1,317.38
2018	3,357	407,072,959	4,426,855	1.09%	1,318.69
2019	3,393	414,731,900	4,151,855	1.00%	1,223.65
2020	3,426	418,682,900	3,564,884	0.85%	1,040.54
2021	3,628	425,252,800	3,245,000	0.76%	894.43

Source: Tax Collector/School District Records

*Estimates

TUCKERTON SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021
UNAUDITED

Exhibit J-12

Net Direct Debt of School District: as of December 31, 2021	\$ 3,245,000
Net Overlapping Debt of School District: Borough of Tuckerton (100%)	<u>5,991,301</u>
Total Direct and Overlapping Bonded Debt as of December 31, 2021	<u><u>\$ 9,236,301</u></u>

Source: Tax Collector & School District

BOROUGH OF TUCKERTON SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Exhibit J-13

<u>Year</u>	<u>Equalized Valuation Basis</u>
2021	\$ 469,270,359
2020	435,991,773
2019	<u>422,333,910</u>
	<u><u>\$ 1,327,596,042</u></u>
Average Equalized Valuation	\$ 442,532,014
School Borrowing Margin(3% of \$442,532,014)	\$ 13,275,960
Net Bonded Debt at June 30, 2022	<u>3,245,000</u>
School Borrowing Margin Available	<u><u>\$ 10,030,960</u></u>

* - Other Information Not Available

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

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

Exhibit J-14

<u>Year</u>	<u>Population</u>	<u>Per Capita Income*</u>	<u>Personal Income</u>	<u>Unemployment Rate</u>
2012	3,365	42,603	143,359,095	14.8%
2013	3,378	43,260	146,132,280	9.0%
2014	3,396	44,951	152,653,596	7.5%
2015	3,364	47,115	158,494,860	6.0%
2016	3,362	48,578	163,319,236	4.9%
2017	3,355	50,356	168,944,380	5.5%
2018	3,361	51,725	173,847,725	5.2%
2019	3,393	53,517	181,583,181	4.7%
2020	3,426	57,344	196,460,544	10.5%
2021	3,628	Unavailable	Unavailable	6.3%

Source: District Records and State
of New Jersey

*County information available only

TUCKERTON SCHOOL DISTRICT
PRINCIPAL EMPLOYERS

Exhibit J-15

Information not available

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

Exhibit J-16

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Function/Program:										
Instruction:										
Regular	23.0	23.0	23.0	24.0	24.0	24.0	24.0	24.5	27.5	27.5
Special Education	9.0	9.0	9.0	9.0	9.0	8.0	8.0	7.5	6.5	7.0
Other Instruction	15.0	11.0	10.0	10.0	10.0	10.0	11.0	13.0	13.0	13.5
Total Instruction	<u>47.0</u>	<u>43.0</u>	<u>42.0</u>	<u>43.0</u>	<u>43.0</u>	<u>42.0</u>	<u>43.0</u>	<u>45.0</u>	<u>47.0</u>	<u>48.0</u>
Support Services:										
Student & Instruction Related Services	4.00	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00
General Administration	2.80	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
District Administration	0.70									
Pupil Transportation	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.75	0.75	0.75
Other Support Services	10.00	1.25	1.25	1.25	1.25	1.25	1.25	1.00	1.00	1.00
Total Support Services	<u>18.50</u>	<u>6.75</u>	<u>6.75</u>	<u>6.75</u>	<u>6.75</u>	<u>6.75</u>	<u>6.75</u>	<u>5.75</u>	<u>5.75</u>	<u>5.75</u>
Total District	<u>65.50</u>	<u>49.75</u>	<u>48.75</u>	<u>49.75</u>	<u>49.75</u>	<u>48.75</u>	<u>49.75</u>	<u>50.75</u>	<u>52.75</u>	<u>53.75</u>

Source: District Records

TUCKERTON SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-17

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Enrollment</u>	<u>Operating</u> <u>Expenditures</u>	<u>Cost Per</u> <u>Pupil</u>	<u>Percentile</u> <u>Change</u>	<u>Teaching</u> <u>Staff</u>
2013	341	4,763,595	13,969	17.60%	48
2014	327	4,720,730	14,436	3.22%	47
2015	334	4,550,252	13,624	-5.63%	45
2016	339	5,386,772	15,890	16.70%	43
2017	286	5,357,289	18,732	17.80%	43
2018	293	5,370,547	18,330	-2.10%	43
2019	285	5,709,534	20,033	9.29%	43
2020	324	5,730,407	17,686	1.00%	42
2021	305	6,082,936	19,944	12.00%	43
2022	299	7,014,931	23,461	17.50%	47

Source: District Records

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

Exhibit J-18

<u>Tuckerton Elementary School</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Square Feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity	380	380	380	380	380	380	380	380	380	380
Enrollment	299	305	324	285	293	286	329	327	327	341

Source: District Records

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

Exhibit J-19

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Tuckerton</u> <u>Elementary</u> <u>School</u>
2013	225,835
2014	238,935
2015	258,265
2016	203,075
2017	141,321
2018	84,391
2019	67,716
2020	84,009
2021	22,695
2022	34,375

Source: District Records

BOROUGH OF TUCKERTON SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
UNAUDITED

Exhibit J-20

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

Source: District Records

SINGLE AUDIT SECTION

Robert A. Hulsart and Company
 CERTIFIED PUBLIC ACCOUNTANTS

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

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

K-1

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tuckerton Board of Education, County of Ocean, State of New Jersey as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Tuckerton Board of Education, County of Ocean, State of New Jersey's basic financial statements, and have issued our report thereon dated February 15, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

February 15, 2023

Robert A. Hulsart and Company
 CERTIFIED PUBLIC ACCOUNTANTS

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

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

K-2

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's major state programs for the year ended June 30, 2022. The Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations (CFR) Part 160, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's compliance.

Opinion on Each Major State Program

In our opinion, the Board of Education of the Tuckerton School District, County of Ocean, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

February 15, 2023

TUCKERTON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDING JUNE 30, 2022

Schedule A
K-3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal FAIN Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2021	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances/ Adjustment	Balance at June 30, 2022			
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education:															
Passed Through State Department of Education:															
NCLB:															
Title I	84.010	S010A150030	NCLB 22	09/01/2021	08/31/2022	\$ 66,542	\$ -		66,542	(66,542)					
Title IIA	84.367A	S367A150029	NCLB 22	09/01/2021	08/31/2022	9,967				(3,479)		(3,479)			
CRSSA:															
ESSER II	84.425D	S425D200027	NA	3/13/2020	9/30/2023	238,011			220,815	(220,815)					
Learning	84.425D	S425D200027	NA	3/13/2020	9/30/2023	25,000			3,020	(3,020)					
Mental Health	84.425D	S425D200027	NA	3/13/2020	9/30/2023	45,000			3,000	(3,000)					
ARP:															
ESSER	84.425U	S425U210027	NA	3/11/2021	9/30/2024	534,914			100,876	(100,876)					
ESSER Accelerated Learning	84.425U	S425U210027	NA	3/11/2021	9/30/2024	50,000			31,604	(31,604)					
ESSER Mental Health	84.425U	S425U210027	NA	3/11/2021	9/30/2024	45,000			6,297	(6,297)					
CARES Act	84.425D	S425D200027	NA	03/13/2020	09/30/2022	61,349	(21,865)		21,865	-		-			
IDEA:															
ARP Part B - Basic	84.027X	H027X210100	NA	07/01/2021	06/30/2022	17,598			17,598	(17,598)					
ARP Preschool	84.173X	H173X210114	NA	07/01/2021	06/30/2022	1,496			1,496	(1,496)					
Part B - Basic	84.027	H027A210100	FT21	07/01/2021	06/30/2022	79,531			60,178	(79,531)		(19,353)			
Preschool	84.173	H173A210114	FT21	07/01/2021	06/30/2022	5,517			5,517	(5,517)					
							(21,865)	-	538,808	(539,775)	-	(22,832)	-	-	
							\$ (21,865)	-	538,808	(539,775)	-	(22,832)	-	-	

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

TUCKERTON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program State Department of Education:	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2021	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances/ Adjustments	Balance at June 30, 2022			MEMO	
		From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
Equalization Aid	22-495-034-5120-078	07/01/2021	06/30/2022	\$ 1,450,933	\$ -	-	1,450,933	(1,450,933)	-	-	-	(136,882)	1,450,933	
Special Education Aid	22-495-034-5120-089	07/01/2021	06/30/2022	207,010	-	-	207,010	(207,010)	-	-	-	(20,701)	207,010	
Security Aid	22-495-034-5120-084	07/01/2021	06/30/2022	51,045	-	-	51,045	(51,045)	-	-	-	(5,105)	51,045	
School Choice Aid	22-495-034-5120-068	07/01/2021	06/30/2022	421,840	-	-	421,840	(421,840)	-	-	-	(42,184)	421,840	
Transportation Aid	22-495-034-5120-014	07/01/2021	06/30/2022	35,403	-	-	35,403	(35,403)	-	-	-	(3,540)	35,403	
Adjustment Aid	22-495-034-5120-085	07/01/2021	06/30/2022	227,965	-	-	227,965	(227,965)	-	-	-	(22,797)	227,965	
Non-Public Transportation Aid	22-495-034-5120-014	07/01/2021	06/30/2022	3,770	-	-	-	(3,770)	(3,770)	-	-	-	3,770	
Non-Public Transportation Aid	21-495-034-5120-014	07/01/2020	06/30/2021	870	(870)	-	870	-	-	-	-	-	-	
Extraordinary Aid	22-495-034-5120-044	07/01/2021	06/30/2022	51,252	-	-	-	(51,252)	-	-	(51,252)	-	51,252	
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	22-495-034-5094-001	07/01/2021	06/30/2022	225,987	-	-	225,987	(225,987)	-	-	-	-	225,987	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	22-495-034-5094-002	07/01/2021	06/30/2022	89,215	-	-	89,215	(89,215)	-	-	-	-	89,215	
On-Behalf T.P.A.F. Non-Contributory Ins.	22-495-034-5094-004	07/01/2021	06/30/2022	878,030	-	-	878,030	(878,030)	-	-	-	-	878,030	
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	22-495-034-5094-004	07/01/2021	06/30/2022	353	-	-	353	(353)	-	-	-	-	353	
Reimbursed TPAF Social Security	21-100-034-5095-003	07/01/2020	06/30/2021	205,185	(21,283)	-	21,283	-	-	-	(8,837)	-	192,963	
Reimbursed TPAF Social Security	22-100-034-5095-003	07/01/2021	06/30/2022	192,963	-	-	184,126	(192,963)	-	-	(8,837)	-	192,963	
					(22,153)	-	3,794,060	(3,835,766)	-	-	(63,859)	-	(231,209)	3,835,766
Special Revenue:														
SDA Emergent		07/01/2021	06/30/2022	5,195	-	-	5,195	(5,195)	-	-	-	-	5,195	
Preschool Education Aid	22-495-034-5120-086	07/01/2021	06/30/2022	740,376	95,215	-	740,376	(734,349)	-	-	101,242	(71,392)	734,349	
					95,215	-	745,571	(739,544)	-	-	101,242	(71,392)	739,544	
Debt Service														
Debt Service Type II Aid	22-495-034-5120-125	07/01/2021	06/30/2022	85,202	-	-	85,202	(85,202)	-	-	-	-	85,202	
					-	-	85,202	(85,202)	-	-	-	-	85,202	
Total State Financial Assistance					\$ 73,062	-	4,624,833	(4,660,512)	-	-	(63,859)	101,242	(302,601)	4,660,512
Less On Behalf TPAF Pension System Contributions								(1,193,585)						
Total for State Financial Assistance - Major Program Determination								\$ (3,466,927)						

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

BOARD OF EDUCATION

K-5

TUCKERTON SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2022****NOTE 1: GENERAL**

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary)				
“Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 3,835,766	739,544	85,202	4,660,512
Difference – Budget to “GAAP”				
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
The Last State Aid Payment Is 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)	<u>(14,489)</u>	<u>769</u>	_____	<u>(13,720)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 3,821,277</u>	<u>740,313</u>	<u>85,202</u>	<u>4,646,792</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>Federal Assistance</u>			
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	539,775	539,775
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>539,775</u>	<u>539,775</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 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.

TUCKERTON SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2022*Part 1 - Summary of Auditor's Results***Financial Statement Section**

Unmodified

Type of auditor's report issued:

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes No

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

_____ Yes None Reported

Noncompliance material to general purpose financial statements noted?

_____ Yes No**Federal Awards**

Not Applicable

State Awards

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 Yes _____ No

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

Unmodified

Internal Control over major programs:

(1) Material Weakness(es) identified?

_____ Yes No

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

_____ Yes None Reported

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

_____ Yes No

Identification of major programs:

GMIS Number(s)**Name of State Program**22-495-034-5120-078Equalization Aid - Public Cluster22-495-034-5120-089Special Education Aid - Public Cluster22-495-034-5120-084Security Aid - Public Cluster22-495-034-5120-085Adjustment Aid - Public Cluster22-495-034-5120-068School Choice Aid - Public Cluster22-495-034-5120-085Additional Adjustment Aid - Public Cluster

TUCKERTON SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2022*Part 2 - Financial Statement Findings*

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

TUCKERTON SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2022*Part 3 - State Awards Financial Assistance Findings and Questioned Costs*

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

Federal Awards

Not Applicable

State Awards

Finding: None

Information on the State Program: N/ACriteria or specific requirement: N/ACondition: N/AQuestioned Costs: N/AContext: N/AEffect: N/ACause: N/ARecommendation: N/AManagement's response: N/A

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

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Status of Prior Year Findings

There were none.