

**SCHOOL DISTRICT OF THE
OCEAN TOWNSHIP
COUNTY OF MONMOUTH, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

BOARD OF EDUCATION

OCEAN TOWNSHIP

STATE OF NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

PREPARED BY

OCEAN TOWNSHIP BOARD OF EDUCATION

BOARD SECRETARY'S OFFICE

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INTRODUCTORY SECTION



TOWNSHIP OF OCEAN SCHOOLS

Business Office
163 Monmouth Road
Oakhurst, NJ 07755
ghastings@oceanschools.org
(732) 531-5600 ext. 3100

Geoffrey Hastings
Business Administrator

December 13, 2023

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

Dear Board Members:

The annual comprehensive financial report (ACFR) of the Township of Ocean School District (District) for the fiscal year ended June 30, 2023, is hereby submitted. This ACFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards (GASB) Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes Management's Discussion and Analysis, the Basic Financial Statements and notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information, as well as the auditor's report hereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis, as the information was available to us. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as amended, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single audit policy for recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the auditor's report on the internal control and compliance with applicable laws, regulation, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an enrollment of 3,137 students, which is 59 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

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

ACTUAL STUDENT ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2022-2023	3137	<1.84>%
2021-2022	3196	<3.12>%
2020-2021	3299	<0.18>%
2019-2020	3305	<3.53>%
2018-2019	3426	<1.95>%

PROJECTED STUDENT ENROLLMENT

Fiscal Year	Student Enrollment	Percent Change
2023-2024	3,196	1.88%
2024-2025	3,139	<1.78>%
2025-2026	3,090	<1.56>%
2026-2027	3,041	<1.56>%

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

3) MAJOR INITIATIVES: The Township of Ocean Schools strives to meet the educational needs of all students. The District has enhanced our technology offerings by implementing two Esports labs, one at our high school and one at our intermediate school. These educational settings have allowed us to expand our offerings and provide real world experiences for our students. In addition, the District is continuing major programmatic advances in the areas of 1) visual and performing arts with the implementation of the Spartan School of Visual and Performing Arts Academy, 2) science, technology, engineering and math (STEM) education, 3) career and technical education, and 4) academic and behavioral multi-tiered systems of support. Major facility upgrades have been completed to address growth in these areas. Finally, the Township of Ocean School District has been successful in applying for state funds for an early childhood preschool program. For the 2024-2025 school year, we will add another 3 full day preschool classes for a total of 22 preschool classes with approximately 360 preschool students ages 3-4. As always, We encourage our students and staff to be innovative and creative. We foster a climate of discovery. We are proud of our diversity and the rich culture of our schools

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

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

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

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

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

6) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the BOE and/or voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balances at June 30, 2023.

7) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to Financial Statements", Note 1.

8) **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.


9) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in Exhibit J-20.

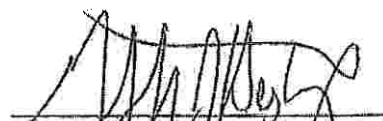
10) **OTHER INFORMATION: Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Wielkott & Co., P.A. In addition to meeting the requirements set forth in state statutes, the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

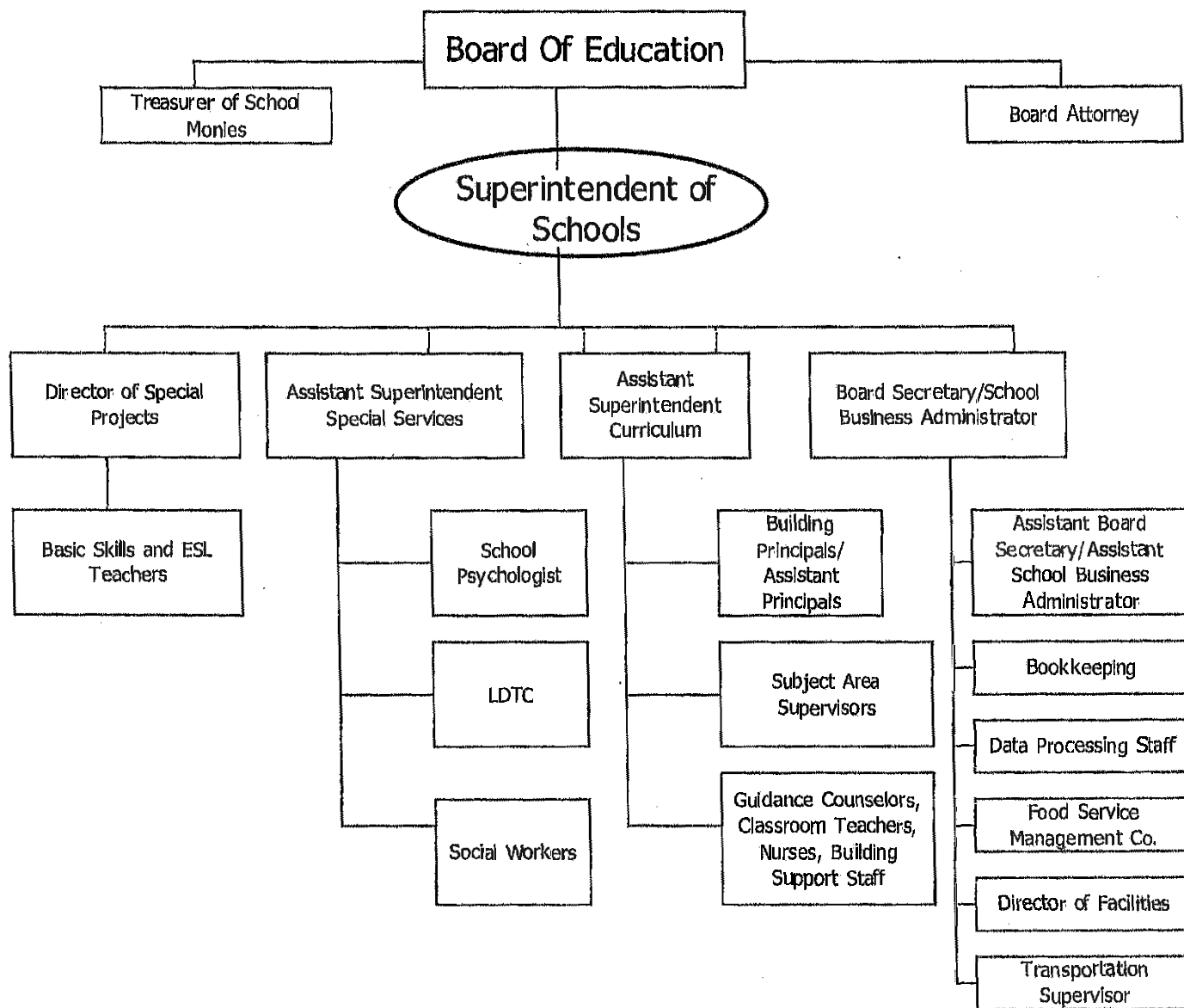
11) **ACKNOWLEDGEMENTS:**

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

Respectfully submitted,


Kelly Eweldon
Superintendent of Schools


Geoffrey Hastings
School Business Administrator/
Board Secretary



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

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Irene Gilman, President	2024
Natalie Turtorello, Vice President	2023
Amy McGovern	2025
GraceAnne Talarico	2025
Jeffrey Weinstein	2025
Alix Hayes	2023
Shawanda Beale	2023
Denise Parlamas	2024
John McCarthy	2024
Rio Jones - Student Representative	
Marilena Iosifides, Student Representative	

Other Officials

James Stefankiewicz, Superintendent of Schools
Tina Trueba, Board Secretary/School Business Administrator to May 9, 2023
Elliot Kass, Assistant School Business Administrator to May 9, 2023
Elliot Kass, Interim Board Secretary/School Business Administrator from May 9, 2023
Robert Williams, Treasurer

OCEAN TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

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

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

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

Official Depositories

Santander Bank
57 Monmouth Road
Oakhurst, NJ 07755

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

FINANCIAL SECTION



WIELKOTZ & COMPANY^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Township of Ocean School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Township of Ocean Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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



Honorable President and
Members of the Board of Education
Page 2.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ocean Township Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ocean Township Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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

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

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

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

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

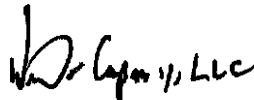
Honorable President and
Members of the Board of Education
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of the Ocean Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ocean Township Board of Education's internal control over financial reporting and compliance.



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



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

December 13, 2023



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

OCEAN TOWNSHIP BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 UNAUDITED

As management of the Ocean Township Board of Education (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Ocean Township Board of Education for the fiscal year ended June 30, 2023.

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

FINANCIAL HIGHLIGHTS

- In total, net position increased \$6,582,965, net position of governmental activities increased \$6,347,441 while net position of business-type activity increased by \$235,524.
- General revenues accounted for \$92,463,735 in revenue or 89 percent of all governmental activity revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$11,471,758 or 11 percent of total revenues of \$103,935,493.
- Total assets of governmental activities increased by \$5,754,271 as cash and cash equivalents increased by \$5,103,840 receivables increased by \$1,467,767, and capital assets decreased by \$817,336.
- The School District had \$97,588,052 in governmental activities expenses; only \$11,471,758 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$92,463,735 were not adequate to provide for these programs.

OCEAN TOWNSHIP BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED (CONTINUED)

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

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

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

Enterprise Funds

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

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

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

Internal Service Funds

The internal service fund are used to report any activity that provides good or services to other funds, departments or agencies of the District on a cost-reimbursement basis. The District accounts for its prescription drug costs provided to the Board of Education employees through the internal service fund. During fiscal year 2023 the District decided to no longer self-insure its prescription drug costs all remaining balances and rebates were recorded as reimbursements against employee benefit costs.

Long Term Debt

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

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The School District as a Whole

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

The School District's net position was \$21,882,846 at June 30, 2023. Of this amount \$(17,700,578) was unrestricted balances. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis on the next page focuses on the net position (Table 1) and change in net position (Table 2) of the School District. Table 1 provides a summary of the School District's net position for 2023 and 2022.

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Table 1

Net Position
June 30, 2023

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and Other Assets	26,905,354	19,872,925	925,135	811,722	27,830,489	20,684,647
Capital Assets	<u>42,055,759</u>	<u>42,873,095</u>	<u>354,084</u>	<u>296,586</u>	<u>42,409,843</u>	<u>43,169,681</u>
Total Assets	<u>68,961,113</u>	<u>62,746,020</u>	<u>1,279,219</u>	<u>1,108,308</u>	<u>70,240,332</u>	<u>63,854,328</u>
Deferred Outflows of Resources	<u>2,513,872</u>	<u>2,125,447</u>	_____	_____	<u>2,513,872</u>	<u>2,125,447</u>
Total Deferred Outflows of Resources	<u>2,513,872</u>	<u>2,125,447</u>	_____	_____	<u>2,513,872</u>	<u>2,125,447</u>
Current Liabilities	7,230,848	5,302,248	152,914	217,527	7,383,762	5,519,775
Non-Current Liabilities	<u>40,248,326</u>	<u>36,966,859</u>	_____	_____	<u>13,357,742</u>	<u>14,723,183</u>
Total Liabilities	<u>47,479,174</u>	<u>42,269,107</u>	<u>152,914</u>	<u>217,527</u>	<u>47,632,088</u>	<u>42,486,634</u>
Deferred Inflows of Resources	<u>3,239,270</u>	<u>8,193,260</u>	_____	_____	<u>3,239,270</u>	<u>8,193,260</u>
Total Deferred Inflows of Resources	<u>3,239,270</u>	<u>8,193,260</u>	_____	_____	<u>3,239,270</u>	<u>8,193,260</u>
Net Position						
Invested in Capital Assets						
Net of Debt	19,230,398	17,914,152	354,085	296,586	19,584,483	18,210,738
Restricted	19,998,941	16,201,897			19,998,941	16,201,897
Unrestricted	<u>(18,472,798)</u>	<u>(19,706,949)</u>	<u>772,220</u>	<u>594,195</u>	<u>(17,700,578)</u>	<u>(24,142,744)</u>
Total Net Position	<u>20,756,541</u>	<u>14,409,100</u>	<u>1,126,305</u>	<u>890,781</u>	<u>21,882,846</u>	<u>15,299,881</u>

OCEAN TOWNSHIP BOARD OF EDUCATION
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Table 2 below show the changes in net position for the fiscal year 2023 and 2022.

Table 2

Changes in Net Position
Year Ended June 30, 2023

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
<u>Program Revenues:</u>						
Charges for Services & Sales	3,037,830	3,413,970	475,950	12,590	3,513,780	3,426,560
Operating Grants & Contributions	8,433,928	7,005,856	919,399	2,388,970	9,353,327	9,394,826
<u>General Revenues:</u>						
<u>Taxes:</u>						
Local Property Taxes	71,048,817	70,528,787			71,048,817	70,528,787
Federal & State Aid Not Restricted	20,072,893	30,473,534			20,072,893	30,473,534
Miscellaneous Income	<u>1,342,025</u>	<u>1,219,453</u>			<u>1,342,025</u>	<u>1,219,453</u>
Total Revenues	<u>103,935,493</u>	<u>112,641,600</u>	<u>1,395,349</u>	<u>2,401,560</u>	<u>105,330,842</u>	<u>115,043,160</u>

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Functions/Program Expenses						
<u>Instruction:</u>						
Regular	26,885,387	25,108,795			26,885,387	25,108,795
Special Education	7,378,982	7,693,427			7,378,982	7,693,427
Other Special Instruction	1,150,566	1,403,322			1,150,566	1,403,322
Other Instruction	1,416,427	1,365,921			1,416,427	1,365,921
Support Services:						
Tuition, Student and Instruction Related Services	14,525,341	12,771,483			14,525,341	12,771,483
School Administrative Services	2,193,911	2,196,019			2,193,911	2,196,019
General Administrative Services	1,413,330	1,367,620			1,413,330	1,367,620
Central Service and Admin Info.	1,471,926	1,478,781			1,471,926	1,478,781
Plant Operations and Maintenance	6,880,172	6,368,884			6,880,172	6,368,884
Pupil Transportation	4,329,922	5,109,430			5,109,430	5,109,430
Personal Services-benefits	26,799,989	35,282,020			26,799,989	35,282,020
Summer schools	256,402	242,959			256,402	242,959
Charter school	428,211	307,813			428,211	307,813
Unallocated Depreciation	1,746,383	1,665,906			1,746,383	1,665,906
Non-depreciable capital outlay	60,092	79,086			60,092	79,086
Interest on Long-Term Debt	651,011	688,349			651,011	688,349
Enterprise Fund			<u>1,159,825</u>	<u>2,033,160</u>	<u>1,159,825</u>	<u>2,033,160</u>
Total Expenses and Transfers	<u>97,588,052</u>	<u>103,129,815</u>	<u>1,159,825</u>	<u>2,033,160</u>	<u>99,527,385</u>	<u>105,162,975</u>
Change in Net Position	<u>6,347,441</u>	<u>9,511,785</u>	<u>235,524</u>	<u>368,400</u>	<u>6,582,965</u>	<u>9,880,185</u>

As reported in the Statement of Activities, the cost of all of our governmental and business-type activities this year was \$99,527,385.

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Business-Type Activities

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

- Revenues exceeded expenditures by \$235,524 (gain).
- Charges for services represent \$475,950 of revenue. This represents the amounts paid by patrons for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and free milk, and donated commodities was \$919,399.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

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

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OCEAN TOWNSHIP BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS (continued)

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2023</u>	<u>Net Cost of Services 2022</u>
Instruction	36,831,362	35,571,465	31,401,071	31,425,240
Support Services:				
Pupils and Instructional Staff	14,525,341	12,771,483	11,815,045	11,247,873
General Administration, School Administration, Business Services and Central Services	5,079,167	5,042,420	5,079,167	5,042,420
Operation and Maintenance of Facilities	6,880,172	6,368,884	6,880,172	6,368,884
Pupil Transportation	4,329,922	5,109,430	4,329,922	5,109,430
Personal services-benefits	26,799,989	35,282,020	23,762,159	31,868,050
Interest and Fiscal Charges	651,011	688,349	651,011	688,349
Other	<u>2,491,088</u>	<u>2,295,764</u>	<u>2,197,747</u>	<u>959,743</u>
<u>Total Expenses</u>	<u>97,588,052</u>	<u>103,129,815</u>	<u>86,116,294</u>	<u>92,709,989</u>

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

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

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

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS (continued)

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

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

Personel benefits includes costs related to group insurance, social security, retirement contributions, workmen's compensation, health benefits, tuition benefits and other employee benefits.

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

"Other" includes summer and charter schools, Non-depreciable capital outlay and unallocated depreciation.

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OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023 the School District had \$87,270,399 invested in sites, buildings, and equipment. Of this amount \$44,860,556 in depreciation has been taken over the years. We currently have a net book value of \$42,409,843. Total additions for the year were \$1,645,706. Table 3 shows fiscal year 2023 balances compared to 2022.

Table 3

**Capital Assets at June 30, 2023
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	984,968	984,968			984,968	984,968
Site Improvements	1,663,999	1,837,867			1,663,999	1,837,867
Buildings and Improvements	35,906,130	35,606,162			35,906,130	35,606,162
Machinery and Equipment	3,134,610	3,345,913	354,084	296,586	3,488,694	3,642,499
Construction in Progress	<u>366,052</u>	<u>1,098,185</u>	<u> </u>	<u> </u>	<u>366,052</u>	<u>1,098,185</u>
Total Net Assets	<u>42,055,759</u>	<u>42,873,095</u>	<u>354,084</u>	<u>296,586</u>	<u>42,409,843</u>	<u>43,169,681</u>

OCEAN TOWNSHIP BOARD OF EDUCATION

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)

CAPITAL ASSETS AND DEBT ADMINISTRATION, (continued)

Debt Administration

At June 30, 2023, the District had \$20,765,000 in outstanding bonds. In addition to this amount the District had, \$2,251,288 in compensated absences, \$2,060,361 is for capital lease obligations and \$15,171,677 in net pension liability.

Table 4

Outstanding Serial Bonds at June 30, 2023

	<u>2023</u>	<u>2022</u>
Refunding School Bonds - Series 2016	\$	\$500,000
School Bonds - Series 2015	<u>20,765,000</u>	<u>22,010,000</u>
	<u>\$20,765,000</u>	<u>\$22,510,000</u>

OCEAN TOWNSHIP BOARD OF EDUCATION

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEARS' BUDGETS

The Board of Education continues to take necessary steps to institute cost savings measures on budgets, enabling the District to absorb the reductions in state aid. The goal of the 2023-2024 budget will be to address aging infrastructure concerns, maintain staffing levels and continue to build on curricular and technology advances that have already been made.

REQUESTS FOR INFORMATION

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

Mr Geoffrey Hastings
School Business Administrator/Board Secretary
Ocean Township Board of Education
163 Monmouth Road
Ocean, NJ 07755

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 12,941,702	\$ 874,804	\$ 13,816,506
Receivables from other governments	4,326,388	40,732	4,367,120
Receivables - Other	730,352	9,599	739,951
Restricted assets:			
Cash and cash equivalents	8,906,912		8,906,912
Capital assets; net			
Land/Construction in Process	1,351,020		1,351,020
Other Capital Assets, Net	40,704,739	354,084	41,058,823
Total Assets	<u>68,961,113</u>	<u>1,279,219</u>	<u>70,240,332</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to PERS	2,513,872		2,513,872
Total Deferred Outflows of Resources	<u>2,513,872</u>	<u>-</u>	<u>2,513,872</u>
LIABILITIES			
Accounts payable and accrued liabilities	2,257,966	152,914	2,410,880
Accounts payable related to Pensions	1,293,113		1,293,113
Payroll deductions and withholdings	460,822		460,822
Other liability - Unemployment compensation	168,016		168,016
Payable to state government	12,763		12,763
Advanced revenue	3,038,168	-	3,038,168
Noncurrent liabilities:			
Due within one year	1,646,144		1,646,144
Due beyond one year	38,602,182		38,602,182
Total liabilities	<u>47,479,174</u>	<u>152,914</u>	<u>47,632,088</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to PERS	<u>3,239,270</u>		<u>3,239,270</u>
NET POSITION			
Invested in capital assets, net of related debt	19,230,398	354,085	19,584,483
Restricted for:			-
Capital Reserve	6,269,435		6,269,435
Maintenance Reserve	2,111,964		2,111,964
Unemployment compensation	525,513		525,513
Student Activities	411,293		411,293
Scholarship Funds	29,691		29,691
Other purposes	10,651,045		10,651,045
Unrestricted	(18,472,798)	772,220	(17,700,578)
Total net position	<u>\$ 20,756,541</u>	<u>\$ 1,126,305</u>	<u>\$ 21,882,846</u>

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

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Instruction:								
Regular	\$ 26,763,380	\$ 122,007	\$	\$ 5,430,291	\$	\$	\$	\$ (21,455,096)
Special education	7,378,982				(7,378,982)			(7,378,982)
Other special instruction	1,150,566				(1,150,566)			(1,150,566)
School-sponsored activities	1,416,427				(1,416,427)			(1,416,427)
Support services:								
Tuition	3,626,157				(3,626,157)			(3,626,157)
Student & instruction related services	10,750,731	148,453		2,710,296	(8,188,888)			(8,188,888)
School administrative services	2,157,810	36,101			(2,193,911)			(2,193,911)
General and business administrative services	1,407,115	6,217			(1,413,330)			(1,413,330)
Central Services and Admin. Info Tech.	1,471,926				(1,471,926)			(1,471,926)
Plant operations and maintenance	6,836,471	43,701			(6,880,172)			(6,880,172)
Pupil transportation	3,969,742	360,180			(4,329,922)			(4,329,922)
Personal Services-employee benefits	26,799,989		3,037,830		(23,762,159)			(23,762,159)
Summer Schools	256,402				(256,402)			(256,402)
Charter Schools	428,211				(428,211)			(428,211)
Non-depreciable capital outlay	60,092				(60,092)			(60,092)
Interest on long-term debt	651,011			293,541	(651,011)			(651,011)
Unallocated depreciation	1,746,383				(1,453,042)			(1,453,042)
Total governmental activities	96,871,393	716,659	3,037,830	8,433,928	(86,116,294)			(86,116,294)
Business-type activities:								
Food Service	1,159,825		475,950	919,399		235,524	235,524	235,524
Total business-type activities	1,159,825		475,950	919,399		235,524	235,524	235,524
Total primary government	\$98,031,218	\$716,659	\$ 3,513,780	\$ 9,353,327	\$ (86,116,294)	\$ 235,524	\$ (85,880,770)	\$ (85,880,770)

General revenues:

Taxes:	
Property taxes, levied for general purposes	69,229,978
Property taxes, levied for debt service	1,818,839
Federal and State aid not restricted	20,072,893
Miscellaneous income	1,342,025
Total general revenues, special items, extraordinary items and transfers	92,463,735
Change in Net Position	6,347,441

Net Position—beginning

15,299,881

Net Position—ending

20,756,541

1,126,305

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

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

FUND FINANCIAL STATEMENTS

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,415,407	\$ 526,163	\$ 132	\$ 12,941,702
Receivables from other governments	1,596,998	2,729,390		4,326,388
Receivables - Other	711,181	19,171		730,352
Restricted cash and cash equivalents	8,906,912			8,906,912
Total assets	<u>\$ 23,630,498</u>	<u>\$ 3,274,724</u>	<u>\$ 132</u>	<u>\$ 26,905,354</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	1,757,934	287,705		2,045,639
Advanced revenue	259,466	2,778,702		3,038,168
Payable to state government		12,763		12,763
Payroll deductions and withholdings payable	460,822			460,822
Unemployment Compensation claims payable	168,016			168,016
Total liabilities	<u>2,646,238</u>	<u>3,079,170</u>	<u>-</u>	<u>5,725,408</u>
Fund Balances:				
Restricted for:				
Excess surplus - current year	4,306,089			4,306,089
Excess surplus - prior year - designated for subsequent year's expenditures	3,821,081			3,821,081
Capital reserve	6,269,435			6,269,435
Maintenance reserve	2,111,964			2,111,964
Debt service			132	132
Unemployment compensation	525,513			525,513
Scholarship Fund		29,691		29,691
Student Activities		411,293		411,293
Assigned to:				
Other purposes	2,490,882			2,490,882
Designated for subsequent year's expenditures	32,861			32,861
Unassigned:				
General fund	1,426,435			1,426,435
Special Revenue Fund (Deficit)		(245,430)		(245,430)
Total Fund balances	<u>2,098,4,260</u>	<u>195,554</u>	<u>132</u>	<u>21,179,946</u>
Total liabilities and fund balances	<u>\$ 23,630,498</u>	<u>\$ 3,274,724</u>	<u>\$ 132</u>	
Amounts reported for governmental activities in the statement of net assets (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$86,466,672 and the accumulated depreciation is \$44,410,913.				42,055,759
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.				(212,327)
Accounts payable for subsequent pension payment is not a payable in the funds.				(1,293,113)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.				
Deferred Outflows of Resources related to PERS pension liability				2,513,872
Deferred Inflows of Resources related to PERS pension liability				(3,239,270)
The assets and liabilities of the internal service fund are not reported in the governmental funds but are included as governmental activities on the statement of net position.				
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(40,248,326)
Net position of governmental activities				<u>\$ 20,756,541</u>

See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local sources:				
Local tax levy	\$ 69,229,978		\$ 1,818,839	\$71,048,817
Tuition	97,632			97,632
Transportation Fees	195,387			195,387
Interest Earned on Investments	208,751			208,751
Unrestricted miscellaneous revenue	397,795	1,707,047		2,104,842
Other restricted miscellaneous revenue	184,466			184,466
Rental fees	257,994			257,994
Total - Local Sources	70,572,003	1,707,047	1,818,839	74,097,889
State sources	26,622,161	4,029,903	604,118	31,256,182
Federal sources	107,030	2,696,978		2,804,008
Total revenues	97,301,194	8,433,928	2,422,957	108,158,079
EXPENDITURES				
Current:				
Regular instruction	\$ 21,338,820	\$ 5,424,560		\$ 26,763,380
Special education instruction	7,378,982			7,378,982
Other special instruction	1,150,566			1,150,566
School-sponsored activities	1,416,427			1,416,427
Support services and undistributed costs:				
Tuition	3,626,157			3,626,157
Student & instruction related services	8,040,435	2,710,296		10,750,731
General administrative services	1,407,113			1,407,113
School administrative services	2,157,810			2,157,810
Central Services and Admin Info. Tech.	1,471,926			1,471,926
Plant operations and maintenance	6,836,471			6,836,471
Pupil transportation	3,969,742			3,969,742
Personal Services - employee benefits	33,083,767			33,083,767
Summer Schools	256,402			256,402
Charter Schools	428,211			428,211
Debt Service:				
Principal			1,744,870	1,744,870
Interest and other charges			677,955	677,955
Capital outlay	1,239,253	293,341		1,532,594
Total expenditures	93,802,082	8,428,197	2,422,825	104,653,104
Excess (Deficiency) of revenues over expenditures	3,499,112	5,731	132	3,504,975
OTHER FINANCING SOURCES (USES)				
Capital leases (non-budgeted)				-
Transfers in				-
Transfers out				-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	3,499,112	5,731	132	3,504,975
Fund balance—July 1	17,485,148	189,823		17,674,971
Fund balance—June 30	\$ 20,984,260	\$ 195,554	\$ 132	\$ 21,179,946

See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

Total net change in fund balances - governmental funds (from B-2) **\$ 3,504,975**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	\$ (2,463,042)	
	Adjustment to Fixed Assets	\$ (138,002)	
	Depreciable capital outlays	<u>1,645,706</u>	(955,338)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. In the current year, these amounts consist of:

Principal payments on bonds payable 1,744,870

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest change is an adjustment to the reconciliation.

Prior Year	239,271
Current Year	<u>(212,327)</u>

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(Increase) in compensated absences payable (512,472)

District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

	District Pension Contributions	1,267,758	
	Add: Pension Expense	<u>(1,270,704)</u>	
	(Increase)/Decrease in Pension Expense		2,538,462

Per GASB No. 68 Non-employer contributing entities are required to record an increase in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

	Increase/(Decrease) in On-behalf State Aid TPAF Pension	(8,051,594)
	Increase/(Decrease) in On-behalf TPAF Pension Expense	<u>8,051,594</u>

Per GASB No. 75 Non-employer contributing entities are required to record a decrease in revenue and expense for On-behalf other post-retirement health benefits paid by the State of New Jersey on the Statement of Activities that are less than those amounts reported in the fund financial statements

	Increase in On-behalf Other Post-Employment Health Benefits	791,178
	Increase in On-behalf Other Post-Employment Health Benefits Expense	<u>(791,178)</u>

Change in net position of governmental activities **\$ 6,347,441**

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

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2023

	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 874,804	\$ 874,804
Accounts receivable	50,331	50,331
Noncurrent assets:		
Furniture, machinery & equipment	803,727	803,727
Less accumulated depreciation	(449,643)	(449,643)
Total noncurrent assets	354,084	354,084
Total assets	1,279,219	1,279,219
Current Liabilities:		
Accounts Payable	152,914	152,914
Deferred Revenue	-	-
	152,914	152,914
NET POSITION		
Net Investment in capital assets	354,085	354,085
Unrestricted	772,220	772,220
Total net position	\$ 1,126,305	\$ 1,126,305

See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2023

	Enterprise Fund Food Service	Governmental Activities - Total Internal Service Fund
Operating revenues:		
Charges for services:		
Daily sales - program and non-program sales	\$ 475,950	\$ 2,500,000
Daily sales - non-reimbursable programs		
Daily sales - non-reimbursable programs		
Miscellaneous		1,514
Total operating revenues	475,950	2,501,514
Operating expenses:		
Purchase services-fixed price contract	1,012,115	2,674,209
Food Commodities	105,248	
Refund to General Fund Employee Benefits		363,621
Depreciation	42,462	
Total Operating Expenses	1,159,825	3,037,830
Operating income (loss)	(683,875)	(536,316)
Non-operating revenues (expenses):		
State sources:		
State school lunch program	20,914	
State school breakfast program	3,004	
Federal sources:		
National school lunch program	502,665	
Breakfast Program	118,509	
Food distribution program	105,248	
Covid Supply Chain Assistance	169,059	
Total non-operating revenues (expenses)	919,399	-
Income (loss) before contributions & transfers	235,524	(536,316)
Total net position- July 1, 2022	890,781	536,316
Total net position-June 30, 2023	\$ 1,126,305	\$ -

See accompanying Notes to the Financial Statements.

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2023

	Enterprise Fund Food Service	Governmental Activities - Total Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Board of Education		2,500,000
Receipts from Rebates		579,934
Receipts from customers and other funds	\$ 466,360	
Payment to Board of Education		(363,621)
Payments to management company and other suppliers	(1,110,425)	(2,762,922)
Net cash provided by (used for) operating activities	(644,065)	(46,609)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources	25,474	
Federal sources	1,028,101	
Net cash provided by (used for) non-capital financing activities	1,053,575	-
CASH FLOWS FROM CAPITAL AND RELATED INVESTING ACTIVITIES		
Purchases of Capital Assets	(99,970)	
Net cash provided by (used for) capital and related financing activities	(99,970)	-
Net increase (decrease) in cash and cash equivalents	309,540	(46,609)
Balances—beginning of year	565,264	46,609
Balances—end of year	\$ 874,804	\$ -
Reconciliation of operating income (loss) to net cash provided		
(used) by operating activities:		
Operating income (loss)	\$ (683,875)	\$ (536,316)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation	42,462	
(Increase) decrease in accounts receivable	(9,590)	578,420
Increase (decrease) in accounts payable	6,938	(88,713)
Transferred to the Board of Education		
Total adjustments	39,810	0 489,707
Net cash provided by (used for) operating activities	\$ (644,065)	\$ (46,609)

See accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Description of the School District and Reporting Entity:

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

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

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include four elementary schools and one high school, located in the Ocean Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

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

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

GOVERNMENTAL FUNDS, (continued)

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

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues. The Board currently has no funds in the capital project fund.

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

PROPRIETARY FUNDS

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

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

PROPRIETARY FUNDS, (continued)

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

The Board's Enterprise Fund is comprised of the Food Service Fund.

Internal Service Fund - The internal service fund may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity on a cost reimbursement basis. The District accounts for its self-insured prescription drug plan costs provided to the Board of Education employees through the internal service fund. During Fiscal Year 2023 the District decided to no longer self insure it prescription drug plan costs. Prescription drugs are now provided directly with the Horizon State Health Benefit Plan.

C. Measurement Focus:

District-wide Financial Statements

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

C. Measurement Focus: (continued)

Fund Financial Statements

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

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

D. Basis of Accounting:

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

Revenues - Exchange and Non-exchange Transactions

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

D. Basis of Accounting: (continued)

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

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

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

Expenses/Expenditures

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(G)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did make any material supplemental budgetary appropriations during the fiscal year. That additional appropriation was caused by \$1,269,450 of additional Stabilization Aid being received.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

E. Budgets/Budgetary Control: (continued)

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

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

F. Encumbrances:

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

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

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

G. Cash, Cash Equivalents and Investments:

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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

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

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

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

H. Tuition Revenues/Receivable:

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

I. Inventories:

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

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables:

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

L. Capital Assets:

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

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

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

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

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

M. Compensated Absences:

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

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

N. Deferred Revenue:

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

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

O. Accrued Liabilities and Long-term Obligations:

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

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

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

P. Accounting and Financial Reporting for Pensions:

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

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

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

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

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

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

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

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

R. Fund Balances:

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

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

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

R. Fund Balances: (continued)

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

S. Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

T. Operating Revenues and Expenses:

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

U. Extraordinary and Special Items:

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

V. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses for personal services -benefits are reported separately in the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

W. Use of Estimates:

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

X. Allowance for Uncollectible Accounts:

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

Y. New Accounting Standards:

During fiscal year 2023, the District adopted the following GASB Statement:

GASB Statement No. 96, *Subscription-Based Information Technology*, which improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District did not have any subscription-based information technology arrangements that rose to an amount that required disclosure. The District will review new SBITA's annually to determine proper disclosure.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Recently Issued Accounting Pronouncements

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending June 30, 2024 or 2025:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025 although earlier application is encouraged. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

As of June 30, 2023, cash and cash equivalents of the Board consisted of the following:

Checking/Money Market Accounts	<u>\$24,732,142</u>
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During the period ended June 30, 2023, the Board did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023 was \$24,732,142 and the bank balance was \$26,235,659. The entire balance was covered by federal depository insurance and the collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk- Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based on banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments (established in New Jersey Statutes 18A:20-37) are treated as cash equivalents. As of June 30, 2023, \$-0-of the Board's bank balance of \$26,235,659 was exposed to custodial credit risk.

Interest Rate Risk

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Credit Risk

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

NEW JERSEY ASSET AND REBATE MANAGEMENT PROGRAM

The District participates in the New Jersey Asset and Rebate Management Program which is a joint investment trust for local governmental units in the State of New Jersey. It was formed to make available comprehensive investment management, accounting and rebate calculation services for the issuers of tax-exempt bonds and complies with New Jersey statutes which provide a convenient method for local governments to pool funds for temporary investing. These investments consist of United States Treasury Bills and notes with a maturity not greater than 397 days, and fully collateralized repurchase agreements. The carrying amount and fair value as of June 30, 2023 was \$6,106,166.

NOTE 3. RECEIVABLES:

Receivables at June 30, 2023, consisted of accounts receivable, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$1,660,840	\$1,509	\$1,662,349
Federal Aid	2,665,548	39,223	2,704,771
Other	<u>730,352</u>	<u>9,599</u>	<u>739,951</u>
	<u>\$5,056,740</u>	<u>\$50,331</u>	<u>\$5,107,071</u>

NOTE 4. INTERFUND BALANCES AND TRANSFERS:

The District had no interfund balances as of June 30, 2023.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	<u>Balance</u> <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/23</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$984,968	\$	\$	\$984,968
Construction in Progress	<u>1,098,185</u>	<u>337,552</u>	<u>1,069,685</u>	<u>366,052</u>
Total Capital Assets, Not Being Depreciated	<u>2,083,153</u>	<u>337,552</u>	<u>1,069,685</u>	<u>1,351,020</u>
Capital Assets Being Depreciated				
Site Improvements	4,065,312			4,065,312
Buildings and Improvements	65,987,210	1,872,483		67,859,693
Machinery and Equipment	<u>12,898,985</u>	<u>505,356</u>	<u>213,694</u>	<u>13,190,647</u>
Total Capital Assets, Being Depreciated	<u>82,951,507</u>	<u>2,377,839</u>	<u>213,694</u>	<u>85,115,652</u>
Less Accumulated Depreciation:				
Site Improvements	2,227,445	173,868		2,401,313
Buildings and Improvements	30,381,048	1,572,515		31,953,563
Machinery and Equipment	<u>9,553,072</u>	<u>716,659</u>	<u>213,694</u>	<u>10,056,037</u>
Total Accumulated Depreciation	<u>42,161,565</u>	<u>2,463,042</u>	<u>213,694</u>	<u>44,410,913</u>
Total Capital Assets, Being Depreciated, Net	<u>40,789,942</u>	<u>(85,203)</u>	<u> </u>	<u>40,704,739</u>
Governmental Activities Capital Assets, Net	<u>\$42,873,095</u>	<u>\$252,349</u>	<u>\$1,069,685</u>	<u>\$42,055,759</u>
	<u>Balance</u> <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/23</u>
Business-Type Activity				
Equipment	\$703,767	\$99,960	\$	\$803,727
Totals	<u>703,767</u>	<u>99,960</u>	<u> </u>	<u>803,727</u>
Less Accumulated Depreciation				
Equipment	<u>407,181</u>	<u>42,462</u>	<u> </u>	<u>449,643</u>
Total Accumulated Depreciation	<u>407,181</u>	<u>42,462</u>	<u> </u>	<u>449,643</u>
Business-Type Activity Capital Assets, Net	<u>\$296,586</u>	<u>\$57,498</u>	<u>\$</u>	<u>\$354,084</u>

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 5. CAPITAL ASSETS: (continued)

Depreciation expense was charged to functions as follows:

Regular Instruction	\$122,007
Other Instructional	148,453
General Administration	6,217
School Administration	36,101
Operation and Maintenance	43,701
Transportation	360,180
Unallocated	<u>1,746,383</u>
Total	<u>\$2,463,042</u>

NOTE 6. LONG-TERM DEBT OBLIGATIONS:

Changes in long-term obligations for the fiscal year ended June 30, 2023 are as follows:

	Balance <u>6/30/22</u>	Issued	Retired	Balance <u>6/30/23</u>	Due Within <u>One Year</u>
Financed Purchases Payable	\$2,448,943	\$	\$388,582	\$2,060,361	\$356,144
Compensated Absences Payable	1,738,816	512,472		2,251,288	
Bonds Payable	22,510,000		1,745,000	20,765,000	1,290,000
Net Pension Obligation	<u>12,402,681</u>	<u>2,768,996</u>		<u>15,171,677</u>	
	<u>\$39,100,440</u>	<u>\$3,281,468</u>	<u>\$2,133,582</u>	<u>\$40,248,326</u>	<u>\$1,646,144</u>

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

A. Bonds Payable: (continued)

Schedule of Payments

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-2024	1,290,000	636,981	1,926,981
2024-2025	1,335,000	598,281	1,933,281
2025-2026	1,380,000	558,231	1,938,231
2026-2027	1,430,000	516,831	1,946,831
2027-2028	1,480,000	473,931	1,953,931
2027-2040	<u>13,850,000</u>	<u>2,040,869</u>	<u>15,890,869</u>
	<u>\$20,765,000</u>	<u>\$4,825,124</u>	<u>\$25,590,124</u>

B. Bonds and Notes Authorized But Not Issued:

As of June 30, 2023, the District had no authorized but not issued bonds.

C. Financing Purchases Payable:

The District has Financed Purchases Agreements for energy conservation equipment, buses and copiers, all Financing Purchase Agreements are for a term of fifteen years. The following is the payment schedule at June 30, 2023:

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	356,144	53,990	410,134
2025	370,108	44,236	414,344
2026	386,271	34,092	420,363
2027	403,010	23,512	426,522
2028	264,553	12,480	426,522
2029	<u>280,275</u>	<u>3,654</u>	<u>561,163</u>
	<u>\$2,060,361</u>	<u>\$171,964</u>	<u>\$2,232,325</u>

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS:

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

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

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

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

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

Defined Contribution Retirement Program

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

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

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

Contributions Requirements Fund Based Statements

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

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
Ending 6/30/23	\$1,267,758	\$95,552
6/30/22	1,226,099	246,070
6/30/21	1,036,384	N/A

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

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

<u>Year</u>	<u>Pension</u>	<u>Post-Retirement</u>	<u>NCGI</u>	<u>Long-Term</u>
<u>Ending</u>	<u>Contributions</u>	<u>Medical</u>	<u>Premium</u>	<u>Disability</u>
		<u>Contributions</u>		<u>Insurance</u>
6/30/23	\$12,054,210	\$3,210,545	\$167,238	\$3,992
6/30/22	11,866,619	2,811,638	167,421	3,596
6/30/21	8,382,243	2,676,844	159,483	3,858

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,519,978 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

Public Employees Retirement System (PERS)

At June 30, 2023, the District had a liability of \$15,171,677 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the District's proportion was .100532095 percent, which was an increase of .090063 percent from its proportion measured as of June 30, 2021.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

For the year ended June 30, 2023, the District recognized pension expense of \$(1,270,704) at June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$109,502	\$96,565
Changes of assumptions	47,007	2,271,801
Net difference between projected and actual earnings on pension plan investments	627,942	
Changes in proportion and differences between District contributions and proportionate share of contributions	436,308	870,904
District contributions subsequent to the measurement date	<u>1,293,113</u>	<u> </u>
Total	<u>\$2,513,872</u>	<u>\$3,239,270</u>

The \$1,293,113 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	(1,301,411)
2025	(663,025)
2026	(323,345)
2027	705,415
2028	(1,550)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,905	8,339,123,762
Collective net pension liability	15,219,184,020	11,846,499,172
District's Proportion	.100532095%	.010469490%

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022 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>June 30, 2022</u>		
	<u>1%</u> Decrease <u>6.00%</u>	<u>At Current</u> Discount Rate <u>7.00%</u>	<u>1%</u> Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$19,656,231	\$15,171,677	\$11,592,979

Pension Plan Fiduciary Net Position

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>148,725,381</u>
	<u>\$148,725,381</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was .2882586777%.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$4,002,616 for contributions provided by the State in the District-Wide Financial Statements.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Actuarial Assmptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

NOTE 8. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

General Information about the OPEB Plan, (continued)

State Health Benefit State Retired Employees Plan, (continued)

and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement NO. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: nj.gov/treasury/omb/fr.shtml.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>170,404,736</u>
	<u>\$170,404,736</u>

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	2.75-4.25%	2.75-6.55%
	based on service years	based on service years

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

Total Nonemployer OPEB Liability, (continued)

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF, PERS and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) *Discount Rate*

The discount rate used to measure the total OPEB Liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

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

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB revenue and expense of \$4,002,723 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No.75 and in which there is a special funding situation.

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

NOTE 9. DEFERRED COMPENSATION:

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

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

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

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

NOTE 10. COMPENSATED ABSENCES:

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 10. COMPENSATED ABSENCES: (continued)

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefit accrue to employees. As of June 30, 2023, a liability existed for compensated absences in the Food Service Fund in the amount of \$-0-

NOTE 11. RISK MANAGEMENT:

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

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

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 11. RISK MANAGEMENT: (continued)

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

<u>Fiscal Year</u>	<u>Opening Balance</u>	<u>Employee Contributions/ Interest Earnings/ District Contributions</u>	<u>Amount invoiced</u>	<u>Ending Balance</u>
2022-2023	\$597,767	\$ 117,002	\$189,256	\$525,513
2021-2022	N/A	83,847	-0-	\$597,767
2020-2021	N/A	N/A	N/A	N/A

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

Liabilities for unpaid claims are base on recommendation by third-party administrators. There have been no significant reductions in insurance coverage from coverage in priors years. The amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years. The District no longer self-insures is prescription drug plan. It is now being insured through the N.J. State Health Benefit Plan.

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Board Contributions and Rebates</u>	<u>Claims Payments</u>	<u>Balance at end of the Fiscal Year</u>
2022-2023	\$536,631	\$2,501,514	\$3,037,830	\$ -0-
2021-2022	536,236	3,413,620	(3,415,540)	536,316
2020-2021	1,038,620	2,525,000	(3,025,384)	538,236

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 12. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the Ocean Township Board of Education and has since increased the reserve by additional budget appropriations and by the interest earned on investments for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1,	\$5,409,912
Increased by:	
Transfer Per Board Resolution - June 13, 2023	2,000,000
Interest on Investments	184,465
Decreased by:	
Expenditures	<u>(1,324,943)</u>
Ending balance, June 30, 2023	<u>\$6,269,435</u>

NOTE 13. MAINTENANCE RESERVE ACCOUNT:

A maintenance reserve account was established by the District for the accumulation of funds for use as maintenance expenditures in subsequent years. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCRA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$1,750,000
Increased by:	
Transfer Per Board Resolution - June 13, 2023	500,000
Decreased by:	
Expenditures	<u>(138,036)</u>
Ending balance, June 30, 2023	<u>\$2,111,964</u>

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 14. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1]-Of the \$20,984,260 General Fund fund balance at June 30, 2023, \$2,490,882 is reserved for encumbrances; \$2,111,964 has been legally established as a maintenance reserve in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c.73; \$0 has been legally established as an emergency reserve in accordance with N.J.S.A. 18A:7F-41c(1); \$8,127,170 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 \$3,821,081 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$6,269,435 has been reserved in the Capital Reserve Account; \$525,513 is reserved for Unemployment Compensation; \$32,861 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; and \$1,426,435 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2023 of \$132 is restricted for the payment of debt service.

NOTE 15. CALCULATION OF EXCESS SURPLUS:

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$8,127,170 of which \$4,306,089 is the result of current year operations.

NOTE 16. ECONOMIC DEPENDENCY:

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

NOTE 17. TAX CALENDAR:

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

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

**Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 18. RELATED PARTIES AND ORGANIZATIONS:

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

NOTE 19. CONTINGENT LIABILITIES:

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

NOTE 20. DEFICIT FUND BALANCE:

As reflected on Exhibit B-1, Balance Sheet Governmental Funds, the District has an unassigned deficit fund balance of (\$245,430) in the Special Revenue Fund as of June 30, 2023. This deficit is reported in the fund financial statements on a modified accrual basis. *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed on or more June State aid payments as revenue, for budget purposes only, in the current school year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payment (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the Special Revenue fund balance deficits do not alone indicate that the district is facing financial difficulties.

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

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$(17,700,578) existed as of June 30, 2023 for governmental activities. The primary cause of this deficit is the recognition of the net pension liability as well as the District not recognizing the receivable for State aid payments and the recording of the long-term liability for compensated absences. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net Position, such liabilities are required to be recorded in the period in which they are incurred.

Ocean Township School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 20. DEFICIT FUND BALANCE: (continued)

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

NOTE 21. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through December 13, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 69,229,978	\$ -	\$ 69,229,978	\$ 69,229,978	\$ -
Tuition	75,000	-	75,000	97,632	22,632
Transportation Fees	50,000	-	50,000	195,387	145,387
Interest Earned on Investments	-	-	-	208,751	208,751
Interest Earned on Investments OF Capital Project Funds	137,000	-	137,000	184,466	184,466
Unrestricted miscellaneous revenue	250,000	-	250,000	397,795	260,795
Rental fees	69,741,978	-	69,741,978	257,994	7,994
Total - Local Sources	69,741,978	-	69,741,978	70,572,003	830,025
State Sources:					
Adjustment Aid	804,421	-	804,421	804,421	-
Transportation Aid	1,729,784	-	1,729,784	1,729,784	-
Special Education Categorical Aid	2,526,776	-	2,526,776	2,526,776	-
Security Aid	552,389	-	552,389	552,389	-
Stabilization Aid	-	1,269,450	1,269,450	1,302,311	32,861
Extraordinary Aid	950,000	-	950,000	1,316,489	366,489
Other State Aid - Reimburse Nonpublic Transportation	-	-	-	105,347	105,347
Other State Aid - Unrestricted State Aid Cybersecurity Network Imp.	-	-	-	287,000	287,000
On-behalf TPAF Pension (non-budgeted)	-	-	-	12,054,210	12,054,210
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	167,238	167,238
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	3,210,545	3,210,545
On-behalf TPAF Long-Term Disability Contrib. (non-Budgeted)	-	-	-	3,992	3,992
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	2,519,978	2,519,978
Total State Sources	6,563,370	1,269,450	7,832,820	26,580,480	18,747,660
Federal Sources:					
Medical Assistance Program	94,937	-	94,937	107,030	12,093
Total Federal Sources	94,937	-	94,937	107,030	12,093
Total Revenues	76,400,285	1,269,450	77,669,735	97,259,513	19,589,778

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Local Contrib. - Trans to Special Rev-Regular	\$ 1,108,560	-	\$ 1,108,560	\$ 1,108,560	\$ -
Kindergarten - Salaries of Teachers	\$ 795,950	64,475	\$ 860,425	\$ 840,905	\$ 19,520
Grades 1-5 - Salaries of Teachers	7,329,946	(143,648)	7,186,298	7,071,997	114,301
Grades 6-8 - Salaries of Teachers	4,829,610	-	4,829,610	4,599,880	229,730
Grades 9-12 - Salaries of Teachers	6,704,703	-	6,704,703	6,501,458	203,245
Regular Programs - Home Instruction:					
Salaries of Teachers	44,000	3,010	47,010	42,114	4,896
Purchased Professional-Educational Services	35,000	(3,010)	31,990	26,774	5,216
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	132,806	-	132,806	97,891	34,915
Purchased Professional-Educational Services	64,965	-	64,965	4,830	60,135
Purchased Technical Services	377,139	52,000	429,139	355,638	73,501
Other Purchased Services (400-500 series)	46,425	3,353	49,778	33,260	16,518
General Supplies	586,244	88,107	674,351	550,505	123,846
Textbooks	95,333	209	95,542	86,698	8,844
Other Objects	22,369	339	22,708	18,310	4,398
TOTAL REGULAR PROGRAMS - INSTRUCTION	22,173,050	64,835	22,237,885	21,338,820	899,065
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	932,085	36,587	968,672	959,625	9,047
Other Salaries for Instruction	282,698	(20,581)	262,117	262,117	-
General Supplies	30,413	(6,118)	24,295	18,131	6,164
Total Learning and/or Language Disabilities	1,245,196	9,888	1,255,084	1,239,873	15,211

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Multiple Disabilities:					
Salaries of Teachers	647,990	4,500	652,490	637,040	15,450
Other Salaries for Instruction	542,093	(27,204)	514,889	463,193	49,696
Other Purchased Services (400-500 series)	34,280	(5,075)	29,205	29,005	200
General Supplies	20,205	57,837	78,042	65,720	12,322
Textbooks	1,250	(1,250)	-	-	-
Total Multiple Disabilities	1,245,818	28,808	1,274,626	1,196,958	77,668
Resource Room/Resource Center:					
Salaries of Teachers	3,894,397	153,487	4,047,884	3,840,104	207,780
Other Salaries for Instruction	298,285	(62,523)	235,762	235,762	-
General Supplies	66,841	4,708	71,549	70,655	894
Textbooks	300	-	300	-	300
Total Resource Room/Resource Center	4,259,823	95,672	4,355,495	4,146,521	208,974
Preschool Disabilities - Full-Time:					
Salaries of Teachers	126,622	471,036	597,658	577,308	20,350
Other Salaries for Instruction	219,046	(26,841)	192,205	182,606	9,595
General Supplies	10,336	31,279	42,218	3,716	6,502
Total Preschool Disabilities - Full-Time	356,004	475,474	832,077	795,630	36,447
TOTAL SPECIAL EDUCATION - INSTRUCTION	7,107,440	609,842	7,717,282	7,378,982	338,300
Basic Skills/Remedial - Instruction					
Salaries of Teachers	182,540	102,546	285,086	275,928	9,158
Other Salaries for Instruction	200	-	200	25	175
Other Purchased Services (400-500 series)	2,925	8,041	10,966	10,951	15
General Supplies	185,665	110,587	296,252	286,904	9,348
Total Basic Skills/Remedial - Instruction	371,330	221,174	592,264	573,858	18,406
Bilingual Education - Instruction:					
Salaries of Teachers	894,925	-	894,925	843,754	51,171
Other Salaries for Instruction	27,630	-	27,630	12,067	15,563
General Supplies	10,097	162	10,259	7,841	2,418
Total Bilingual Education - Instruction	932,652	162	932,814	863,662	69,152

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	397,634	(71)	397,563	365,269	32,294
Purchased Services (300-500 series)	21,350	675	22,025	5,931	16,094
Supplies and Materials	29,217	6,377	35,594	13,923	21,671
Other Objects	775	-	775	745	30
Transfers to Cover Deficit (Custodial Funds)	6,000	-	6,000	-	6,000
Total School-Spon. Cocurricular Actvts. - Inst.	454,976	6,981	461,957	385,868	76,089
School-Spon. Athletics - Inst.					
Salaries	772,516	-	772,516	714,085	58,431
Purchased Services (300-500 series)	194,725	-	194,725	131,284	63,441
Supplies and Materials	60,000	634	60,634	54,090	6,544
Other Objects	16,450	-	16,450	15,450	905
Transfers to Cover Deficit (Custodial Funds)	90,000	-	90,000	90,000	-
Total School-Spon. Athletics - Inst.	1,133,691	634	1,134,325	1,005,004	129,321
Before/After School Programs - Inst.					
Salaries	23,776	1,800	25,576	25,555	21
Total Before/After School Programs - Inst.	23,776	1,800	25,576	25,555	21
TOTAL INSTRUCTION	32,011,250	794,841	32,806,091	31,284,795	1,521,296
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	146,838	156,716	303,554	270,618	32,936
Tuition to Other LEAs Within the State - Special	-	-	-	-	-
Tuition to CSSD & Regional Day Schools	505,656	21,069	526,725	500,294	26,431
Tuition to County Vocational School Districts - Regular	117,028	84,784	201,812	166,793	35,019
Tuition to County Vocational School Districts - Special	3,288,533	(437,495)	2,851,038	2,688,452	162,586
Tuition to Private Schools for the Disabled - Within State	75,000	(75,000)	-	-	-
Tuition to Private Schools for the Disabled - Outside State	-	-	-	-	-
State Facilities	4,133,055	(249,926)	3,883,129	3,626,157	256,972
Total Undistributed Expenditures - Instruction:					
Undistributed Expend. - Attend. & Social Work					
Salaries	88,927	1,071	89,998	89,998	-
Other Purchased Services (400-500 series)	200	-	200	-	200
Total Undistributed Expend. - Attend. & Social Work	89,127	1,071	90,198	89,998	200

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Health Services					
Salaries	492,022	(123,789)	368,233	367,567	666
Unused Vacation Pay to Term./Retired Staff					
Purchased Professional and Technical Services	120,000	80,000	200,000	85,059	114,941
Supplies and Materials	15,079	1,316	16,395	14,073	2,322
Other Objects					
Total Undistributed Expenditures - Health Services	627,101	(42,473)	584,628	466,699	117,929
Undist. Expend. - Speech, OT, PT & Related Serv.					
Salaries	1,079,409	2,100	1,081,509	1,081,029	480
Purchased Professional - Educational Services	155,000	41,278	196,278	172,014	24,264
Supplies and Materials	9,803	(1,765)	8,038	6,831	1,207
Other Objects	600		600	370	230
Total Undist. Expend. - Speech, OT, PT & Related Serv.	1,244,812	41,613	1,286,425	1,260,244	26,181
Undist. Expend. - Other Support Serv. Students - Extr. Serv.					
Salaries	958,980	(15,483)	943,497	918,620	24,877
Total Undist. Expend. - Other Support Serv. Students - Extr. Serv.	958,980	(15,483)	943,497	918,620	24,877
Undist. Expend. - Guidance Services					
Salaries of Other Professional Staff	1,324,503	1,896	1,326,399	1,323,099	3,300
Salaries of Secretarial and Clerical Assistants	138,562	3,025	141,587	141,587	-
Other Purchased Services (400-500 series)	2,700	(200)	2,500	865	1,635
Supplies and Materials	62,220	415	62,635	47,864	14,771
Other Objects	11,000		11,000	9,687	1,313
Total Undist. Expend. - Other Supp. Serv. Students - Reg.	1,538,985	5,136	1,544,121	1,523,102	21,019
Undist. Expend. Child Study Teams					
Salaries of Other Professional Staff	1,871,570	(99,278)	1,772,292	1,723,713	48,579
Salaries of Secretarial and Clerical Assistants	134,837	54,029	188,866	173,504	15,362
Purchased Professional - Educational Services	41,450	(12,780)	28,680	15,500	13,180
Other Purchased Professional and Technical Services	54,176	(12,070)	42,206	37,021	5,185
Other Purchased Services (400-500 series)	16,556	(1,323)	14,832	10,378	4,454
Supplies and Materials	42,112	(1,543)	40,969	40,121	848
Other Objects	5,000	(1,225)	3,875	2,512	1,363
Total Undist. Expend. Child Study Teams	2,165,910	(74,190)	2,091,720	2,002,749	88,971

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. Imp. Of Instructional Services					
Salaries of Supervisor of Instruction	852,520	(19,914)	832,606	826,645	5,961
Salaries of Other Professional Staff	126,590	-	126,590	108,375	18,215
Salaries of Secretarial and Clerical Assistants	157,473	2,125	159,598	159,598	-
Purchased Professional Educational Services	10,000	-	10,000	-	10,000
Other Purchased Services (400-500 series)	22,200	(2,440)	19,760	14,612	5,148
Supplies and Materials	2,750	1,940	4,690	2,091	2,599
Other Objects	3,830	500	4,330	4,247	83
Total Undist. Expend. Imp. Of Instructional Services	1,175,363	(17,789)	1,157,574	1,115,568	42,006
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	485,968	30,518	516,486	516,327	159
Purchased Professional and Technical Services	3,750	-	3,750	3,750	-
Supplies and Materials	47,942	4,012	51,954	48,001	3,153
Other Objects	360	165	525	477	48
Total Undist. Expend. - Edu. Media Serv./Sch. Library	538,020	34,695	572,715	569,355	3,360
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	71,060	-	71,060	71,060	-
Salaries of Secretarial and Clerical Assistants	10,771	300	11,071	11,071	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional - Educational Services	500	-	500	-	500
Other Purchased Services (400-500 series)	17,200	(500)	16,700	11,969	4,731
Total Undist. Expend. - Instructional Staff Training Serv.	99,531	(200)	99,331	94,100	5,231

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	591,741	1,556	593,297	568,830	24,467
Unused Vacation Pay to Term./Retired Staff	-	-	-	-	-
Legal Services	115,000	19,400	134,400	82,669	51,731
Audit Fees	50,000	-	50,000	38,000	12,000
Architectural/Engineering Services	85,000	197,548	282,548	247,851	34,697
Other Purchased Professional Services	83,000	-	83,000	67,333	15,667
Purchased Technical Services	26,000	6,975	32,975	32,764	211
Communications/Telephone	325,000	200	325,200	288,129	37,071
BOE Other Purchased Services	5,000	(1,318)	4,082	3,840	242
Misc. Purchased Services (400-500 series)	28,400	15,400	43,900	35,873	8,027
General Supplies	11,200	(705)	10,495	5,308	5,187
BOE In-House Training/Meeting Supplies	2,000	205	2,205	2,205	-
Miscellaneous Expenditures	36,500	100	36,600	34,311	2,289
BOE Membership Dues and Fees	350	-	350	-	350
Total Undist. Expend. - Supp. Serv. - General Admin.	1,359,691	239,361	1,599,052	1,407,113	191,939
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	1,115,996	-	1,115,996	1,115,995	1
Salaries of Other Professional Staff	260,903	-	260,903	260,903	-
Salaries of Secretarial and Clerical Assistants	627,191	2,513	629,704	596,115	33,589
Other Salaries	-	-	-	-	-
Unused Vacation Pay to Term./Retired Staff	-	-	-	-	-
Other Purchased Services (400-500 series)	120,150	6,690	126,840	116,939	9,901
Supplies and Materials	49,132	10,141	59,273	49,188	10,085
Other Objects	26,224	361	26,585	18,670	7,915
Total Undist. Expend. - Support Serv. - School Admin.	2,199,596	19,705	2,219,301	2,157,810	61,491

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Central Services					
Salaries	540,604	(33,914)	506,690	503,703	2,987
Unused Vacation Pay to Term./Retired Staff		-			-
Purchased Professional Services	67,000	(11,332)	55,668	55,668	-
Purchased Technical Services	85,576	12,495	98,070	94,976	3,094
Misc. Purchased Services (400-500 series)	9,200	-	9,200	5,823	3,377
Supplies and Materials	15,300	1,524	16,824	12,130	4,694
Miscellaneous Expenditures	7,000	(148)	6,852	3,610	3,242
Total Undistributed Expenditures - Central Services	724,679	(31,375)	693,304	675,910	17,394
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	850,090	-	850,090	759,099	90,991
Other Purchased Services (400-500 series)	104,508	47,886	152,394	36,917	115,477
Total Undistributed Expenditures - Admin. Info. Tech.	954,598	47,886	1,002,484	796,016	206,468
Undist. Expend. - Required Maintenance for School Facilities					
Salaries		23,038	23,038	23,039	(1)
Cleaning, Repair, and Maintenance Services	408,186	(24,422)	383,764	277,627	106,137
Lead Testing of Drinking Water		-			-
General Supplies	184,500	43,609	228,109	173,146	54,963
Other Objects		-			-
Total Undist. Expend. - Required Maintenance for School Facilities	592,686	42,225	634,911	473,812	161,099

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Custodial Services					
Salaries	2,961,608	(172,024)	2,789,584	2,594,367	195,217
Salaries of Non-Instructional Aides	86,000	(3,167)	82,833	82,241	592
Purchased Professional and Technical Services	22,500	14,700	37,200	9,726	27,474
Cleaning, Repair and Maintenance Services	179,300	5,461	184,761	128,750	56,011
Rental of Land building Other than Lease Purchase Agreement	14,500	1,287	15,787	9,772	6,015
Lease Purchases Payments - Energy Savings Improvement Program	255,000	-	255,000	252,785	2,215
Other Purchased Property Services	235,010	767	235,777	221,662	14,115
Insurance	599,492	-	599,492	484,719	114,773
Miscellaneous Purchased Services	600	-	600	108	492
General Supplies	343,200	8,054	351,254	293,407	57,847
Energy (Natural Gas)	575,000	175,000	750,000	664,177	85,823
Energy (Electricity)	840,000	86,789	926,789	924,328	2,461
Energy (Oil)					-
Energy (Gasoline)					-
Other Objects	26,500	3,200	29,700	27,470	2,230
Interest - Energy Savings Impr. Prog. Bonds					-
Principal - Energy Savings Impr. Prog. Bonds					-
Total Undist. Expend. - Custodial Services	6,138,710	120,067	6,258,777	5,693,512	565,265

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Care and Upkeep of Grounds:					
Salaries	148,732	-	148,732	123,252	25,480
Cleaning, Repair, and Maintenance Services	18,300	-	18,300	18,300	-
General Supplies	68,500	(1,000)	67,500	28,669	38,831
Total Undist. Expend. - Care & Upkeep of Grounds	235,532	(1,000)	234,532	151,921	82,611
Security:					
Salaries	352,318	(23,112)	329,206	302,725	26,481
Purchased Professional and Technical Services	100,000	170,000	270,000	211,974	58,026
General Supplies	3,500	-	3,500	2,527	973
Total Security	455,818	146,888	602,706	517,226	85,480
Total Undist. Expend. - Oper. & Maint. Of Plant	7,422,746	308,180	7,730,926	6,836,471	894,455
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	107,180	(4,329)	102,851	102,851	-
Sal. For Pup. Trans. (Bet. Home and School) - Regular	1,748,194	12,436	1,760,630	1,700,119	60,511
Sal. For Pup. Trans. (Bet. Home and School) - Special	299,244	(18,821)	280,423	272,110	8,313
Sal. For Pup. Trans. (Other than Bet. Home and School)	55,000	-	55,000	45,245	9,755
Other Purchased Professional and Technical Services	200,000	3,339	203,339	203,359	-
Cleaning, Repair and Maintenance Services	537,500	-	537,500	437,430	100,070
Cleaning, Repair and Maintenance Services					
Lease Purchase Payments - School Buses	185,000	-	185,000	155,788	29,212
Contract Services - Aid in Lett Payments - Non Public	198,000	-	198,000	185,263	12,737
Contract Services - (Between Home and School) - Vendors	595,000	-	595,000	415,091	181,909
Contract Services - (Between Home and School) - Joint Agreements	9,000	-	9,000	9,000	-
Contract Services (Special Ed Students) - Vendors	245,000	(21,265)	223,735	66,985	156,750
Misc. Purchased Serv. - Transportation	134,500	-	134,500	74,167	60,333
General Supplies	4,500	1,818	6,318	4,656	1,662
Transportation Supplies	244,000	56,947	300,947	297,373	3,574
Fuel Costs Funded by Advertising Revenues					
Other Objects	11,000	310	11,310	11,305	5
Total Undist. Expend. - Student Transportation Serv.	4,573,118	30,455	4,603,573	3,969,742	633,831

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
UNALLOCATED BENEFITS					
Group Insurance	9,000	-	9,000	4,885	4,115
Social Security Contributions	1,078,950	4,068	1,083,018	1,031,741	51,277
Other Retirement Contributions - PERS	1,375,000	(107,242)	1,267,758	1,267,758	-
Other Retirement Contributions - ERIP	19,000	141	19,141	19,141	-
Other Retirement Contributions - Regular	110,000	-	110,000	95,552	14,448
Unemployment Compensation					
Workmen's Compensation	732,000	152,682	884,682	538,972	345,710
Health Benefits	13,693,764	(199,942)	13,493,822	11,880,079	1,613,743
Tuition Reimbursement	185,000	2,000	187,000	155,146	31,854
Other Employee Benefits	216,800	671	217,471	134,530	82,941
TOTAL UNALLOCATED BENEFITS	17,419,514	(147,622)	17,271,892	15,127,804	2,144,088
On-behalf TPAF Pension (non-budgeted)				12,054,210	(12,054,210)
On-behalf TPAF NCGI Premium (non-budgeted)				167,238	(167,238)
On-behalf TPAF Post Retirement Medical (non-budgeted)				3,210,545	(3,210,545)
On-behalf TPAF Long-Term Disability Contrib. (non-budgeted)				3,992	(3,992)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,519,978	(2,519,978)
TOTAL ON-BEHALF CONTRIBUTIONS				17,955,963	(17,955,963)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	17,419,514	(147,622)	17,271,892	33,083,767	(15,811,875)
TOTAL UNDISTRIBUTED EXPENDITURES	47,224,826	149,044	47,373,870	60,593,421	(13,219,551)
TOTAL GENERAL CURRENT EXPENSE	79,236,076	943,885	80,179,961	91,878,216	(1,698,255)

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - School Administration		534,222	534,222	153,081	381,141
Undistributed Expenditures - Req. Maintenance for School Fac.		1,544	1,544	1,544	-
School Buses - Regular		877,915	877,915		877,915
Total Equipment		<u>1,413,681</u>	<u>1,413,681</u>	<u>154,625</u>	<u>1,259,056</u>
Facilities Acquisition and Construction Services					
Construction Services	1,466,600	12,619	1,479,219	1,024,536	454,683
Assessment for Debt Service on SDA Funding	60,092	-	60,092	60,092	-
Total Facilities Acquisition and Construction Services	<u>1,526,692</u>	<u>12,619</u>	<u>1,542,311</u>	<u>1,084,628</u>	<u>454,683</u>
TOTAL CAPITAL OUTLAY	<u>1,526,692</u>	<u>1,426,300</u>	<u>2,952,992</u>	<u>1,239,253</u>	<u>1,713,739</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Salaries of Teachers	77,260	41,732	118,992	118,992	-
Other Salaries for Instruction	398,891	(266,125)	32,766	132,766	-
Purchased Professional and Technical Services	5,750	1,136	6,886	3,370	3,516
General Supplies	7,400	(6,126)	1,274	1,274	-
Total Summer Schools - Instruction	<u>489,301</u>	<u>(229,383)</u>	<u>259,918</u>	<u>256,402</u>	<u>3,516</u>
TOTAL SPECIAL SCHOOLS	<u>489,301</u>	<u>(229,383)</u>	<u>259,918</u>	<u>256,402</u>	<u>3,516</u>
Transfer of Funds to Charter Schools	421,043	7,168	428,211	428,211	-
TOTAL EXPENDITURES	<u>81,673,112</u>	<u>2,147,970</u>	<u>83,821,082</u>	<u>93,802,082</u>	<u>(9,981,000)</u>
Over (Under) Expenditures	<u>(5,272,827)</u>	<u>(878,520)</u>	<u>(6,151,347)</u>	<u>3,457,431</u>	<u>9,608,778</u>
Other Financing Sources (Uses):					
Unemployment Reserve-Net	0	0	0	(72,254)	(72,254)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(72,254)</u>	<u>(72,254)</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Uses	(5,272,827)	(878,520)	(6,151,347)	3,385,177	9,536,524
Fund Balance, July 1				<u>18,083,412</u>	
Fund Balance, June 30	<u>\$ (5,272,827)</u>	<u>\$ (878,520)</u>	<u>\$ (6,151,347)</u>	<u>\$ 21,540,843</u>	<u>\$ 9,536,524</u>

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Recapitulation of excess (deficiency) of revenues under expenditures:					
Adjustment for prior year encumbrances		(878,520)	(878,520)	(878,520)	-
Increase in Capital Reserve - Principal				2,125,057	2,125,057
Increase in Maintenance Reserve - Principal				500,000	500,000
Increase in Capital Reserve - Interest				125,057	125,057
Decrease in Restricted Fund Balance-Unemployment	(1,450,000)		(1,450,000)	(72,254)	(72,254)
Budgeted withdrawal from Capital Reserve	(138,036)		(138,036)	(138,036)	-
Budgeted withdrawal from Maintenance Reserve	(3,684,791)		(3,684,791)	3,173,873	6,858,664
Budgeted Fund Balance	(5,272,827)	(878,520)	(6,151,347)	3,385,177	9,536,524
Total					

Recapitulation:

Restricted Fund Balance:

Capital Reserve	6,269,435
Maintenance Reserve	1,981,964
Maintenance Reserve - Designated for Subsequent Year's Expenditures	130,000
Excess Surplus - Designated for Subsequent Year's Expenditures	3,821,081
Excess Surplus - Current Year	4,300,349
Unemployment Compensation	525,513
Committed Fund Balance:	2,490,882
Year End Encumbrances	32,861
Assigned Fund Balance:	1,988,758
Designated for Subsequent Year's Expenditures	21,540,843
Unassigned Fund Balance	(556,583)

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment not recognized on GAAP basis
Fund Balance per Governmental Funds (GAAP)

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2023

N/A

	Original Budget	Budget: Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 1,141,660	\$ 34,986	\$ 1,176,646	\$ 1,702,901	\$ 527,155
State Sources	3,421,953	737,967	4,159,920	4,146,534	(17,386)
Federal Sources	1,381,097	4,301,495	5,682,592	4,910,915	(771,677)
Total Revenues	5,944,710	5,073,548	11,022,258	10,760,350	(261,908)
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,971,840	300,497	2,272,337	1,927,858	344,479
Other Salaries for Instruction	618,289	(110,255)	508,034	491,720	16,314
Purchased Professional - Educational Services	377,394	(3,653)	373,741	316,927	56,894
Other Purchased Professional Services	573,138	591,771	1,164,909	1,154,441	10,468
Tuition	686,488	255,896	942,384	942,384	-
General Supplies	510,093	103,048	613,141	541,869	71,272
Textbooks	49,486	15,128	64,614	64,498	116
Other Objects	33,100	(29,605)	3,495	3,495	-
Total Instruction	4,819,828	1,122,847	5,942,675	5,443,192	499,483
Support Services					
Salaries	257,688	448,292	705,980	638,580	67,400
Personal Services - Employee Benefits	643,665	756,649	1,400,314	1,208,553	191,781
Purchased Professional and Technical Services	-	-	-	-	-
Purchased Property Services	-	72,520	72,520	72,520	-
Purchased Professional - Educational Services	198,150	236,953	435,103	380,335	54,768
Other Purchased Services	-	26,494	26,494	12,075	14,419
General Supplies	29,379	(26,679)	2,700	-	2,700
Other Objects	-	-	-	-	-
Scholarships Awarded	-	-	-	6,032	(6,032)
Student Activities	-	-	-	525,966	(525,966)
Total Support Services	1,128,882	1,314,229	2,443,111	2,844,041	(200,930)
Facilities Acquisition and Construction Services:					
Buildings	-	2,141,203	2,141,203	2,141,203	-
Instructional Equipment	-	38,976	38,976	36,667	2,309
Non-Instructional Equipment	-	256,293	256,293	256,293	-
Total Facilities Acquisition and Construction Services	-	2,436,472	2,436,472	2,434,163	2,309
Total Expenditures	5,948,710	5,073,548	11,022,258	10,721,396	300,862
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 38,954	\$ 38,954
Fund Balance, July 1,					
Fund Balance, June 30,					
				402,030	
				440,984	
Reconciliation:					
Restricted:					
Scholarship				29,691	
Student Activities				411,293	
Total Fund Balance				440,984	

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
For the Fiscal Year Ended June 30, 2023

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	\$97,259,513	\$10,760,350
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			279,980
Less Current Year Encumbrances			(2,573,179)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		598,264	(245,430)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(556,583)	212,207
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$97,301,194	\$ 8,433,928
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule			
Differences - budget to GAAP	[C-1]&[C-2]	\$93,802,082	\$10,721,396
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			279,980
Less Current Year Encumbrances			(2,573,179)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$93,802,082	\$ 8,428,197

**REQUIRED SUPPLEMENTARY
INFORMATION -PART III**

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

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	District's Covered Payroll -PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payrol	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2014	0.09961677%	\$19,038,744	\$6,924,348	274.95%	48.72%
2015	0.10342794%	\$19,364,539	\$7,306,958	265.02%	52.08%
2016	0.10492447%	\$23,553,440	\$7,219,151	326.26%	47.93%
2017	0.10384950%	\$31,008,009	\$7,130,014	434.89%	40.14%
2018	0.10469619%	\$24,637,193	\$7,335,862	335.85%	48.10%
2019	0.10583713%	\$20,447,449	\$7,224,113	283.04%	40.45%
2020	0.10384950%	\$18,524,738	\$7,287,888	254.19%	42.04%
2021	0.10416102%	\$16,538,314	\$7,533,520	219.53%	42.90%
2022	0.10469490%	\$12,402,681	\$7,644,565	162.24%	52.08%
2023	0.10053210%	\$15,171,677	\$7,857,907	193.08%	62.91%

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

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

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
2014	\$750,592	(\$750,592)		\$6,924,348	10.85%
2015	852,645	(852,645)		\$7,306,958	11.67%
2016	902,069	(902,069)		7,219,151	12.50%
2017	930,106	(930,106)		7,130,014	13.04%
2018	980,468	(980,468)		7,335,862	13.37%
2019	1,032,967	(1,032,967)		7,224,113	14.30%
2020	1,000,040	(1,000,040)		7,287,888	13.72%
2021	1,036,384	(1,036,384)		7,533,520	14.73%
2022	1,226,099	(1,226,099)		7,644,565	16.04%
2023	1,267,758	(1,267,758)		7,857,907	16.13%

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

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

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll - TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2014	0.0000000000%	0.3055418000%	\$ 154,418,423	\$ 29,765,972	0.00%	33.76%
2015	0.0000000000%	0.3000610200%	\$ 160,666,363	\$ 30,953,607	0.00%	33.64%
2016	0.0000000000%	0.3042984900%	\$ 192,329,639	31,415,277	0.00%	28.71%
2017	0.0000000000%	0.3120932900%	\$ 245,512,453	31,553,108	0.00%	22.33%
2018	0.0000000000%	0.3073114900%	\$ 207,200,489	31,635,815	0.00%	25.41%
2019	0.0000000000%	0.3049740000%	\$ 194,017,908	31,717,809	0.00%	26.49%
2020	0.0000000000%	0.2983911500%	\$ 183,125,465	31,228,688	0.00%	26.95%
2021	0.0000000000%	0.2941761300%	\$ 193,711,441	32,374,498	0.00%	24.60%
2022	0.0000000000%	0.2883588268%	\$ 138,629,050	34,351,416	0.00%	35.52%
2023	0.0000000000%	0.2882586777%	\$ 148,725,381	34,738,303	0.00%	32.29%

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

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2023

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

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

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

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

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Costs	\$ 7,694,369	\$ 8,936,123	\$ 5,129,804	\$ 5,040,013	\$ 5,677,196	\$ 6,834,986
Interest on Total OPEB Liability	\$ 4,515,913	\$ 5,137,522	4,985,697	6,152,717	6,508,440	5,624,888
Changes in Benefit Terms		\$ (210,796)				
Changes in Assumptions	(45,712,599)	195,387	41,179,643	2,075,561	(17,901,608)	(22,869,891)
Gross Benefit Payments	(4,473,146)	(4,046,928)	(3,924,677)	(4,273,184)	(4,171,344)	
Differences Between Actual and Expected Experience	10,190,712	(37,533,934)	38,742,667	(25,915,094)	(12,377,049)	(4,125,607)
Contribution from the Member	143,501	0	118,957	126,669	144,168	151,915
Net Changes in total Share of OPEB Liability	<u>(27,641,250)</u>	<u>(27,522,626)</u>	<u>86,232,091</u>	<u>(16,793,318)</u>	<u>(22,120,197)</u>	<u>(14,383,709)</u>
Total OPEB Liability - Beginning	<u>198,045,986</u>	<u>225,437,271</u>	<u>139,205,180</u>	<u>15,599,498</u>	<u>178,118,695</u>	<u>192,502,404</u>
Total OPEB Liability - Ending	<u>\$ 170,404,736</u>	<u>\$ 197,914,645</u>	<u>\$ 225,437,271</u>	<u>\$ 139,205,180</u>	<u>\$ 155,998,498</u>	<u>\$ 178,118,695</u>
District's Proportionate Share of OPEB Liability	<u>170,404,736</u>	<u>197,914,645</u>	<u>225,437,271</u>	<u>139,205,180</u>	<u>155,998,498</u>	<u>178,118,695</u>
State's Proportionate Share of OPEB Liability	<u>\$ 170,404,736</u>	<u>\$ 197,914,645</u>	<u>\$ 225,437,271</u>	<u>\$ 139,205,180</u>	<u>\$ 155,998,498</u>	<u>\$ 178,118,695</u>
Total OPEB Liability - Ending	<u>\$ 170,404,736</u>	<u>\$ 197,914,645</u>	<u>\$ 225,437,271</u>	<u>\$ 139,205,180</u>	<u>\$ 155,998,498</u>	<u>\$ 178,118,695</u>
District's Covered Employee Payroll	<u>\$ 42,596,210</u>	<u>\$ 41,995,981</u>	<u>\$ 39,908,018</u>	<u>\$ 38,516,576</u>	<u>\$ 38,941,922</u>	<u>\$ 38,971,677</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

Notes to Schedule:

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

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

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
Notes to Required Schedules of Supplementary Information OPEB Liability
For the fiscal year ended June 30, 2023

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the OPEB liability are presented in Note 8.

Other Supplementary Information

SPECIAL REVENUE FUND

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1a)	Title I	Title II, Part A	Title III, Part A	Title III, Immigrant	J.D.E.A. Basic	J.D.E.A. Free School	ARP J.D.E.A. Basic	Totals 2023
REVENUES									
Local Sources	\$ 1,702,901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,702,901
State Sources	4,146,534								4,146,534
Federal Sources	3,268,710	479,537	125,809	41,807	15,022	933,064	45,253	1,713	4,910,915
Total Revenues	9,118,145	479,537	125,809	41,807	15,022	933,064	45,253	1,713	10,720,350
EXPENDITURES:									
Instruction:									
Salaries of Teachers	1,323,242	294,291	61,109	27,398	13,955				1,919,995
Other Salaries for Instruction	498,128								498,128
Purchased Professional - Educational Services	126,661	30,478							157,139
Purchased Professional and Technical Services	159,788								159,788
Other Purchased Professional Services	1,121,127		33,314						1,154,441
Tuition	125,189						45,253		942,384
General Supplies	543,324								543,324
Technicals	64,498								64,498
Other Objects	3,495								3,495
Total Instruction	4,165,452	324,769	94,423	27,398	13,955	771,942	45,253	-	5,443,192
Support services:									
Salaries of Supervisors	107,068								107,068
Other Salaries for Instruction	531,512								531,512
Personal Services - Employee Benefits	1,006,903	154,768	31,386	14,409	1,067			1,713	1,208,533
Purchased Professional - Educational Services	217,500								380,355
Purchased Professional and Technical Services									
Other Purchased Professional Services	12,075								12,075
Purchased Property Services	72,520								72,520
General Supplies									
Scholarships Awarded	6,032								6,032
Student Activities	525,966								525,966
Total support services	2,479,576	154,768	31,386	14,409	1,067	161,122	-	1,713	2,844,041
Facilities acquisition and const. serv.:									
Buildings	2,141,203								2,141,203
Instructional Equipment	36,667								36,667
Non-instructional Equipment	256,293								256,293
Total facilities acquisition and const. serv.	2,434,163	-	-	-	-	-	-	-	2,434,163
Total Expenditures	9,079,191	479,537	125,809	41,807	15,022	933,064	45,253	1,713	10,721,396
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,954	-	-	-	-	-	-	-	38,954
Fund Balance, July 1	402,030	-	-	-	-	-	-	-	402,030
Fund Balance, June 30	440,984	-	-	-	-	-	-	-	440,984

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
 Consolidating Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2025

Program	CLIMATE AWARENESS	ESER II	LEARNING ACCELERATION	MENTAL HEALTH	APP	APP ACCELERATION	APP BEYOND THE SCHEDULED DAY	APP MENTAL HEALTH	APP HOMELESS	APP ACCESS	EMERGENCY CAP	EMERGENCY CAP	FRESHMAN	SENIORITY FUND	Student Activity Funds	Total Carried Forward
REVENUES																
Local Sources	6,660	21,221	17,626	5,826	2,772,445	1,46,105	40,096	9,112	27,401	127,688	14,922	88,860	21,889	7,493	50,149	1,982,001
State Source			12,215	5,626	2,772,445	148,105	40,096	9,112	27,401	127,688	14,922	88,860	21,889	7,493	50,149	1,982,001
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
EXPENDITURES																
Salaries of Teachers		21,873	9,775	2,226	140,318	97,769	27,157	9,313	4,100				6,408			1,521,242
Other Salaries for Instruction		1,099			22,022				6,844							128,661
Professional Services		8,112	2,253													159,788
Travel																1,121,127
Other Purchased Professional Services										124,189						1,121,127
Tuition					80,240				2,254							84,494
General Supplies	6,660															6,660
Other Objects																1,005
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
RESERVE																
Support services									24,538							197,666
Salaries of Support Staff									1,923							414,423
Other Salaries for Instruction																1,098,903
Professional Services																1,098,903
Travel																317,509
Other Purchased Professional Services																1,247,500
Tuition																1,247,500
General Supplies																1,247,500
Other Objects																1,247,500
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558	97,769	27,157	9,313	12,538	123,105			21,899			4,164,452
Total Reserve									26,461							4,164,452
Net Change																
Total Revenues	6,660	21,221	29,841	11,452	5,544,890	294,210	80,192	18,224	54,802	255,376	29,844	177,720	43,778	14,986	100,298	3,964,002
Total Expenditures	6,660	195,907	12,028	5,226	162,558											

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Preschool Education Aid Revenue and Expenditures
 Budgetary Basis
 Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 1,900,663	\$ (684,227)	\$ 1,216,436	\$ 1,197,629	\$ 18,807
Other Salaries for Instruction	618,289	(111,254)	507,035	490,720	16,315
Purchased Professional Educational Services	5,898	(193)	5,705	5,705	-
Other Purchased Services (400-500 series)		0			-
Tuition to Other LEAs Within the State - Regular		0			-
General Supplies	114,190	99,897	214,087	214,086	1
Other Objects		3,495	3,495	3,495	-
Total Instruction	<u>2,639,040</u>	<u>(692,282)</u>	<u>1946,758</u>	<u>1911,635</u>	<u>35,123</u>
Support services:					
Salaries of Program Directors		0	-	-	-
Salaries of Supervisors of Instruction	57,525	23,610	81,135	79,030	2,105
Salaries of Other Professional Staff	90,000	253,544	343,544	291,118	52,426
Salaries of Secr. And Clerical Assistants	20,488	0	20,488	20,488	-
Other Salaries	5,000	148,100	153,100	143,931	9,169
Salaries of Community Parent Involvement Spec.		0			-
Salaries of Facilitator/Coach		0			-
Salaries of Master Teachers	84,675	(5,000)	79,675	75,975	3,700
Personal Services - Employee Benefits	643,665	245,939	889,604	867,426	22,178
Purchased Educational Services - Contracted Pre-K		0			-
Purchased Professional - Educational Services		222,804	222,804	217,500	5,304
Other Purchased Professional Services		0			-
Cleaning, Repair, and Maintenance Services		24,509	24,509	24,510	(1)
	-	0			-
Total support services	<u>901353</u>	<u>913506</u>	<u>1,814859</u>	<u>1719978</u>	<u>94,881</u>
Facilities acquisition and cont. serv:					
Instructional equipment		36,926	36,926	34,617	2,309
Noninstructional Equipment		0			-
Total Facilities acquisition and cont. serv.	<u>-</u>	<u>36,926</u>	<u>36926</u>	<u>34,617</u>	<u>2,309</u>
Contribution to Charter Schools					
Transfer to General Fund	-	-	-	-	-
Total Expenditures	<u>\$ 3540,393</u>	<u>\$ 258,150</u>	<u>\$ 3,798,543</u>	<u>\$ 3,666,230</u>	<u>\$ 132,313</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2022-23 PreK/ECPA Aid Allocation	\$ 2,475,270
Add: Actual PreK/ECPA Aid Carryover June 30, 2022	278,496
Add: Budgeted Transfer From General Fund	1,108,560
Total Funds Available for 2021-22 Budget	<u>3,862,326</u>
Less: 2022-23 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>(3,798,543)</u>
Available & Unbudgeted Funds as of June 30, 2023	<u>63,783</u>
Add: June 30, 2023 Unexpended PreK Aid	132,313
2023- Actual Carryover - PreK Aid	<u>\$ 196,096</u>
2022-23 PreK Aid Carryover Budgeted in 2024-FY	<u>\$ 63,783</u>

PROPRIETARY FUNDS

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Net Position
Enterprise Funds
June 30, 2023

	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 874,804	\$ 874,804
Accounts receivable	50,331	50,331
Total current assets	925,135	925,135
Noncurrent assets:		
Furniture, machinery & equipment	716,453	716,453
Less accumulated depreciation	(426,319)	(426,319)
Total noncurrent assets	290,134	290,134
Total assets	1,215,269	1,215,269
Current Liabilities:		
Accounts Payable	152,914	152,914
Deferred Revenue		-
	152,914	152,914
NET POSITION		
Net Investment in capital assets	290,134	290,134
Unrestricted	772,221	772,221
Total net position	\$ 1,062,355	\$ 1,062,355

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2023

	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - program and non-program sales	\$ 475,951	\$ 475,951
Daily sales - non-reimbursable programs		-
Daily sales - non-reimbursable programs		-
Special functions		-
Miscellaneous		-
Total operating revenues	475,951	475,951
Operating expenses:		
Purchase services-fixed price contract	1,099,390	1,099,390
Food Commodities	105,248	105,248
Depreciation	19,138	19,138
Total Operating Expenses	1,223,776	1,223,776
Operating income (loss)	(747,825)	(747,825)
Non-operating revenues (expenses):		
State sources:		
State school lunch program	20,914	20,914
State school breakfast program	3,004	3,004
Federal sources:		
National school lunch program	502,665	502,665
Breakfast Program	118,509	118,509
Food distribution program	105,248	105,248
Covid Supply Chain Assistance	169,059	169,059
Total non-operating revenues (expenses)	919,399	919,399
Income (loss) before contributions & transfers	171,574	171,574
Transfers in (out)		-
Change in net position	171,574	171,574
Total net position- July 1, 2022	890,781	890,781
Total net position-June 30, 2023	\$ 1,062,355	\$ 1,062,355

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2023

	<u>Enterprise</u> <u>Fund</u> <u>Food</u> <u>Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Board of Education	
Receipts from Rebates	
Receipts from customers and other funds	\$ 466,360
Payment to Board of Education	
Payments to management company and other suppliers	(1,110,425)
Net cash provided by (used for) operating activities	<u>(644,065)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State sources	25,474
Federal sources	1,028,101
Net cash provided by (used for) non-capital financing activities	<u>1,053,575</u>
CASH FLOWS FROM CAPITAL AND RELATED INVESTING ACTIVITIES	
Purchases of Capital Assets	(99,970)
Net cash provided by (used for) capital and related financing activities	<u>(99,970)</u>
Net increase (decrease) in cash and cash equivalents	309,540
Balances—beginning of year	565,264
Balances—end of year	<u>\$ 874,804</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (683,875)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	42,462
(Increase) decrease in accounts receivable	(9,590)
Increase (decrease) in accounts payable	6,938
Transferred to the Board of Education	
Total adjustments	<u>39,810</u>
Net cash provided by (used for) operating activities	<u>\$ (644,065)</u>

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Net Position
Internal Service Fund
June 30, 2023

	<u>Self Insurance</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and cash equivalents		\$ -
Accounts receivable		-
Total current assets	-	-
LIABILITIES		
Current liabilities:		
Accounts payable		-
Total current liabilities	-	-
Total liabilities	-	-
NET POSITION		
Restricted:		
Prescription Drug Reserve		-
Total net position	\$ -	\$ -

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Fund
For the Year Ended June 30, 2023

	Internal Service	Total
Operating revenues:		
Charges for services:		
Board Contributions	\$ 2,500,000	\$ 2,500,000
Rebates	1,514	1,514
Total operating revenues	2,501,514	2,501,514
Operating expenses:		
Contracted services	2,674,209	2,674,209
Refund to District Medical Costs	363,621	363,621
Total Operating Expenses	3,037,830	3,037,830
Operating income (loss)	(536,316)	(536,316)
Transfers in (out)		-
Change in net position	(536,316)	(536,316)
Total net position—beginning	536,316	536,316
Total net position—ending	\$ -	\$ -

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Combining Statement of Cash Flows
Internal Service Fund
For the Year Ended June 30, 2023

	Internal Service Fund	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Board of Education	\$ 2,500,000	\$ 2,500,000
Receipts from Rebates	579,934	\$ 579,934
Payments for insurance	(2,762,922)	(2,762,922)
Payment to District for Medical Costs	(363,621)	(363,621)
Net cash provided by (used for) operating activities	(46,609)	(46,609)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	-	-
Net cash provided by (used for) capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash provided by (used for) investing activities	-	-
Net increase (decrease) in cash and cash equivalents	(46,609)	(46,609)
Balances—beginning of year (restated)	46,609	46,609
Balances—end of year	\$ -	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (536,316)	\$ (536,316)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
(Increase) decrease in accounts receivable	578,420	578,420
Increase (decrease) in accounts payable	(88,713)	(88,713)
Total adjustments	489,707	489,707
Net cash provided by (used for) operating activities	\$ (46,609)	\$ (46,609)

LONG-TERM DEBT

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Bonds Payable
 Year Ended June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
2016 Refunding	9/1/2016	\$ 2,650,000	9/1/2022	500,000	1.450%	500,000	-	500,000	-
2015 Referendum	15-Feb-15	\$ 28,944,000	3/15/2024	1,290,000	3.000%	22,010,000	\$ -	\$ 1,245,000	\$ 20,765,000
			3/15/2025	1,335,000	3.000%			500,000	
			3/15/2026	1,380,000	3.000%				
			3/15/2027	1,430,000	3.000%				
			3/15/2028	1,480,000	3.000%				
			3/15/2029	1,530,000	3.000%				
			3/15/2030	1,585,000	3.000%				
			3/15/2031	1,640,000	3.000%				
			3/15/2032	1,695,000	3.000%				
			3/15/2033	1,755,000	3.125%				
			3/15/2034	1,820,000	3.125%				
			3/15/2035	1,880,000	3.250%				
			3/15/2036	1,945,000	3.250%				
						\$ 22,010,000	\$ -	\$ 1,245,000	\$ 20,765,000
Grand Total						\$ 22,510,000	\$ -	\$ 1,745,000	\$ 20,765,000

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
General Long-Term Debt Account Group
Statement of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2023

Series	Interest Rate	Amount of Orig. Issue	Amount Outstanding July 1, 2022	Issued	Retired	Amount Outstanding June 30, 2023
Energy Saving Improvement Project	2.610%	3,433,934	1,689,961		210,094	1,479,867
Districtwide Copy Machines	Various	137,725	25,298		25,298	-
Buses	2.898%	782,739	733,684		153,189	580,495
						-
			<u>\$ 2,448,943</u>	<u>\$ -</u>	<u>\$ 388,581</u>	<u>\$ 2,060,362</u>

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,818,839		\$ 1,818,839	\$ 1,818,839	\$ -
State Sources:					
Debt Service Aid Type II	604,118		604,118	604,118	-
Total - State Sources	604,118	-	604,118	604,118	-
Total Revenues	2,422,957	-	2,422,957	2,422,957	-
EXPENDITURES:					
Regular Debt Service:					
Interest	677,957		677,957	677,955	2
Redemption of Principal	1,745,000		1,745,000	1,744,870	130
Total expenditures	2,422,957	-	2,422,957	2,422,825	132
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	132	132
Other Financing Sources:					
Operating Transfers In:					
Transfer from Other Funds					-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	132	132
Fund Balance, July 1			-		-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 132	\$ 132

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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- J-2 Changes in Net Assets/Position
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Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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Debt Capacity

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Demographic and Economic Information

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

JSERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.	

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

	Fiscal year ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	\$ 26,199,311	\$ 1,851,705	\$ 1,897,901	\$ 3,982,607	\$ 10,878,904	\$ 12,849,190	\$ 14,571,110	\$ 16,089,062	\$ 17,914,152	\$ 19,230,398
Restricted	7,421,919	33,319,170	24,916,071	10,800,884	5,532,025	7,078,899	10,200,395	12,924,802	16,201,897	19,998,941
Unrestricted	(2,932,839)	(21,706,190)	(22,387,040)	(24,236,674)	(26,300,884)	(26,550,959)	(26,117,261)	(24,525,270)	(19,706,949)	(18,472,798)
Total governmental activities net position	\$ 30,688,391	\$ 13,464,685	\$ 4,426,932	\$ (9,453,183)	\$ (9,889,955)	\$ (6,622,870)	\$ (1,345,756)	\$ 4,488,594	\$ 14,409,100	\$ 20,756,541
Business-type activities										
Invested in capital assets, net of related debt	\$ 55,812	\$ 47,283	\$ 39,095	\$ 30,566	\$ 23,259	\$ 17,868	\$ 12,478	\$ 6,406	\$ 296,586	\$ 354,085
Unrestricted	38,867	25,142	90,731	121,467	130,924	258,675	386,813	382,526	594,195	772,220
Total business-type activities net position	\$ 94,679	\$ 72,425	\$ 90,731	\$ 121,467	\$ 154,183	\$ 276,543	\$ 399,293	\$ 388,932	\$ 890,781	\$ 1,126,305
District-wide										
Invested in capital assets, net of related debt	\$ 26,255,123	\$ 1,898,988	\$ 1,936,996	\$ 4,013,513	\$ 10,902,163	\$ 12,867,058	\$ 14,583,588	\$ 16,095,468	\$ 18,210,738	\$ 19,584,483
Restricted	7,421,919	33,319,170	24,916,071	10,800,884	5,532,025	7,078,899	10,200,395	11,469,888	16,201,897	19,998,941
Unrestricted	(2,893,972)	(21,681,048)	(22,335,404)	(24,146,113)	(26,169,960)	(26,292,284)	(25,730,446)	(22,687,830)	(19,112,754)	(17,700,578)
Total district-wide net position	\$ 30,783,070	\$ 13,537,110	\$ 4,517,663	\$ (9,331,716)	\$ (9,735,772)	\$ (6,346,327)	\$ (946,463)	\$ 4,877,526	\$ 15,299,881	\$ 21,882,846

Source: District records

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

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

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

	Fiscal year ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 32,519,106	\$ 37,890,451	\$ 40,522,362	\$ 45,892,122	\$ 45,781,920	\$ 40,219,547	\$ 36,527,743	\$ 44,071,466	\$ 25,108,795	\$ 26,865,387
Special education	8,250,188	10,042,126	11,419,006	12,783,370	13,834,752	12,419,261	11,968,267	13,898,598	7,693,427	7,378,982
Other special education	2,057,503	2,304,209	2,531,521	3,029,437	2,621,320	2,261,234	2,419,379	2,785,244	1,403,322	1,150,566
Other instruction	1,644,512	1,721,308	1,831,733	1,809,805	1,825,577	1,798,851	1,808,874	1,734,041	1,365,921	1,416,427
Support Services										
Instruction	4,020,710	4,211,098	4,319,884	4,420,757	3,480,737	4,052,082	4,668,511	5,078,332	3,195,891	3,626,157
Student & instruction-related services	9,144,162	10,997,582	11,863,986	13,544,060	14,068,119	13,079,032	12,710,658	15,221,877	9,575,592	10,899,184
School administrative services	3,071,142	3,494,178	3,750,253	4,023,127	2,917,325	2,541,108	2,333,637	3,955,704	2,196,019	2,193,911
General administrative services	1,300,236	739,030	639,274	1,097,739	2,036,664	1,919,850	2,120,913	1,206,255	1,367,620	1,413,330
Central services and administrative information technology	1,868,114	1,933,809	1,855,649	2,113,122	2,166,689	2,099,938	2,148,660	2,343,272	1,478,781	1,471,926
Plant operations and maintenance	6,952,515	7,662,866	7,527,965	7,510,703	7,639,831	7,534,832	7,150,169	7,580,920	6,368,884	6,880,172
Pupil transportation	3,906,356	3,904,511	3,996,919	4,076,488	4,418,551	4,613,008	4,239,783	4,011,922	5,109,430	4,323,922
Personal Services-employee benefits									35,282,020	26,799,989
Special Schools	188,275	207,251	227,710	223,586	239,036	273,088	271,731	212,830	242,959	256,402
Charter schools	47,307	15,745	25,462	-	43,098	147,800	285,494	142,235	307,813	428,211
Non-depreciable capital assets									79,086	60,092
Interest on long-term debt	545,646	674,061	1,127,442	939,956	918,227	854,701	791,717	728,250	688,349	651,011
Unallocated Depreciation									1,665,906	1,746,383
Total governmental activities expenses	75,317,772	85,798,215	91,741,166	101,474,272	101,991,946	93,814,392	89,445,536	102,790,946	103,129,815	97,588,052
Business-type activities:										
Food service	1,202,792	1,229,862	1,129,632	1,089,540	1,132,300	1,023,704	841,880	1,948,920	2,033,160	1,159,825
Total business-type activities expense	1,202,792	1,229,862	1,129,632	1,089,540	1,132,300	1,023,704	841,880	1,948,920	2,033,160	1,159,825
Total district expenses	\$ 76,520,564	\$ 87,028,077	\$ 92,870,798	\$ 102,563,812	\$ 103,124,246	\$ 94,838,096	\$ 90,287,416	\$ 104,739,866	\$ 105,162,975	\$ 98,747,877
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ 138,091	\$ 233,095	\$ 310,487	\$ 243,678	\$ 169,845	\$ -	\$ -
Support services	273,683	273,485	292,954	282,979	272,332	295,444	118,251	308,225	2,388,970	8,433,928
Special schools	66,021	65,142	19,248	35,804	41,499	102,755	130,427	-	2,401,560	1,395,349
Personal Services-employee benefits									3,413,970	3,037,830
Operating grants and contributions	7,932,435	16,411,370	20,327,982	27,188,389	27,313,559	20,483,014	17,071,672	29,891,770	7,005,856	8,433,928
Total governmental activities program revenues	8,272,139	16,749,997	20,640,184	27,645,263	27,860,465	21,191,700	17,564,028	30,369,840	10,419,826	11,471,758
Business-type activities:										
Charges for services:										
Food service	645,088	600,395	560,319	543,772	582,923	575,561	394,145	6,980	12,590	475,950
Operating grants and contributions	531,929	607,213	587,619	576,504	582,093	570,503	1,931,580	1,938,970	2,388,970	919,399
Total business-type activities program revenues	1,177,017	1,207,608	1,147,938	1,120,276	1,165,016	1,146,064	964,630	1,938,970	2,401,560	1,395,349
Total district program revenues	\$ 9,449,156	\$ 17,957,605	\$ 21,788,122	\$ 28,765,539	\$ 29,025,481	\$ 22,337,764	\$ 18,528,658	\$ 32,308,810	\$ 12,821,386	\$ 12,867,107
Net (Expense) Revenue										
Governmental activities	\$ (67,045,633)	\$ (69,048,218)	\$ (71,100,982)	\$ (73,829,009)	\$ (74,131,485)	\$ (72,622,692)	\$ (71,881,508)	\$ (72,421,106)	\$ (92,709,989)	\$ (86,116,294)
Business-type activities	(25,775)	(22,254)	(18,306)	(30,736)	(32,716)	(122,360)	(1,758,750)	(10,360)	368,400	235,524
Total district-wide net expense	\$ (67,071,408)	\$ (69,070,472)	\$ (71,082,676)	\$ (73,798,273)	\$ (74,098,676)	\$ (72,500,332)	\$ (71,958,750)	\$ (72,431,466)	\$ (92,341,589)	\$ (85,880,770)

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

	Fiscal year ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 57,501,584	\$ 58,643,552	\$ 60,221,552	\$ 61,425,948	\$ 62,765,948	\$ 64,207,696	\$ 65,573,829	\$ 66,718,681	\$ 67,852,899	\$ 69,229,978
Taxes levied for debt service	3,055,830	3,025,867	2,246,346	3,501,658	2,160,996	2,751,686	2,739,488	2,716,435	2,675,888	1,818,839
Federal and state aid not restricted	7,927,627	8,170,339	8,302,180	8,416,244	8,494,157	8,380,488	8,328,016	7,708,526	30,473,534	20,072,893
Investment earnings	15,354	10,300	89,927	25,179	95,283	233,879	228,763	16,603	-	-
Transfers	116	20,858	-	-	-	-	-	-	-	-
Gain on disposal of capital assets	549,471	211,544	228,156	117,262	178,326	216,028	288,526	283,378	1,219,453	1,342,025
Miscellaneous income	69,049,982	70,082,460	71,088,161	73,486,291	73,694,710	75,889,777	77,158,622	77,443,623	102,221,774	92,463,735
Total governmental activities	\$ 69,049,982	\$ 70,082,460	\$ 71,088,161	\$ 73,486,291	\$ 73,694,710	\$ 75,889,777	\$ 77,158,622	\$ 77,443,623	\$ 102,221,774	\$ 92,463,735
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 69,049,982	\$ 70,082,460	\$ 71,088,161	\$ 73,486,291	\$ 73,694,710	\$ 75,889,777	\$ 77,158,622	\$ 77,443,623	\$ 102,221,774	\$ 92,463,735
Change in Net Position										
Governmental activities	\$ 2,004,349	\$ 1,034,242	\$ (12,821)	\$ (342,718)	\$ (436,775)	\$ 3,267,085	\$ 5,277,414	\$ 5,022,517	\$ 9,511,785	\$ 6,347,441
Business-type activities	(25,775)	(22,254)	18,306	30,736	34,458	122,360	1,367,680	(10,360)	368,400	6,532,624
Total district	\$ 1,978,574	\$ 1,011,988	\$ 5,485	\$ (311,982)	\$ (402,317)	\$ 3,389,445	\$ 6,645,094	\$ 5,012,157	\$ 9,880,185	\$ 12,880,065

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

Sources: District records

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

	Fiscal year ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ 7,242,923	\$ 6,123,377	\$ 5,117,680	\$ 5,105,507	\$ 5,210,074	\$ 7,041,912	\$ 10,200,394	\$ 13,174,593	\$ 15,263,551	\$ 19,557,825
Unreserved	346,530	364,431	247,902	242,073	63,177	(88,916)	(75,994)	(95,474)	2,221,597	1,426,435
Total general fund	\$ 7,589,453	\$ 6,487,808	\$ 5,365,582	\$ 5,347,580	\$ 5,273,251	\$ 6,952,996	\$ 10,124,400	\$ 13,079,119	\$ 17,485,148	\$ 20,984,260
All Other Governmental Funds										
Reserved	\$ -	\$ 22,089,092	\$ 18,613,673	\$ 798,529	\$ 53,915	\$ -	\$ -	\$ 347,934	\$ 402,030	\$ 440,984
Unreserved:										
Special revenue fund	-	-	-	-	-	-	(65,204)	(137,228)	(212,207)	(245,430)
Capital projects fund	175,206	5,106,702	1,184,718	4,896,847	246,473	36,986	-	-	-	-
Debt service fund	1	-	-	21,562	21,563	1	1	1	-	132
Total all other governmental funds	\$ 175,207	\$ 27,195,794	\$ 19,798,391	\$ 5,716,938	\$ 321,951	\$ 36,987	\$ (65,203)	\$ 210,707	\$ 189,823	\$ 195,686

Source: District records

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

	Fiscal year ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 60,557,414	\$ 61,669,419	\$ 62,467,898	\$ 64,927,606	\$ 64,926,944	\$ 67,059,582	\$ 68,313,317	\$ 69,435,116	\$ 70,528,787	\$ 71,048,817
Tuition charges	66,021	65,142	19,248	138,051	233,095	310,487	118,251	169,845	226,119	97,632
Transportation fee	-	-	15,938	35,804	41,499	102,755	130,427	55,709	147,855	195,387
Interest earnings	15,470	31,159	89,927	65,917	95,283	233,879	228,763	516,603	18,331	208,751
Miscellaneous	630,085	426,357	480,347	400,091	443,050	496,029	488,775	44,966	1,248,861	2,547,302
State sources	14,229,523	15,438,917	16,788,459	17,778,805	20,193,940	20,641,162	21,491,946	24,037,242	30,517,217	31,256,182
Federal sources	1,630,537	1,774,391	1,724,122	1,823,255	1,839,188	1,824,905	1,868,222	2,487,286	3,358,473	2,804,008
Total revenue	77,129,050	79,405,385	81,595,446	85,170,669	87,772,999	90,668,599	92,639,401	96,746,767	106,045,643	108,158,079
Expenditures										
Instruction:										
Regular instruction	22,544,366	22,675,022	22,811,686	22,700,708	22,999,240	22,495,108	22,223,282	23,537,863	25,180,610	26,763,380
Special education instruction	5,619,296	5,855,639	6,249,695	6,104,371	6,837,150	6,843,019	6,969,798	7,197,179	7,693,427	7,378,982
Other special instruction	1,980,015	1,821,236	1,359,701	1,422,138	1,231,576	1,191,662	1,360,980	1,360,951	1,321,465	1,150,566
Other instruction	1,296,007	1,335,311	1,418,439	1,356,764	1,350,530	1,344,459	1,353,019	1,290,174	1,365,921	1,416,427
Support Services:										
Instruction	4,020,710	4,211,098	4,319,884	4,420,757	3,480,737	4,052,082	4,668,511	5,078,332	3,195,891	3,626,157
Student & inst. related services	6,279,647	6,691,253	6,781,825	6,929,989	7,221,656	7,382,372	7,609,724	7,899,000	9,575,592	10,750,731
General & business administrative services	1,107,951	1,054,071	985,129	1,187,648	1,075,568	1,089,835	1,058,674	1,055,439	1,361,403	1,407,113
School administrative services	2,160,457	2,191,915	2,224,084	2,135,743	2,066,397	2,008,350	2,004,905	2,157,208	2,164,595	2,157,810
Central services	657,179	813,562	689,750	706,557	711,319	686,612	715,993	685,790	686,769	675,910
Administrative information technology	587,607	600,211	601,763	679,446	696,270	742,095	778,153	933,972	792,012	796,016
Plant operations and maintenance	5,949,808	6,050,497	6,542,703	6,290,964	6,426,803	6,354,390	5,967,578	6,566,961	6,588,798	6,836,471
Pupil transportation	3,184,955	3,210,016	3,309,559	3,326,902	3,582,846	3,780,708	3,365,342	3,204,476	4,006,529	3,969,742
Unallocated benefits	17,981,725	19,408,640	21,158,651	23,449,483	25,872,166	26,509,581	26,588,577	28,759,023	31,609,787	33,083,767
Administrative costs	-	-	-	-	-	-	-	386	-	-
Summer Schools	188,278	207,251	227,710	223,586	239,036	273,088	271,731	212,830	242,959	256,402
Transfer to Charter Schools	47,307	15,745	25,462	-	43,098	147,800	285,494	142,235	307,813	428,211
Capital outlay	5,534,939	4,774,762	8,999,641	14,665,669	6,007,343	1,008,175	1,182,416	917,255	2,282,194	1,532,594
Debt service:										
Principal	2,690,000	2,745,000	1,265,000	2,599,000	2,400,000	2,440,000	2,470,000	2,515,000	2,535,000	1,744,870
Interest and other charges	554,442	469,214	1,169,218	1,069,949	1,008,188	939,923	877,164	813,897	750,029	677,955
Total expenditures	81,784,689	83,630,443	90,139,900	99,269,674	93,249,923	89,289,259	89,751,341	94,327,971	101,660,794	104,653,104
Excess (Deficiency) of revenues over (under) expenditures	(4,655,639)	(4,225,058)	(8,544,454)	(14,099,605)	(5,476,924)	1,379,340	2,888,060	2,418,796	4,384,849	3,504,975

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

	Fiscal year ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing sources (uses)										
Capital leases (non-budgeted)	\$ 6,688	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ 137,725	\$ -	\$ -	\$ -
Proceeds from bonds	3,433,934	28,944,000	-	2,650,000	-	-	-	-	-	-
Payments to refunding bond escrow	-	-	-	(2,650,000)	-	-	-	-	-	-
Premium on sale of bonds	-	-	-	-	-	-	-	-	-	-
Cost of issuance	83,042	-	-	-	-	-	-	-	-	-
FEMA Reimbursement	3,688	-	-	-	-	-	-	-	-	-
Sale of assets	116	-	24,825	150	7,608	15,441	43,429	-	-	-
Transfers in	(11)	20,859	-	40,738	10,478	1,800	282	-	-	-
Transfers out	(6)	(20,858)	-	(40,738)	(10,478)	(1,800)	(282)	-	-	-
Total other financing sources (uses)	<u>3,573,352</u>	<u>30,144,001</u>	<u>24,825</u>	<u>(40,738)</u>	<u>7,608</u>	<u>15,441</u>	<u>181,154</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	\$ (1,128,287)	\$ 25,918,943	\$ (8,519,629)	\$ (14,099,455)	\$ (5,469,316)	\$ 1,394,781	\$ 3,069,214	\$ 2,418,796	\$ 4,384,849	\$ 3,504,975
Debt service as a percentage of noncapital expenditures	4.26%	4.08%	3.00%	4.34%	3.91%	3.83%	3.78%	3.56%	3.31%	2.35%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

Description	Fiscal year ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sale of energy and utility rebates	\$ 3,884	\$ 4,480	\$ -	\$ -	\$ 2,410	\$ -	\$ -	\$ 28,448	\$ 228,771	\$ 154,656
FEMA Reimbursement	83,042	-	-	-	-	-	-	-	-	-
Grants and Donations	193,279	25,000	1,620	-	-	-	3,000	193,610	25,070	45,883
Facility charge	273,683	273,485	277,016	282,979	272,332	295,444	333,514	6,703	93,966	-
Prior-year insurance refunds	-	-	41,466	-	720	560	40,508	66,667	-	-
Prior-year miscellaneous refunds	74,840	31,424	95,136	6,681	12,934	33,146	30,958	10,962	10,500	63,773
Sponsorship	24,250	25,800	23,100	25,100	23,600	16,500	10,500	7,600	85,779	14,600
Sale of assets	3,688	-	-	-	7,608	925	523	-	-	17,467
Tuition	66,021	65,142	19,248	138,091	233,095	310,487	118,251	21,115	5,750	10,250
Transportation fees	21,055	17,718	15,938	35,804	41,499	102,755	114,127	55,709	-	170,000
Interest	15,354	10,301	13,907	25,179	84,805	232,079	228,481	16,603	18,331	-
Cancellation of prior year checks	-	-	-	22,996	-	15,085	-	28,745	-	-
OTEA/OT	-	-	-	-	-	17,851	-	-	-	-
Shared services	38,584	30,090	27,529	47,447	110,740	105,619	47,177	60,842	-	-
Camp David	-	-	-	-	-	-	-	-	-	-
Spartan Football Club Stipend	-	-	-	-	-	-	12,500	-	-	-
Advertising- School Buses	-	-	-	-	-	6,300	2,100	-	101,495	257,994
Rental Fees	-	-	-	-	-	-	-	-	275,817	105,632
Miscellaneous	510	18,360	14,480	7,990	12,706	4,599	5,545	25,782	-	-
Total other local revenue	\$ 798,190	\$ 501,800	\$ 529,440	\$ 599,165	\$ 802,449	\$ 1,141,350	\$ 947,184	\$ 522,786	\$ 845,479	\$ 840,255

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2014	84,477,500	3,378,704,730	1,196,900	4,800	580,553,450	-	152,764,100	4,197,701,480	-	3,778,433	4,201,479,913	4,473,944,524	1.408
2015	84,178,000	3,382,560,000	1,111,900	4,700	573,206,000	-	151,604,900	4,192,665,500	-	3,785,482	4,196,450,982	4,539,382,409	1.431
2016	71,704,300	3,397,753,500	1,074,900	3,800	583,675,400	-	163,311,500	4,217,523,400	-	3,628,655	4,221,152,055	4,673,821,521	1.458
2017	71,984,400	3,897,335,500	1,273,700	3,900	631,943,700	-	218,542,400	4,821,083,600	-	4,034,953	4,825,118,553	4,799,112,032	1.323
2018	75,981,300	4,082,025,000	1,294,200	4,100	584,516,000	-	236,536,800	4,980,357,400	-	4,022,460	4,984,379,860	4,888,118,749	1.324
2019	79,745,200	4,326,880,300	1,311,000	4,100	608,674,920	-	242,693,900	5,259,309,420	213,680	4,064,174	5,263,159,914	5,269,784,142	1.286
2020	75,553,700	4,549,307,800	6,357,900	4,100	626,777,020	-	251,064,000	5,509,064,520	213,680	4,113,022	5,512,963,862	5,431,068,013	1.249
2021	75,277,000	4,723,221,400	6,344,800	4,100	631,128,957	1,744,600	262,583,600	5,700,304,457	421,743	4,345,832	5,704,228,546	5,647,489,912	1.227
2022	80,393,800	5,616,407,500	6,666,600	4,100	643,946,657	1,744,600	276,377,300	6,625,540,557	421,743	4,765,890	6,629,884,704	6,433,018,954	1.068
2023	87,295,000	6,725,858,090	7,420,500	2,600	667,100,357	1,744,600	303,043,100	7,792,464,247	421,743	5,121,851	7,797,164,355	7,875,448,424	0.915

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

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

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

^b Tax rates are per \$100.

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

Township of Ocean

Fiscal Year Ended June 30,	Township of Ocean Board of Education Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Township of Ocean	Monmouth County	
2014	1.339	0.069	1.408	0.492	0.321	2.221
2015	1.361	0.070	1.431	0.493	0.326	2.250
2016	1.396	0.062	1.458	0.493	0.328	2.279
2017	1.252	0.071	1.323	0.442	0.286	2.051
2018	1.280	0.044	1.324	0.428	0.287	2.039
2019	1.233	0.053	1.286	0.415	0.285	1.986
2020	1.199	0.050	1.249	0.415	0.276	1.940
2021	1.180	0.047	1.227	0.415	0.272	1.914
2022	1.027	0.041	1.068	0.370	0.250	1.688
2023	0.892	0.023	0.915	0.332	0.243	1.490

Source: Borough Tax Collector

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

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

b Rates for debt service are based on each year's requirements.

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

	2022	
	Taxable Assessed Value	% of Total District Net Assessed Value
Woodshire Apartments	\$ 85,331,800	1.50%
Seaview Acquisition LLC	69,770,837	1.22%
Continental Land Developers, LLC	37,994,000	0.67%
West Park Gardens NJ, LP	32,212,700	0.57%
Cold Indian Spring Corp	31,664,200	0.56%
Primrose Estates, LLC	28,385,600	0.50%
Sunset Arcadia Center Inc	24,715,100	0.43%
Westwood Oaks Associates	20,000,000	0.35%
Continental Enterprise Apart, LLC	18,091,400	0.32%
Hollywood Golf Club	18,030,300	0.32%
TOTAL	\$ 366,195,937	6.44%

	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value
Seaview Square, LLC c/o Linque Management	\$ 60,000,000	1.40%
Woodshire Apartments	48,393,500	1.13%
Ocean Seniors, LLC	23,987,300	0.56%
Westwood Oaks Associates	23,107,100	0.54%
Sears Roebuck & Co.	22,517,600	0.52%
Cold Indian Springs Corp	20,046,600	0.47%
Gold Enterprises c/o Salem Management	19,222,700	0.45%
Continental Land Developers, LLC	16,453,000	0.38%
Hollywood Golf Club	15,398,300	0.36%
Sunset Arcadia Center, Inc.	11,970,000	0.28%
TOTAL	\$ 261,096,100	6.09%

Source: Municipal Tax Assessor

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

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

Collected within the Fiscal Year of the Levy ^a

<u>Fiscal Year Ended June,</u>	<u>Total Tax Levy for the Fiscal Year</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>
2014	60,557,414	60,557,414	100.00%	-
2015	61,669,419	61,669,419	100.00%	-
2016	62,467,898	62,467,898	100.00%	-
2017	64,927,606	64,927,606	100.00%	-
2018	64,926,944	64,926,944	100.00%	-
2019	67,059,382	67,059,382	100.00%	-
2020	68,313,317	68,313,317	100.00%	-
2021	69,435,116	69,435,116	100.00%	-
2022	70,528,777	70,528,777	100.00%	-
2023	71,048,817	71,048,817	100.00%	-

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

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

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

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

Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2014	12,365,000	3,510,707	15,875,707	0.87%	582
2015	38,564,000	4,146,230	42,710,230	2.24%	1,566
2016	37,299,000	3,523,750	40,822,750	2.10%	1,498
2017	34,870,000	3,081,295	37,951,295	1.88%	1,425
2018	32,470,000	2,675,426	35,145,426	1.65%	1,311
2019	30,030,000	2,256,278	32,286,278	1.46%	1,209
2020	27,560,000	2,207,040	29,767,040	N/A	1,120
2021	25,045,000	1,992,444	27,037,444	N/A	1,008
2022	22,510,000	2,448,943	24,958,943	N/A	894
2023	20,765,000	2,184,617	22,949,617	N/A	825

Source: District records

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

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

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

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

Township of Ocean

Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ^a	Net Bonded Debt Per Capita ^b
2014	11,959,428	-	11,959,428	0.28%	442.42
2015	37,297,867	-	37,297,867	0.89%	1,382.22
2016	36,068,208	-	36,068,208	0.85%	1,339.28
2017	33,794,526	-	33,794,526	0.70%	1,268.85
2018	32,470,000	-	32,470,000	0.65%	1,210.89
2019	30,030,000	-	30,030,000	0.57%	1,124.80
2020	27,560,000	-	27,560,000	0.50%	1,036.83
2021	25,045,000	-	25,045,000	0.44%	933.78
2022	22,510,000	-	22,510,000	0.34%	806.46
2023	20,765,000	-	20,765,000	0.27%	746.57

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

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

a See Exhibit J-6 for property tax data.

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

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

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Ocean	\$ 33,071,841	100.00%	\$ 33,071,841
Monmouth County General Obligation Debt	481,238,393	4.329%	20,832,810
Other debt			-
Subtotal overlapping debt			53,904,651
Ocean Township School District Direct Debt			27,040,000
Total Direct and Overlapping Debt			<u>\$ 80,944,651</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2022	\$ 7,875,448,424
2021	6,433,018,954
2020	5,647,489,912
	<u>\$ 19,955,957,290</u>
Average equalized valuation of taxable property	\$ 6,651,985,763
Debt limit (4% of average equalization value)	266,079,431 ^a
Total Net Debt Applicable to Limit	<u>20,765,000</u>
Legal debt margin	<u>\$ 245,314,431</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 189,054,243	\$ 146,622,630	\$ 124,268,127	\$ 192,172,462	\$ 163,570,407	\$ 171,887,912	\$ 182,585,747	\$ 193,942,214	\$ 212,072,485	\$ 245,314,431
Total net debt applicable to limit	<u>12,365,000</u>	<u>38,564,500</u>	<u>37,299,000</u>	<u>34,870,000</u>	<u>32,470,000</u>	<u>30,030,000</u>	<u>27,560,000</u>	<u>25,045,000</u>	<u>22,510,000</u>	<u>20,765,000</u>
Legal debt margin	\$ 176,689,243	\$ 108,058,130	\$ 86,969,127	\$ 157,302,462	\$ 131,100,407	\$ 141,857,912	\$ 155,025,747	\$ 168,897,214	\$ 189,562,485	\$ 224,549,431
Total net debt applicable to the limit as a percentage of debt limit	6.54%	26.30%	30.01%	18.15%	19.85%	17.47%	15.09%	12.91%	10.61%	8.46%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation as posted on the Monmouth County Board of Taxation Website.

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

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

Township of Ocean

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	27,032	1,821,740,544	67,392	5.60%
2015	26,984	1,907,175,152	70,678	4.30%
2016	26,931	1,967,875,101	73,071	3.90%
2017	26,634	2,021,946,744	75,916	3.50%
2018	26,815	2,131,014,865	79,471	3.20%
2019	26,698	2,203,946,598	82,551	8.90%
2020	26,581	N/A	N/A	N/A
2021	26,821	N/A	N/A	N/A
2022	27,912	N/A	N/A	N/A
2023	27,814	N/A	N/A	N/A

Sources:

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

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

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

TOWNSHIP OF OCEAN

	2023	2014
Employer	Employees	Employees
	Percentage of Total Municipal Employment	Percentage of Total Municipal Employment
N/A	N/A	N/A

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

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:										
Regular	266.8	267.4	267.9	265.4	256.0	255.0	256.0	257.0	252.0	257.0
Special education	116.0	126.4	133.5	142.4	141.2	138.3	130.0	131.7	131.0	131.0
Other special education	31.0	20.5	25.0	25.0	21.0	18.5	25.0	25.0	31.0	37.0
Other instruction	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Support Services:										
Student and instruction related services	87.0	97.0	93.0	103.0	105.0	101.8	91.0	87.8	102.0	94.0
General administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
School administration services	25.0	25.0	25.0	24.0	23.0	23.0	23.0	27.0	25.0	25.0
Central services	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0
Administrative information technology	11.0	11.0	11.0	11.0	13.0	13.0	13.0	13.0	13.0	13.0
Plant operations and maintenance	56.0	61.5	62.0	61.0	63.5	67.0	53.0	51.0	51.0	51.0
Pupil transportation	44.0	45.0	45.0	44.0	44.0	46.0	42.0	36.0	36.0	38.0
Total	654.8	671.8	680.4	693.8	684.7	679.6	650.0	645.5	658.0	663.0

Source: District records.

OCEAN TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2014	3,816	73,005,308	19,131	#DIV/0!	371	10.3:1	9.4:1	11.4:1	3,781	3,618	#DIV/0!	95.69%
2015	3,750	76,176,388	20,314	6.18%	367	10.3:1	9.2:1	11.2:1	3,726	3,571	-1.45%	95.84%
2016	3,655	78,706,041	21,534	6.01%	370	9.9:1	8.6:1	11.3:1	3,629	3,485	-2.60%	96.03%
2017	3,584	80,935,056	22,582	4.87%	369	9.8:1	8.6:1	10.9:1	3,560	3,410	-1.90%	95.79%
2018	3,514	83,834,392	23,857	5.65%	364	9.8:1	8.6:1	10.7:1	3,485	3,335	-2.11%	95.70%
2019	3,426	84,901,161	24,781	3.87%	355	9.5:1	9.3:1	10.2:1	3,400	3,243	-2.44%	95.38%
2020	3,305	85,221,761	25,786	4.06%	411	7.5:1	8.4:1	8.4:1	3,253	3,148	-4.32%	96.77%
2021	3,274	90,081,819	27,514	6.70%	416	7.3:1	8.1:1	8.4:1	3,251	3,094	-0.06%	95.17%
2022	3,196	94,181,396	29,469	7.11%	426	7.0:1	7.9:1	8.2:1	3,203	3,081	-1.48%	96.19%
2023	3,137	100,697,685	32,100	8.93%	428	6.5:1	7.8:1	8.2:1	3,187	2,976	-0.50%	93.38%

Sources: District Records

Note: Enrollment based on annual October district count.

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

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

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
Elementary										
Wanamassa Elementary School										
Square feet	59,580	59,580	59,580	59,580	80,529	80,529	80,529	80,529	80,529	80,529
Capacity (students)	477	477	477	477	477	477	477	477	477	477
Enrollment	325	318	295	315	309	316	305	325	328	322
Ocean Township Elementary School										
Square feet	76,160	76,160	76,160	76,160	77,797	77,797	77,797	77,797	77,797	77,797
Capacity (students)	609	609	609	609	609	609	609	609	609	609
Enrollment	460	419	411	386	426	396	366	380	390	385
Wayside Elementary School										
Square feet	147,375	147,375	147,375	147,375	96,987	96,987	96,987	96,987	96,987	96,987
Capacity (students)	713	713	713	713	713	713	713	713	713	713
Enrollment	630	677	660	652	606	585	566	570	569	574
Middle School										
Ocean Township Intermediate School										
Square feet	257,400	257,400	257,400	257,400	231,031	231,031	231,031	231,031	231,031	231,031
Capacity (students)	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951	1,951
Enrollment	1,175	1,135	1,081	1,075	1,053	1,050	1,029	977	950	889
High School										
Ocean Township High School										
Square feet	200,215	200,215	200,215	200,215	224,295	224,295	224,295	224,295	224,295	224,295
Capacity (students)	1,326	1,326	1,326	1,326	1,326	1,326	1,326	1,326	1,326	1,326
Enrollment	1,226	1,201	1,208	1,156	1,120	1,079	1,039	1,022	1,008	967

Number of Schools at June 30, 2023

Elementary = 3
 Middle = 1
 High = 1

Source: District records

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

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

Undistributed Expenditures - Required Maintenance for School Facilities 11-000-261-XXX	Gross Square Footage	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School facilities											
Ocean Township Elementary School	77,797	\$ 124,610	\$ 122,247	\$ 100,822	\$ 128,875	\$ 120,169	\$ 97,900	\$ 87,684	\$ 173,340	\$ 103,286	\$ 51,870
Ocean Township High School	224,295	308,456	423,187	319,849	270,142	323,544	298,983	287,527	456,694	297,781	149,547
Ocean Township Intermediate School	231,031	276,040	324,327	322,773	274,200	288,107	294,184	285,759	41,768	306,724	154,038
Wanamassa Elementary School	80,529	75,967	77,613	76,277	76,810	114,669	97,457	87,965	171,953	106,913	53,692
Wayside Elementary School	96,987	152,939	155,759	158,277	157,805	141,516	104,926	115,700	195,379	128,763	64,644
Total School Facilities		<u>938,012</u>	<u>1,103,133</u>	<u>977,998</u>	<u>907,832</u>	<u>988,005</u>	<u>893,450</u>	<u>864,635</u>	<u>1,438,274</u>	<u>943,467</u>	<u>473,812</u>
Grand Total		<u>\$ 938,012</u>	<u>\$ 1,103,133</u>	<u>\$ 977,998</u>	<u>\$ 907,832</u>	<u>\$ 988,005</u>	<u>\$ 893,450</u>	<u>\$ 864,635</u>	<u>\$ 1,438,274</u>	<u>\$ 943,467</u>	<u>\$ 473,812</u>

Source: District Records

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

OCEAN TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
Unaudited

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	<u>Coverage</u>	<u>Deductible/ Self-Insured Retention</u>
Through the New Jersey Schools Insurance Group:		
Property coverage- Real and personal		
Limit of Liability, per Occurrence	\$ 500,000,000	\$ 5,000
Electronic Data Processing Equipment		
Limit of Liability, per Occurrence		
Equipment Breakdown		
Limit of Liability, per Loss	\$ 100,000,000	\$ 25,000
Crime		
Public Employee Dishonesty	\$ 1,000,000	\$ 1,000
Theft, Disappearance and Destruction- Money and Securities	\$ 25,000	\$ 500
Theft, Disappearance and Destruction- Money Orders and Counterfeit Paper Currency	\$ 100,000	\$ 500
Forgery or Alteration	\$ 250,000	\$ 1,000
Computer Fraud	\$ 1,000,000	\$ 1,000
Comprehensive General Liability		
Limit of Liability, per Occurrence	\$ 11,000,000	\$ -
Automobile		
Liability- any Auto		
Bodily Injury and Property Damage		
Limit of Liability, per Accident	\$ 11,000,000	\$ -
Terrorism, per Occurrence/Annual NJSIG Aggregate	\$ 1,000,000	\$ -
Physical Damage- Scheduled Vehicles only		
Comprehensive, Collison and Hired Car Physical Damage	\$ -	\$ 1,000
Workers' Compensation		
Workers' compensation		
Limit of Liability	Statutory	\$ -
Employers Liability/Occupational Disease		
Limit of Liability, per Occurrence	\$ 3,000,000	\$ -
School Leaders Errors and Omissions Liability		
Limit of Liability, Each Policy Period	\$ 11,000,000	\$ -
Each Claim	\$ -	\$ 20,000
Bonds:		
Treasurer	\$ 375,000	\$ -
Through Federal Insurance Company:		
Supplemental Indemnity Program- Workers Comp Supplement		
Limit of Liability, per Accident	\$ 130,000	\$ -
Through Catlin Insurance Company Incorporated:		
Student Accident- Basic		
Total Benefit Maximum for all Accidental Medical		
School Coverage	\$ 25,000	\$ -
Sports Coverage	\$ 25,000	\$ -
Accidental Death and Dismemberment		
Accidental Death	\$ 25,000	\$ -
Accidental Single Dismemberment	\$ 25,000	\$ -
Accidental Double Dismemberment	\$ 50,000	\$ -
Through United States Fire Insurance Company:		
Student Accident- Catastrophic		
Accident Death Benefit, per Occurrence Annually	\$ 10,000	\$ -
Benefit Period of Ten Years with a Maximum Benefit Amount	\$ 5,000,000	\$ 25,000
Through National Union Fire Insurance Company of Pittsburgh, PA:		
Crisis Management		
Expenses, Each Insured Event	\$ 1,000,000	\$ -
Judgements, Each Insured Event	\$ 1,000,000	\$ -
Death or Dismemberment, Each Insured Event	\$ 2,500,000	\$ -
Death or Dismemberment, Each Insured Person	\$ 250,000	\$ -
Disappearance, Each Insured Event	\$ 250,000	\$ -
Disappearance, Each Insured Person	\$ 250,000	\$ -
Threat, Each Insured Event	\$ 250,000	\$ -
Through Beazeley Insurance Company, Inc.		
Cyber Liability		
Aggregate Sublimit of Liability	\$ 2,000,000	\$ 50,000
Through Ironshore Specialty Insurance Company		
Environmental		
Policy Aggregate Limit	\$ 11,000,000	\$ 50,000
Through Aspen Specialty Insurance Company		
Demolition and Rebuild following an Active Assallant Incident		
Policy Aggregate Limit	\$ 10,000,000	\$ -
Through Lloyd's Insurance Company		
Terrorism		
Policy Aggregate Limit	\$ 100,000,000	\$ -

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education Township of Ocean School District, in the County of Monmouth, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2023.

Internal Control Over Financial Reporting

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



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

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

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the Township of Ocean School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated December 13, 2023.

Purpose of this Report

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



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



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

December 13, 2023





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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Township of Ocean School District in the County of Monmouth, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Township of Ocean Board of Education's major federal and state programs for the year ended June 30, 2023. The Township of Ocean Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township of Ocean Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our



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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

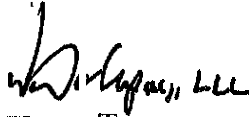
Honorable President and
Members of the Board of Education

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



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



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

December 13, 2023

OCEAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grant/Pass-Through Grant/ Program Title	Federal CFDA Number	Federal FAFN Number	Great or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2022	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years Balances	Balance at June 30, 2023		MEMO Total Expenditures
											Accounts Receivable	Deferred Revenue	
U.S. Department of Education General Fund Medical Assistance Program (SEAD)	93.778	230SN3MAP	N/A	107,030	7/1/2022	630/2023		107,000	(107,050)				
Total General Fund								107,000	(107,050)				
U.S. Department of Education Pass-through State Department of Education Special Revenue Fund:													
Title I													
84.010	S010A200030	N/A	N/A	483,797	7/1/2022	930/2023		277,248	(479,377)		(202,289)		
84.010	S010A190030	N/A	N/A	454,612	7/1/2022	930/2023		133,838					
84.367A	S857A200030	N/A	N/A	125,509	7/1/2022	930/2023		72,342	(125,809)		(53,467)		
84.367A	S857A200029	N/A	N/A	81,718	7/1/2021	930/2022		35,030					
84.365	S856A190030	N/A	N/A	41,352	7/1/2022	930/2023		24,634	(41,807)		(17,193)		
84.365	S856A190030	N/A	N/A	34,564	7/1/2021	930/2022		11,690					
84.365A	S856A200030	N/A	N/A	21,073	7/1/2022	930/2023		12,359	(15,022)		(2,663)		
84.365A	S856A200030	N/A	N/A	12,076	7/1/2021	930/2022		888					
84.027	H027A000100	N/A	N/A	958,417	7/1/2022	930/2023		845,120	(931,064)		(87,944)		
84.027	H027A000100	N/A	N/A	997,324	7/1/2021	930/2022		28,902					
84.175	H17A200114	N/A	N/A	45,253	7/1/2022	930/2023		45,253	(65,233)				
84.047X	H027X10100	N/A	N/A	198,429	3/13/2020	930/2024		494	(1,713)	2,393	(1,713)		
84.475D	S425D10027	N/A	N/A	1,482,681	3/13/2020	930/2023		720,449	(230,221)				
84.425D	S425D210027	N/A	N/A	95,151	3/13/2020	930/2023		17,019	(12,946)				
84.425D	S425D210027	N/A	N/A	43,000	3/13/2020	930/2023		4,533	(5,026)				
Sub-Total				3,332,219	3/13/2020	930/2024		2,238,759	(1,830,958)	2,393	(355,069)		
84.425U	S425U210027	N/A	N/A	264,306	3/13/2020	930/2024		730,668	(2,775,445)	23,913	(2,225,471)		
84.425U	S425U210027	N/A	N/A	46,000	3/13/2020	930/2024		86,175	(146,105)		(59,930)		
84.425U	S425U210027	N/A	N/A	40,000	3/13/2020	930/2024		17,050	(9,333)		(9,333)		
84.425U	S425U210027	N/A	N/A	27,491	4/25/2021	930/2024		39,574	(40,000)		(5)		
84.048	V048A200030	N/A	N/A	14,883	7/1/2021	630/2022		23,825	(27,491)		(3,666)		
84.048	V048A200030	N/A	N/A	11,156	7/1/2020	630/2021		765	(14,883)		(2,051)		
Sub-Total								911,287	(3,013,257)	23,913	(2,300,479)		
Total Special Revenue Fund								3,141,046	(4,304,255)	26,306	(2,665,548)		
U.S. Department of Agriculture Pass-through State Department of Education Enterprise Fund:													
10.569	N/A	N/A	N/A	105,248	7/1/2022	630/2023		105,248	(105,248)				
10.555	N/A	N/A	N/A	97,508	7/1/2022	630/2023		97,508	(97,508)				
10.555	N/A	N/A	N/A	71,551	7/1/2021	630/2022		71,551	(71,551)				
10.553	211N230A01099	N/A	N/A	118,509	7/1/2022	630/2023		111,313	(118,509)		(7,196)		
10.553	211N230A01099	N/A	N/A	486,052	7/1/2021	630/2022		38,666					
10.555	211N230A01099	N/A	N/A	502,665	7/1/2022	630/2023		470,638	(502,665)		(32,027)		
10.555	211N230A01099	N/A	N/A	1,780,837	7/1/2021	630/2022		133,166					
Total Enterprise Fund								1,628,090	(895,481)		(59,225)		
Total Federal Financial Awards								\$ 4,276,166	\$ (5,506,764)	\$ 26,306	\$ (2,704,771)		

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

OCEAN TOWNSHIP SCHOOL DISTRICT
Schedule of State Financial Assistance
for the Fiscal Year Ended June 30, 2023

State Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Term	Balance at June 30, 2022		Due to Grantor	Carryover/ (Withover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Payment of Prior Years' Balances	Balance at June 30, 2023		MEMO Cumulative Total Expenditures
				Deferred Revenue (Accts. Receivable)	Receivable						Deferred Revenue	Due to Grantor	
State Department of Education													
Special Education													
22-495-034-5120-053		\$ 804,421	7/1/2022	6/30/2023				724,660	(864,421)			(79,761)	\$84,421
22-495-034-5120-014		1,729,784	7/1/2022	6/30/2023			1,558,271	(1,729,784)				(171,513)	1,729,784
22-495-034-5120-088		2,526,776	7/1/2022	6/30/2023			2,270,239	(2,526,776)				(256,537)	2,270,716
22-495-034-5120-084		552,389	7/1/2022	6/30/2023			497,618	(552,389)				(54,771)	1,302,311
22-100-034-5120-054		1,310,210	7/1/2022	6/30/2023			1,295,650	(1,316,489)					1,316,489
22-100-034-5120-054		1,295,660	7/1/2022	6/30/2023			1,295,660	(1,316,489)					1,295,660
22-495-034-5120-014		105,347	7/1/2022	6/30/2023			115,981	(105,347)					105,347
22-495-034-5120-014		189,594	7/1/2022	6/30/2023			189,594	(189,594)					115,981
22-495-034-5120-128		387,000	7/1/2022	6/30/2023			387,000	(387,000)					189,594
22-495-034-5120-132		12,059,210	7/1/2022	6/30/2023			12,059,210	(12,059,210)					12,059,210
22-495-034-5120-004		3,210,545	7/1/2022	6/30/2023			3,210,545	(3,210,545)					3,210,545
22-495-034-5120-004		2,519,978	7/1/2022	6/30/2023			2,519,978	(2,519,978)					2,519,978
22-495-034-5120-005		2,514,378	7/1/2022	6/30/2023			2,514,378	(2,514,378)					2,514,378
Total General Fund							26,202,403	(26,202,403)			(1,545,540)	(556,532)	30,696,093
Special Revenue Fund:													
N.J. Nonpublic Aid													
22-100-034-5120-054		64,614	7/1/2022	6/30/2023			64,614	(64,614)		1,983			64,614
22-100-034-5120-054		58,219	7/1/2022	6/30/2023			58,219	(58,219)					120,817
22-100-034-5120-070		120,948	7/1/2022	6/30/2023			120,948	(120,948)		415			33,971
22-100-034-5120-070		41,118	7/1/2022	6/30/2023			41,118	(41,118)		59			221,195
22-100-034-5120-373		46,740	7/1/2022	6/30/2023			46,740	(46,740)					157,238
22-100-034-5120-373		221,195	7/1/2022	6/30/2023			221,195	(221,195)		1,981			3,310,545
22-100-034-5120-309		187,075	7/1/2022	6/30/2023			187,075	(187,075)					3,992
22-100-034-5120-309		537,838	7/1/2022	6/30/2023			537,838	(537,838)					2,519,978
22-100-034-5120-067		3,097	7/1/2022	6/30/2023			3,097	(3,097)					2,514,378
22-100-034-5120-067		117,374	7/1/2022	6/30/2023			117,374	(117,374)					536,042
22-100-034-5120-066		102,424	7/1/2022	6/30/2023			102,424	(102,424)					2,665
22-100-034-5120-066		208,916	7/1/2022	6/30/2023			208,916	(208,916)		776			116,690
22-100-034-5120-066		43,245	7/1/2022	6/30/2023			43,245	(43,245)					208,236
22-100-034-5120-066		81,989	7/1/2022	6/30/2023			81,989	(81,989)					36,209
22-495-034-5120-017		81,989	7/1/2022	6/30/2023			81,989	(81,989)					81,175
22-100-034-5120-044		137,689	7/1/2022	6/30/2023			137,689	(137,689)					127,889
22-100-034-5120-044		133,548	7/1/2022	6/30/2023			133,548	(133,548)					123,546
22-100-034-5120-359		6,660	7/1/2022	6/30/2023			6,660	(6,660)					6,660
22-495-034-5120-086		2,475,270	7/1/2022	6/30/2023			2,475,270	(2,475,270)			132,313		6,660
22-495-034-5120-086		2,156,900	7/1/2022	6/30/2023			2,156,900	(2,156,900)			63,785		2,519,978
22-495-034-5120-086		1,373,984	7/1/2022	6/30/2023			1,373,984	(1,373,984)					2,514,378
Total Special Revenue Fund							3,862,528	(3,862,528)		5,213	(63,844)	(245,430)	4,323,013
Ded. Soc. Fund													
22-495-034-5120-075		604,118	7/1/2022	6/30/2023			604,118	(604,118)					
State Department of Agriculture													
Enterprise Fund													
22-100-010-3350-023		5,095	7/1/2022	6/30/2023			5,095	(5,095)					
22-100-010-3350-023		20,914	7/1/2022	6/30/2023			20,914	(20,914)					
22-100-010-3350-023		41,750	7/1/2022	6/30/2023			41,750	(41,750)					
Total Enterprise Fund							67,759	(67,759)					
TOTAL STATE FINANCIAL ASSISTANCE							\$ 30,692,124	(30,692,124)		\$ 5,213	(1,610,992)	\$ 196,096	\$ 35,019,106
Less: On-Behalf TPAF Pension and Annuity Aft													
On-Behalf TPAF - Post Retirement Medical													
On-Behalf TPAF - Pension Contributions													
On-Behalf TPAF - Long-Term Disability Contributions													
On-Behalf TPAF - Non-Contributory Insurance													
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION							\$ 13,259,139	(13,259,139)		\$ 4,213	(1,610,992)	\$ 196,096	\$ 35,019,106

See accompanying Notes to Schedule of Expenditures of Awards and Financial Assistance.

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$41,681 for the general fund and \$(2,326,422) for the special revenue fund. See C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$107,030	\$26,335,161	\$26,442,191
Special Revenue Fund	2,696,978	4,029,903	6,726,881
Debt Service Fund		604,118	604,118
Food Service Fund	<u>895,481</u>	<u>23,918</u>	<u>919,399</u>
Total Financial Awards	<u>\$3,699,489</u>	<u>\$30,993,100</u>	<u>\$34,692,589</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. 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, 2023.

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

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

NOTE 7. INDIRECT COST RATE

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$479,537
Title II, Part A: Improving Teacher Quality State Grants	125,809
Title III, Part A	41,807
Title III, Immigration	<u>13,955</u>
Total	<u>\$661,108</u>

**OCEAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

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

Federal Awards

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Nnnumber(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A180100	I.D.E.A. Part B Basic
84.425U	542566210027	ARP Esser

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

**OCEAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II- Financial Statement Findings

None

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

Not Applicable

**OCEAN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Status of Prior Year Findings

There were no corrective action findings in the prior year.