

School District
Of
Ocean Township



Ocean Township Board of Education
Waretown, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

OCEAN TOWNSHIP BOARD OF EDUCATION

OCEAN TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY

**OCEAN TOWNSHIP BOARD OF EDUCATION
FINANCE DEPARTMENT**

OCEAN TOWNSHIP SCHOOL DISTRICT

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STATISTICAL SECTION

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INTRODUCTORY SECTION

OCEAN TOWNSHIP SCHOOL DISTRICT

January 15, 2024

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

Dear Board Members:

The annual comprehensive financial report of the Ocean Township School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the 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 annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and Title 2 U.S. Code of Federal Regulations, Part 200 and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Ocean Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels Pre-school, Kindergarten through 6. These include regular, as well as special education for handicapped youngsters. The District Residential Enrollment for 2022-2023 school year increased slightly from the previous year's enrollment and is projected to remain stable for the coming years. The following details the changes in the student enrollment of the District over the last eight years. These figures are based upon average daily enrollment.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	507	-2.8%
2017-18	497	-2.0%
2018-19	507	4.0%
2019-20	526	5.8%
2020-21	505	-4.0%
2021-22	519	2.8%
2022-23	549	5.7%

Our District sends students in grades seven through twelve, regular and special education for the handicapped youngsters to Southern Regional Middle/High School located in Manahawkin, New Jersey, on a tuition basis and supplies the students with transportation. The following details the tuition cost and student enrollment over the last six years.

<u>Fiscal Year</u>	<u>Number Students Sent</u>	<u>Total Tuition Paid</u>
2016-17	405	\$6,933,788
2017-18	400	\$7,980,094
2018-19	414	\$8,058,787
2019-20	421	\$7,737,901
2020-21	406	\$7,314,446
2021-22	395	\$7,011,961
2022-23	394	\$7,678,091

2. ECONOMIC CONDITION AND OUTLOOK: The District's average daily enrollment for grades Pre-K-6 has increased slightly from the prior year. Special education programs requirements will continue to have a significant impact on the budget. Tuition costs represent approximately 40% of the school budget. In recent years the district has experienced significantly declining state aid within its budget. This decline in state funding has been partially offset by increasing federal aid and increases to the local tax levy as well as reductions within the appropriations budget. The District has established, and funded, various fund balance reserve accounts, identified within this audit, that will allow the district to provide for the continued maintenance and improvement of the school facilities.

3. MAJOR INITIATIVES: Administrative Team has upgraded our Five Year Curriculum Plan for the district. Our Five Year Long Range Plan for the district has been approved by the State.

Utilization of new technology will be continued in our district. NJ Student Learning Standards, improvement in performance on state assessments and a revised code for special education continue to constitute major educational initiatives in our district.

The district continues its transportation jointure contract with Southern Regional School District for the majority of its transportation services since the 1998-1999 school year, which has developed into a continuation of contracted services for the district. We plan to continue this transportation jointure for the foreseeable future.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2023 and the percent of total.

8) DEBT ADMINISTRATION: On February 15, 2007 the District sold \$8,100,000 in Bonds that will be paid off in the year 2027. In July, 2015 the district refinanced all outstanding debt that will be maturing from 2018 through 2027 totaling \$5,870,000 resulting in more than a 3% savings to the district. The district has a total outstanding debt as of June 30, 2023 in the amount of \$2,605,000.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental 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.

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

11) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants the accounting firm of Robert A. Hulsart & Company has been retained by the Board of Education. In addition to meeting the requirements of the Single Audit Act of 1984 and the related Title 2 U.S. Code of Federal Regulations, Part 200 and state Treasury Circular Letter 15-08 OMB, 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 auditors reports related specifically to the single audit are included in the single audit section of this report.

12) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Ocean Township 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,

Ariane Phillips

Ariane Phillips
Superintendent

Kevin Byrnes

Kevin Byrnes
Business Administrator/Board Secretary

OCEAN TOWNSHIP BOARD OF EDUCATION

Waretown, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
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Dr. Shawn Denning, Jr., President	2023
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Kelly Zuzic, Vice President	2023
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Daniel Eberenz	2023
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Brian Tart	2024
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Justin Pimm	2023
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Other Officials

Christopher Lommerin, Superintendent

Steven Terhune, Business Administrator

Andrew B. Brown, Attorney

OCEAN TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

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

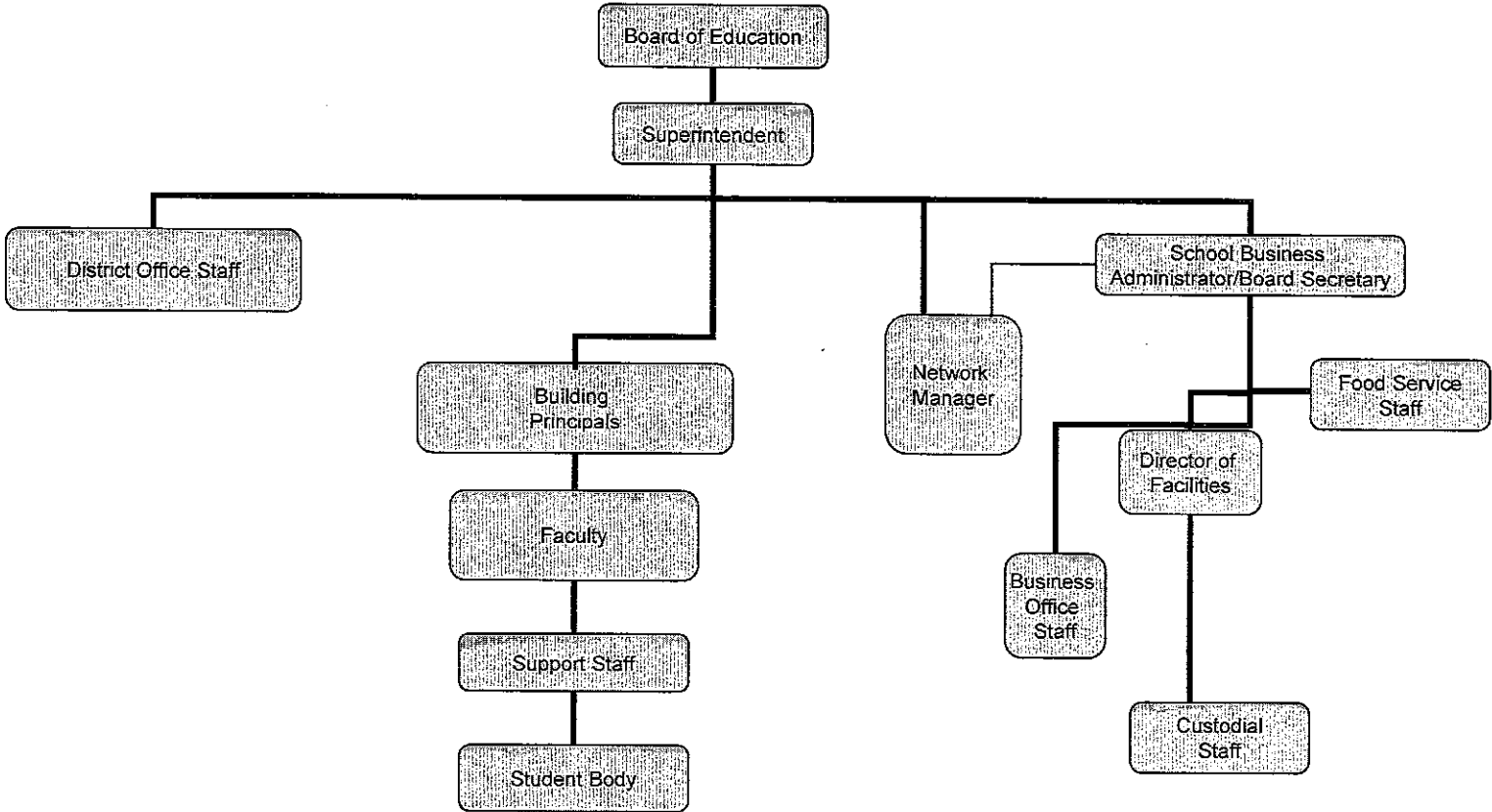
Attorneys

Andrew B. Brown
Scarinci & Hollenbeck
150 Clove Road, 9th Floor
Little Falls, NJ 07424

Official Depository

Ocean First Bank, NA
975 Hooper Avenue
Toms River, NJ 08753

Ocean Township School District Organization Chart



FINANCIAL SECTION

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

8.

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ocean Township Board of Education, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ocean Township Board of Education, 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error; a fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ocean Township Board of Education's basic financial statements. The combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

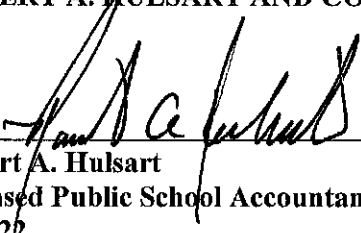
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated January 15, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



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

January 15, 2024

REQUIRED SUPPLEMENTARY INFORMATION
PART I

OCEAN TOWNSHIP SCHOOL DISTRICT

COUNTY OF OCEAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The discussion and analysis of the Ocean Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2022-2023 fiscal year are as follows:

- General revenues accounted for \$20,487,912 in revenue or 84.4% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,789,729 or 15.6% percent to total revenues of \$24,277,641.
- The School District had \$22,036,587 in expenses; only \$3,789,729 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$20,487,912 were adequate to provide for these programs.
- The General Fund had \$19,902,106 in revenues and \$17,927,576 in expenditures. The General Fund's balance increased \$1,853,264 over 2022-2023. This increase was anticipated by the Board of Education due to insurance reimbursements and budget savings.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Using this Annual Comprehensive Financial Report (ACFR) (Continued)

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2022-2023 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's net position.

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current and Other Assets	\$ 7,673,229	5,518,967
Capital Assets, Net	<u>6,519,123</u>	<u>6,883,002</u>
Total Assets	<u>\$ 14,192,352</u>	<u>12,401,969</u>
<u>Deferred Outflow of Resources</u>		
Contribution to Pension Plan	<u>\$ 742,568</u>	<u>466,406</u>
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 527,686</u>	<u>1,472,692</u>
<u>Liabilities</u>		
Current Liabilities	\$ 844,864	831,090
Other Liabilities	<u>5,705,275</u>	<u>4,948,552</u>
Total Liabilities	<u>\$ 6,550,139</u>	<u>5,779,642</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 3,914,123	3,673,002
Restricted	4,970,478	4,736,823
Unrestricted	<u>(1,027,506)</u>	<u>(2,793,784)</u>
Total Net Position	<u>\$ 7,857,095</u>	<u>5,616,041</u>

Table 2 shows the changes in net position for fiscal year 2023.

Table 2
Changes in Net Position

	<u>2023</u>	<u>2022</u>
<u>Revenues</u>		
Program Revenues		
Operating Grants and Contributions	\$ 3,789,729	2,059,536
General Revenues		
Property Taxes	13,581,407	12,501,277
Grants and Entitlements	6,734,154	6,651,941
Other	<u>172,351</u>	<u>232,174</u>
Total Revenues	<u>24,277,641</u>	<u>21,444,928</u>
<u>Program Expenses</u>		
Instruction	4,634,300	4,248,389
Support Services		
Pupils and Instructional Staff	9,731,474	9,361,299
General Administration, School Administration,		
Business	643,725	635,579
Operations and Maintenance of Facilities	995,593	863,000
Pupil Transportation	893,822	794,424
Benefits	3,846,172	3,979,352
Miscellaneous	94,706	112,531
Depreciation	361,721	294,259
Capital Outlay	324,073	
Enterprise	<u>511,001</u>	<u>470,566</u>
Total Expenses	<u>22,036,587</u>	<u>20,759,399</u>
Increase/ (Decrease) in Net Position	<u>\$ 2,241,054</u>	<u>685,529</u>

Governmental Activities

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

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

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

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

Governmental Activities (Continued)

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

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

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

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

The School Board' Funds

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

As the School Board completed the fiscal year ended June 30, 2023, it reported a combined net position balance of \$7,857,095. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net position.

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

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

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

Capital Assets

At June 30, 2023, the School Board had approximately \$6,494,983 million invested in a broad range of capital assets, including land, buildings, furniture, computers, instructional equipment and other equipment. Table II below shows the net book value of capital assets at the end of the 2023 fiscal year.

	Governmental Activities
Table II	
Capital Assets at June 30, 2023	
Buildings & Site Improvements	\$ 5,683,102
Machinery and Equipment	495,320
Land	97,895
Construction in Progress	<u>218,666</u>
Total	<u>\$ 6,494,983</u>

Debt Administration

At June 30, 2023, the School District had outstanding debt of \$5,705,275 consisting of serial bonds of \$2,605,000, which fully mature in 2027, compensated absences of \$278,163 and the District also reported a deferred pension liability of \$2,822,112.

Economic Factors and Next Year's Budget

The Ocean Township School District is in very good financial condition presently. Future finances are not without challenges as the community continues to grow and state funding is decreased.

The majority of revenues needed to operate the District is derived from homeowners through property tax assessments and collections.

At this time, the most important factor affecting the budget is the unsettled situation with State Aid. While State aid may be frozen, the District may experience growth in student population. The tax levy will most likely be the area that will need to absorb any increase in budget obligations.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Mr. Kevin Byrnes, Business Administrator of the Ocean Township Board of Education, 64 Railroad Avenue, Waretown, N.J. 08758.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

OCEAN TOWNSHIP SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 408,649	191,310	599,959
Accounts Receivables, Net	2,105,458	11,283	2,116,741
Inventory		6,972	6,972
Restricted Assets:			
Capital Reserve - Cash	1,352,158		1,352,158
Cash and Cash Equivalents	3,597,399		3,597,399
Capital Assets Not Being Depreciated	316,561		316,561
Capital Assets, Net	<u>6,178,422</u>	<u>24,140</u>	<u>6,202,562</u>
Total Assets	<u>13,958,647</u>	<u>233,705</u>	<u>14,192,352</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>742,568</u>		<u>742,568</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>527,686</u>		<u>527,686</u>
<u>Liabilities</u>			
Deferred Revenue	280,713		280,713
Accounts Payable	518,308	6,942	525,250
Accrued Interest	38,901		38,901
Noncurrent Liabilities:			
Due Within One Year	620,000		620,000
Due Beyond One Year	5,085,275		5,085,275
Total Liabilities	<u>6,543,197</u>	<u>6,942</u>	<u>6,550,139</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	3,889,983	24,140	3,914,123
Restricted For:			
Other Purposes	4,949,557	20,921	4,970,478
Unrestricted	<u>(1,209,208)</u>	<u>181,702</u>	<u>(1,027,506)</u>
Total Net Position	<u>\$ 7,630,332</u>	<u>226,763</u>	<u>7,857,095</u>

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

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 1,505,387			(1,505,387)		(1,505,387)
Special Education	3,119,297		2,150,275	(969,022)		(969,022)
Other Instruction	9,616			(9,616)		(9,616)
Support Services and Undistributed Costs:						
Tuition	7,471,130			(7,471,130)		(7,471,130)
Student & Instruction Related Services	2,260,344		1,093,739	(1,166,605)		(1,166,605)
General Administrative Services	425,573			(425,573)		(425,573)
School Administrative Services	218,152			(218,152)		(218,152)
Plant Operations and Maintenance	995,593			(995,593)		(995,593)
Pupil Transportation	893,822			(893,822)		(893,822)
Unallocated Benefits	3,846,172			(3,846,172)		(3,846,172)
Capital Outlay	324,073		6,696	(317,377)		(317,377)
Interest on Long-Term Debt	94,706			(94,706)		(94,706)
Unallocated Depreciation	361,721			(361,721)		(361,721)
Total Government Activities	<u>21,525,586</u>	<u>-</u>	<u>3,250,710</u>	<u>(18,274,876)</u>	<u>-</u>	<u>(18,274,876)</u>
Business-Type Activities:						
Food Service and Latchkey	511,001	309,819	229,200		28,018	28,018
Total Business-Type Activities	<u>511,001</u>	<u>309,819</u>	<u>229,200</u>	<u>-</u>	<u>28,018</u>	<u>28,018</u>
Total Primary Government	<u>22,036,587</u>	<u>309,819</u>	<u>3,479,910</u>	<u>(18,274,876)</u>	<u>28,018</u>	<u>(18,246,858)</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

**Exhibit A-2
Sheet 2 of 2**

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purpose, Net			13,173,493		13,173,493
Taxes Levied for Debt Service			407,914		407,914
Federal and State Aid Not Restricted			6,734,154		6,734,154
Miscellaneous Income			172,351		172,351
Total General Revenues, Special Items, Extraordinary Items and Transfers			<u>20,487,912</u>	<u>-</u>	<u>20,487,912</u>
Change in Net Position			2,213,036	28,018	2,241,054
Net Position - Beginning			<u>5,417,296</u>	<u>198,745</u>	<u>5,616,041</u>
Net Position - Ending			<u>\$ 7,630,332</u>	<u>226,763</u>	<u>7,857,095</u>

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

FUND FINANCIAL STATEMENTS – B

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects	Debt Service Fund	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 5,256,019	8,395	91,626	2,166	5,358,206
Interfund Receivable	205,155				205,155
Accounts Receivable, Net	<u>1,159,763</u>	<u>607,545</u>	<u>338,150</u>		<u>2,105,458</u>
Total Assets	<u>\$ 6,620,937</u>	<u>615,940</u>	<u>429,776</u>	<u>2,166</u>	<u>7,668,819</u>
Liabilities and Fund Balance					
Liabilities:					
Interfund Payable	\$ -	63,527	141,628		205,155
Payroll Deductions and Withholdings	38,071				38,071
Accounts Payable	79,497	400,740			480,237
Deferred Revenue		<u>280,713</u>			<u>280,713</u>
Total Liabilities	<u>117,568</u>	<u>744,980</u>	<u>141,628</u>	<u>-</u>	<u>1,004,176</u>
Fund Balance:					
Restricted For:					
Reserve for Capital Reserve	1,352,158				1,352,158
Reserve for Maintenance Reserve	410,872				410,872
Designated for Subsequent Years Expenditures - Maintenance Reserve	150,000				150,000
Reserve for Unemployment	54,169				54,169
Excess Surplus - Current Year	1,012,790				1,012,790
Student Activities		8,395			8,395
Committed To:					
Other Purposes	87,429		3,630		91,059
Assigned To:					
Designated for Subsequent Years Expenditures - Excess Surplus	882,850				882,850
Designated for Subsequent Years Expenditures - BOE	838,015				838,015
Unassigned:					
Capital Projects Fund			284,518		284,518
Debt Service Fund				2,166	2,166
Special Revenue Fund		(137,435)			(137,435)
General Fund	<u>1,715,086</u>				<u>1,715,086</u>
Total Fund Balances	<u>6,503,369</u>	<u>(129,040)</u>	<u>288,148</u>	<u>2,166</u>	<u>6,664,643</u>
Total Liabilities and Fund Balance	<u>\$ 6,620,937</u>	<u>615,940</u>	<u>429,776</u>	<u>2,166</u>	

Amounts reported for governmental activities in

the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$16,362,307 and the accumulated depreciation is \$9,867,324.

6,494,983

Deferred outflow of resources - contributions to the pension plan

742,568

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

(527,686)

Accrued Interest

(38,901)

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.

(5,705,275)

Net position of governmental activities

\$ 7,630,332

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

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 13,173,493			407,914	13,581,407
Miscellaneous	172,351				172,351
Total Local Sources	<u>13,345,844</u>	-	-	407,914	<u>13,753,758</u>
State Sources	6,484,988	1,273,367		299,158	8,057,513
Federal Sources	71,274	1,856,077			1,927,351
Total Revenues	<u>19,902,106</u>	<u>3,129,444</u>	-	<u>707,072</u>	<u>23,738,622</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	1,505,387				1,505,387
Special Education Instruction	929,884	2,189,413			3,119,297
Other Instruction	9,616				9,616
Support Services and Undistributed Costs:					
Tuition	7,471,130				7,471,130
Student and Instruction Related Services	1,166,605	1,093,739			2,260,344
General Administrative Services	425,573				425,573
School Administrative Services	218,152				218,152
Plant Operations and Maintenance	995,593				995,593
Pupil Transportation	893,822				893,822
Unallocated Benefits	4,310,617				4,310,617
Capital Outlay	1,197	6,696	316,180		324,073
Debt Service:					
Principal				605,000	605,000
Interest and Other Charges				103,025	103,025
Total Expenditures	<u>17,927,576</u>	<u>3,289,848</u>	<u>316,180</u>	<u>708,025</u>	<u>22,241,629</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

**Exhibit B-2
Sheet 2 of 2**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,974,530</u>	<u>(160,404)</u>	<u>(316,180)</u>	<u>(953)</u>	<u>1,496,993</u>
Other Financing Sources (Uses):					
Transfer to Capital Projects					-
Transfer to Fund 20 Preschool Contribution	<u>(121,266)</u>	<u>121,266</u>			-
Total Other Financing Sources (Uses)	<u>(121,266)</u>	<u>121,266</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>1,853,264</u>	<u>(39,138)</u>	<u>(316,180)</u>	<u>(953)</u>	<u>1,496,993</u>
Net Change in Fund Balances	<u>1,853,264</u>	<u>(39,138)</u>	<u>(316,180)</u>	<u>(953)</u>	<u>1,496,993</u>
Fund Balance - July 1	<u>4,650,105</u>	<u>(89,902)</u>	<u>604,328</u>	<u>3,119</u>	<u>5,167,650</u>
Fund Balance - June 30	<u>\$ 6,503,369</u>	<u>(129,040)</u>	<u>288,148</u>	<u>2,166</u>	<u>6,664,643</u>

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

OCEAN TOWNSHIP SCHOOL DISTRICT**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Exhibit B-3

TO THE STATEMENT OF ACTIVITIES**FOR THE YEAR ENDED JUNE 30, 2023**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 1,496,993
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	(361,721)
Capital Outlay	
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	605,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.	8,319
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	276,162
Pension related deferrals	945,006
Change in net pension liability	(733,633)
In the statement of activities, certain operating expenses are measured by the amounts earned. In the governmental funds, however, expenditures are reported in the amount of financial resources used.	
Compensated Absences	<u>(23,090)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,213,036</u>

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

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF NET POSITION**PROPRIETARY FUNDS****JUNE 30, 2023**

	Business-Type Activities Enterprise Fund Totals
	<hr/>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 191,310
Accounts Receivable	
State	328
Federal	10,955
Inventories	6,972
Total Current Assets	<hr/> 209,565 <hr/>
Noncurrent Assets:	
Furniture, Machinery & Equipment	188,304
Less: Accumulated Depreciation	(164,164)
Total Noncurrent Assets	<hr/> 24,140 <hr/>
Total Assets	<hr/> \$ 233,705 <hr/>
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	\$ 6,942
Total Liabilities	<hr/> \$ 6,942 <hr/>
<u>Net Position</u>	
Invested in Capital Assets Net of Related	
Debt	\$ 24,140
Unrestricted	181,702
Reserve for Latch Key	20,921
Total Net Position	<hr/> \$ 226,763 <hr/>

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

OCEAN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

Exhibit B-5

	Business-Type Activities Enterprise Fund Totals
	Totals
Operating Revenues:	
Charge for Services:	
Daily Sales - Reimbursable Programs	\$ 112,747
Daily Sales - Non Reimbursable Programs	4,698
Community Service Functions	192,374
Total Operating Revenues	309,819
Operating Expenses:	
Cost of Sales - Reimbursable Programs	183,527
Cost of Sales - Non Reimbursable Programs	7,647
Salaries	285,603
Management Fee	2,853
General Supplies	3,586
Depreciation	2,158
Miscellaneous	180
Other Purchased Professional Services	25,447
Total Operating Expenses	511,001
Operating Income (Loss)	(201,182)
Nonoperating Revenues (Expenses):	
Interest Revenue	2,300
State Sources:	
State School Lunch Program	4,645
State Breakfast Program	242
Federal Sources:	
National Breakfast Program	32,008
National School Lunch Program	132,087
HHFKA Program	4,122
Supply Chain Grant	37,781
Food Distribution Program	16,015
Total Nonoperating Revenues (Expenses)	229,200
Change in Net Position	28,018
Total Net Position - Beginning	198,745
Total Net Position - Ending	\$ 226,763

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

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWSPROPRIETARY FUNDSJUNE 30, 2023

	Business-Type Activities Enterprise Fund Totals
	<hr/>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 309,819
Payments to Employees	(285,603)
Payments to Suppliers & Miscellaneous	(181,034)
Net Cash Provided (Used by) Operating Activities	<hr/> (156,818) <hr/>
Cash Flows from Noncapital Financing Activities:	
State and Federal Sources	210,885
Net Cash Provided (Used by) Noncapital Financing Activities	<hr/> 210,885 <hr/>
Cash Flows from Investing Activities	
Interest	2,300
Net Increase (Decrease) in Cash & Cash Equivalents	56,367
Balances - Beginning of Year	<hr/> 134,943 <hr/>
Balances - End of Year	<hr/> \$ 191,310 <hr/>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (201,182)
Depreciation	2,158
Federal Commonidities	16,015
(Increase) Decrease in Accounts Receivable	19,985
(Increase) Decrease in Inventories	(736)
Increase (Decrease) in Accounts Payable	6,942
Net Cash Provided (Used by) Operating Activities	<hr/> \$ (156,818) <hr/>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
OCEAN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Ocean Township School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-6.

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

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

B. Government-Wide and Fund Financial Statements

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

D. Fund Accounting:

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

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

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

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

E. Basis of Accounting:

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 were insignificant.

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

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

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

G. Encumbrances:

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

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

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

H. Short-Term Interfund Receivables/Payables:

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

J. Capital Assets and Depreciation

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

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2021-2022 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2022, fiscal year 2022 depreciation expense, total accumulated depreciation and book values were also provided. The records were updated for 2022-2023. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

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

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:					
Construction in Progress	\$ 218,666				218,666
Land	<u>97,895</u>				<u>97,895</u>
Total	<u>316,561</u>				<u>316,561</u>
Depreciable Assets:					
Site Improvements	379,403				379,403
Buildings	13,871,533				13,871,533
Machinery & Equip.	<u>1,794,810</u>				<u>1,794,810</u>
Total	<u>16,045,746</u>				<u>16,045,746</u>
Less: Accumulated Depreciation:					
Site Improvements	(379,403)				(379,403)
Buildings	(7,892,435)	(295,996)			(8,188,431)
Machinery & Equip.	<u>(1,233,765)</u>	<u>(65,725)</u>			<u>(1,299,490)</u>
Total Accumulated Depreciation	<u>(9,505,603)</u>	<u>(361,721)</u>			<u>(9,867,324)</u>
Net Depreciable Assets	<u>6,540,143</u>	<u>(361,721)</u>			<u>6,178,422</u>
Governmental Activities:					
Capital Assets, Net	<u>\$ 6,856,704</u>	<u>(361,721)</u>			<u>6,494,983</u>
Business-Type Activities:					
Equipment	\$ 188,304				188,304
Less: Accumulated Depreciation:					
Equipment	<u>(162,006)</u>	(2,158)			<u>(164,164)</u>
Business-Type Activities Capital Assets (Net)	<u>\$ 26,298</u>	<u>(2,158)</u>			<u>24,140</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 361,721</u>
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K. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Compensated Absences (Continued)

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

L. Unearned Revenue

Unearned revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

M. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 12).

N. Net Position

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

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

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

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

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

Fund Balance

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

N. Net Position (Continued)

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

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

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

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

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

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

Investments

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

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

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

As of June 30, 2023, the District's deposits and investments are summarized as follows:

FDIC	\$ 250,000
GUPDA	<u>5,410,486</u>
	<u>\$ 5,660,486</u>

Custodial Credit Risk – Deposits

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

The District had no uninsured deposits.

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

**Cash and Cash
Equivalents**
\$ 5,549,516

During the period ended June 30, 2023 the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2023 was \$5,549,516 and the bank balance was \$5,660,486. Of the bank balance, \$250,000 was covered by federal depository insurance and \$5,410,486 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance			Balance	Long-Term	2023-24
	<u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>	<u>Portion</u>	<u>Payment</u>
Pension Liability	\$ 2,088,479	733,633		2,822,112	2,822,112	
Compensated Absences Payable	255,073	23,090		278,163	278,163	
Bonds Payable	<u>3,210,000</u>	<u> </u>	(605,000)	<u>2,605,000</u>	<u>1,985,000</u>	<u>620,000</u>
	<u>\$ 5,553,552</u>	<u>756,723</u>	<u>(605,000)</u>	<u>5,705,275</u>	<u>5,085,275</u>	<u>620,000</u>

NOTE 3: General Long-Term Debt (Continued)**A. Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are of general obligation bonds, and the interest rates vary from 3.45% to 4.50%.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30			
2023/2024	\$ 620,000	84,875	704,875
2024/2025	640,000	66,273	706,273
2025/2026	660,000	47,075	707,075
2026/2027	<u>685,000</u>	<u>23,975</u>	<u>708,975</u>
	<u>\$ 2,605,000</u>	<u>222,198</u>	<u>2,827,198</u>

B. Bonds Authorized But Not Issued

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

NOTE 4: Pension Plans

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

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.

NOTE 4: Pension Plans (Continued)

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.

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

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

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

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

NOTE 4: Pension Plans (Continued)

Funding Policy (Continued) – Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

During the year ended June 30, 2023, the State of New Jersey contributed \$1,995,333 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$303,672 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. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/23	\$ 321,383	100%	0
6/30/22	255,716	100%	0
6/30/21	203,246	100%	0

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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/23	\$ 1,995,333	100%	0
6/30/22	2,066,889	100%	0
6/30/21	1,541,602	100%	0

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

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

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

NOTE 4: Pension Plans (Continued)

The following represents the membership tiers for PERS:

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

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

Basis of Presentation

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

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

NOTE 4: Pension Plans (Continued)

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2022 State special funding situation net pension liability amount of \$127.8 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$50.2 million, for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

NOTE 4: Pension Plans (Continued)

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

For the year ended June 30, 2023, the District recognized pension expense of \$321,383. At June 30, 2023, the District reported 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 Between Expected and Actual Experience	\$ 20,369	17,962
Changes of Assumptions	8,744	422,582
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	116,805	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	275,267	87,142
District Contributions Subsequent to the Measurement Date	<u>321,383</u>	<u> </u>
Total	<u>\$ 742,568</u>	<u>527,686</u>

\$321,383 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 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 will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2023	\$ (240,045)
2024	(122,295)
2025	(59,641)
2026	130,114
2027	<u>(286)</u>
	<u>\$ (292,153)</u>

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

Collective balances at December 31, 2022 and 2021 are as follows:

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Collective Deferred Outflows of Resources	\$ 742,568	466,406
Collective Deferred Inflows of Resources	527,686	1,472,692
Collective Net Pension Liability	2,822,112	2,088,479
District's Proportion	0.01854%	0.01744%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2022 were as follows:

	<u>2022</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 29,144,869,310	41,029,268,965	70,174,138,275
Plan Fiduciary Net Position	<u>6,758,038,264</u>	<u>25,810,084,045</u>	<u>32,568,122,309</u>
Net Pension Liability	<u>\$ 22,386,831,046</u>	<u>15,219,184,920</u>	<u>37,606,015,966</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	23.19%	62.91%	46.41%

The collective 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:

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%

NOTE 4: Pension Plans (Continued)

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

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

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 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 Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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%

NOTE 4: 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 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 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>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 3,625,587</u>	<u>2,822,112</u>	<u>2,138,322</u>

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

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

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

NOTE 4: Pension Plans (Continued)

The following represents the membership tiers for TPAF:

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

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ration of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

NOTE 4: Pension Plans (Continued)

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Total Pension Liability	\$ 76,317,117,835	74,699,133,697
Plan Fiduciary Net Position	<u>24,640,530,532</u>	<u>26,533,142,515</u>
Net Pension Liability	<u>\$ 51,676,587,303</u>	<u>48,165,991,182</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2022</u>	<u>2021</u>
District's Liability	<u>\$ 20,699,802</u>	<u>19,041,166</u>
District's Proportion	.04006%	.03953%

NOTE 4: Pension Plans (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense (benefit) as follows:

Year Ending June 30:	
2023	\$ (1,065,031)
2024	(1,531,663)
2025	(1,342,332)
2026	(604,602)
2027	(660,021)
Thereafter	<u>(676,042)</u>
Total	<u>\$ (5,879,691)</u>

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%

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

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

NOTE 4: 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. 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 Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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%

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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>24,270,958</u>	<u>20,699,802</u>	<u>17,691,552</u>
	<u>\$ 24,270,958</u>	<u>20,699,802</u>	<u>17,691,552</u>

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

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

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

NOTE 5: Post-Retirement Benefits (Continued)

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

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

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

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 20, 2021, with 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:

Total OPEB Liability \$50,646,462,966

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75% – 4.25%	2.75% - 6.55%	3.25% - 16.25%
	based on years of service	based on years of service	based on years of service

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

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

NOTE 5: Post-Retirement Benefits (Continued)***(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 for June 30, 2022 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.

Changes in the total OPEB Liability reported by the State of New Jersey:

	Total OPEB Liability
Balances at June 30, 2021	\$ 60,007,650,970
Changes for the Year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Change of Benefit Terms	
Difference Between Expected and Actual Experience	1,399,200,736
Changes in Assumptions or Other Inputs	(13,586,368,097)
Member Contributions	42,650,252
Benefit Payments	<u>(1,329,476,059)</u>
Balance at June 30, 2022	<u>\$ 50,646,462,966</u>

There were no changes in benefit terms between the June 30, 2021 measurement date and the June 30, 2022 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% percent in 2021 to 3.54% percent in 2022.

NOTE 5: Post-Retirement Benefits (Continued)

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

	1% Decrease <u>(2.54%)</u>	Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 59,529,589,697</u>	<u>50,646,462,966</u>	<u>43,527,080,995</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 41,862,397,291</u>	<u>50,646,462,966</u>	<u>62,184,866,635</u>

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

For the year ended June 30, 2022, the Board of Education recognized OPEB expense of \$1,032,660 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Board of Education's proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 9,042,402,619	(15,462,950,679)
Changes in Proportion	<u>8,765,620,577</u>	<u>(17,237,289,230)</u>
Total	<u>\$ 17,808,023,196</u>	<u>(32,700,239,909)</u>

NOTE 5: Post-Retirement Benefits (Continued)

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

Year Ended June 30:	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>\$ (14,892,216,713)</u>

NOTE 6: Interfund Receivables and Payables

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

There were interfunds as of June 30, 2023 as follows:

	<u>From</u>	<u>To</u>
General Fund	\$	205,155
Special Revenue Fund	63,527	
Capital Projects Fund	<u>141,628</u>	_____
	<u>\$ 205,155</u>	<u>205,155</u>

These interfund loans are due to the Special Revenue and Capital Projects Funds awaiting State and Federal reimbursements. Once received, the interfunds will be eliminated, which is expected to be within one year.

NOTE 7: Compensated Absences

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the Food Service Fund.

NOTE 8: Tuition Adjustments

Regulations specify that tuition adjustments for any given school year shall be remitted/received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2023 financial statements.

NOTE 9: Capital Reserve Account

A Capital Reserve account was established by the Township of Ocean Board of Education 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.

Fund 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. 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:26-9.1(d) 1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 9: Capital Reserve Account (Continued)

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

Beginning Balance, July 1, 2022	<u>\$1,352,158</u>
Ending Balance, June 30, 2023	<u>\$ 1,352,158</u>

NOTE 10: Risk Management

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2019-2020	\$ 618	10,221	2,053	54,169
2021-2022	97	8,253	3,326	45,383
2020-2021		17,322	12,545	40,359

NOTE 11: Economic Dependency

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

NOTE 12: 2% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures Per the ACFR	\$ 18,046,093
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(2,299,005)</u>
Adjusted 2022-23 General Fund Expenditures	<u>\$ 15,747,088</u>
2% of Adjusted 2022-23 General Fund Expenditures	<u>\$ 314,942</u>
Enter Greater of Above or \$250,000	\$ 314,942
Increased by Allowable Adjustment	<u>1,634,398</u>
Maximum Unassigned Fund Balance	<u>\$ 1,949,340</u>
 <u>Section 2</u>	
Total General Fund -- Fund Balance @ 6-30-23	\$ 6,737,623
Decreased by:	
Year-End Encumbrances	(87,429)
Excess Surplus - Designated for Subsequent Years Expenditures	(882,850)
Designated for Subsequent Years Expenditures – BOE	(838,015)
Designated for Subsequent Years Expenditures - Maintenance Reserve	(150,000)
Unemployment	(54,169)
Other Restricted Fund Balances	<u>(1,763,030)</u>
Total Unassigned Fund Balance	<u>\$ 2,962,130</u>
Reserved Fund Balance - Excess Surplus	<u>\$ 1,012,790</u>
 <u>Section 3</u>	
Reserved Fund Balance – Excess Surplus Designated for Subsequent Years Expenditures	\$ 882,850
Excess Surplus	<u>1,012,790</u>
	<u>\$ 1,895,640</u>
 <u>Detail of Allowable Adjustments</u>	
Extraordinary Aid (No Funds Budgeted)	\$ 358,448
Non Public Transportation	4,992
Supplemental Stabilization Aid Received in April 2023	419,134
Maintenance of Equity Aid Received in July 2023	<u>851,824</u>
	<u>\$ 1,634,398</u>
 <u>Detail of Other Reserved Fund Balance</u>	
Maintenance Reserve	\$ 410,872
Capital Reserve	<u>1,352,158</u>
Total	<u>\$ 1,763,030</u>

NOTE 13: Contingent Liabilities

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

NOTE 14: Fund Balance Appropriated

General Fund – Of the \$6,737,623 General Fund fund balance at June 30, 2023, \$87,429 is reserved for encumbrances; \$1,352,158 is reserved for capital reserve; \$410,872 is reserved for maintenance reserve; \$150,000 is maintenance reserve designated for subsequent years expenditures; \$882,850 is excess surplus designated for subsequent years expenditures; \$54,169 is unemployment; \$838,015 is designated for subsequent years expenditures by the BOE; \$1,012,790 is excess surplus – current year; and \$1,949,340 is unreserved and undesignated.

NOTE 15: Subsequent Events

Subsequent events have been evaluated through January 15, 2024, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 13,173,493		13,173,493	13,173,493	-
Interest Earned - Maintenance Reserve	250		250	250	-
Interest Earned - Capital Reserve	500		500	500	-
Miscellaneous	35,000		35,000	160,762	125,762
Other Restricted Miscellaneous Revenues			-	10,839	10,839
Total Local Sources	<u>13,209,243</u>	<u>-</u>	<u>13,209,243</u>	<u>13,345,844</u>	<u>136,601</u>
State Sources:					
Security Aid	176,928		176,928	176,928	-
Transportation Aid	443,920		443,920	443,920	-
Special Education Aid	541,176		541,176	541,176	-
Adjustment Aid	1,221,976		1,221,976	1,221,976	-
Extraordinary Aid			-	358,448	358,448
Non-Public Transportation Aid			-	4,992	4,992
Supplemental Stabilization Aid			-	419,134	419,134
Maintenance of Equity 2021-2022			-	144,786	144,786
Maintenance of Equity 2022-2023			-	751,824	751,824
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	414,991	414,991
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	1,579,729	1,579,729
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	613	613
TPAF Social Security (Reimbursed Non-Budgeted)			-	303,672	303,672
Total State Sources	<u>2,384,000</u>	<u>-</u>	<u>2,384,000</u>	<u>6,362,189</u>	<u>3,978,189</u>
Federal Sources:					
Medical Assistance Program	34,393		34,393	71,274	36,881
Total Federal Sources	<u>34,393</u>	<u>-</u>	<u>34,393</u>	<u>71,274</u>	<u>36,881</u>
Total Revenues	<u>15,627,636</u>	<u>-</u>	<u>15,627,636</u>	<u>19,779,307</u>	<u>4,151,671</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expenditures:					
Regular Programs - Instruction:					
Preschool-Salaries of Teachers	4,000	3,057	7,057	5,868	1,189
Kindergarten - Salaries of Teachers	193,496	(11,634)	181,862	181,862	-
Grades 1-5 - Salaries of Teachers	1,653,132	(162,472)	1,490,660	929,025	561,635
Grade 6-Salaries of Teachers	177,947		177,947	169,554	8,393
Regular Programs - Home Instruction:					
Salaries of Teachers	4,000		4,000	88	3,912
Regular Program - Undistributed Instruction:					
Other Salaries for Instruction		16,754	16,754	16,754	-
Purchased Professional Educational Services	9,285		9,285	6,079	3,206
Purchased Technical Services	77,798		77,798	63,391	14,407
Other Purchased Services (400-500 Series)	58,800		58,800	13,486	45,314
General Supplies	231,680	(3,751)	227,929	119,280	108,649
Textbooks	5,000		5,000		5,000
Other Objects	200		200		200
Total Regular Programs - Instruction	<u>2,415,338</u>	<u>(158,046)</u>	<u>2,257,292</u>	<u>1,505,387</u>	<u>751,905</u>
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	193,331	69,770	263,101	240,033	23,068
Other Salaries for Instruction	181,207	(24,346)	156,861	137,271	19,590
General Supplies	3,000	194	3,194	2,252	942
Total Learning and/or Language Disabilities	<u>377,538</u>	<u>45,618</u>	<u>423,156</u>	<u>379,556</u>	<u>43,600</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Center:					
Salaries of Teachers	439,430	(136,304)	303,126	299,305	3,821
Other Salaries for Instruction	65,150	21,195	86,345	82,039	4,306
General Supplies	5,000	1,282	6,282	3,163	3,119
Total Resource Room/Center	<u>509,580</u>	<u>(113,827)</u>	<u>395,753</u>	<u>384,507</u>	<u>11,246</u>
Pre-School -Disabilities - Part-Time:					
Salaries of Teachers	2,000	97,121	99,121	99,121	-
Other Salaries for Instruction	1,200	66,572	67,772	66,411	1,361
General Supplies	800	199	999	289	710
Total Pre-School Disabilities - Part-Time	<u>4,000</u>	<u>163,892</u>	<u>167,892</u>	<u>165,821</u>	<u>2,071</u>
Home Instruction:					
Salaries of Teachers	4,000		4,000		4,000
Total Home Instruction	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total Special Education - Instruction	<u>895,118</u>	<u>95,683</u>	<u>990,801</u>	<u>929,884</u>	<u>60,917</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	140,730	(25,768)	114,962	5,035	109,927
General Supplies	600	157	757	517	240
Total Basic Skills/Remedial - Instruction	<u>141,330</u>	<u>(25,611)</u>	<u>115,719</u>	<u>5,552</u>	<u>110,167</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
School-Sponsored Co-Curricular Activities - Instruction:					
Salaries		4,064	4,064	4,064	-
Total School-Sponsored Co-Curricular Activities - Inst.	<u>-</u>	<u>4,064</u>	<u>4,064</u>	<u>4,064</u>	<u>-</u>
 Total Instruction	 <u>3,451,786</u>	 <u>(83,910)</u>	 <u>3,367,876</u>	 <u>2,444,887</u>	 <u>922,989</u>
 Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	5,320,708	(42,004)	5,278,704	5,276,224	2,480
Tuition to Other LEA's Within the State - Special	1,392,596	(9,739)	1,382,857	1,382,857	-
Tuition Private Schools Within the State - Disabilities	786,367	61,148	847,515	771,779	75,736
Tuition State Facilities	40,270		40,270	40,270	-
Total Undistributed Expenditures - Instruction	<u>7,539,941</u>	<u>9,405</u>	<u>7,549,346</u>	<u>7,471,130</u>	<u>78,216</u>
 Undistributed Expenditures - Attendance and Social Work:					
Attendance - Salaries	17,613	500	18,113	18,113	-
Total Undistributed Expenditures - Attendance and Social Work	<u>17,613</u>	<u>500</u>	<u>18,113</u>	<u>18,113</u>	<u>-</u>
 Undistributed Expenditures - Health Services:					
Salaries	130,850	(19,584)	111,266	106,814	4,452
Purchased Professional and Technical Services	1,220		1,220	199	1,021
Supplies and Materials	6,620	2,420	9,040	7,230	1,810
Total Undistributed Expenditures - Health Services	<u>138,690</u>	<u>(17,164)</u>	<u>121,526</u>	<u>114,243</u>	<u>7,283</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Other Support Services - Students - Related Services:					
Salaries	167,504	1,584	169,088	169,088	-
Purchased Professional - Educational Services	191,200	(26,705)	164,495	103,993	60,502
Supplies and Materials	6,000	201	6,201	1,016	5,185
Total Undistributed Expenditures - Other Support Services Students - Related Services	<u>364,704</u>	<u>(24,920)</u>	<u>339,784</u>	<u>274,097</u>	<u>65,687</u>
Undistributed Expenditures - Other Support Services - Students - Extra Services:					
Salaries	124,478	(206)	124,272	92,311	31,961
Purchased Professional Educational Services	60,000		60,000	52,909	7,091
Supplies and Materials		206	206	206	-
Total Undistributed Expenditures - Other Support Services - Students - Extra Services	<u>184,478</u>	<u></u>	<u>184,478</u>	<u>145,426</u>	<u>39,052</u>
Undistributed Expenditures - Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	<u>102,075</u>	<u>(20,890)</u>	<u>81,185</u>	<u>80,066</u>	<u>1,119</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Other Support Services - Students - Special:					
Salaries of Other Professional Staff	261,776	35,969	297,745	297,099	646
Salaries of Secretarial and Clerical Assistants	44,817		44,817	44,817	-
Other Purchased Services	3,520		3,520	2,668	852
Supplies and Materials	4,000	1,152	5,152	3,085	2,067
Other Objects	3,500		3,500	2,496	1,004
Total Undistributed Expenditures - Other Support Services - Students - Special	<u>317,613</u>	<u>37,121</u>	<u>354,734</u>	<u>350,165</u>	<u>4,569</u>
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries -Supervisor of Instruction	44,280		44,280	44,274	6
Salaries- Other Professional Staff	6,000	3,000	9,000	8,239	761
Purchased Professional Educational Services	1,000		1,000	565	435
Other Purchased Services	-	22	22	22	-
Supplies and Materials	2,500	(22)	2,478	12	2,466
Total Undistributed Expenditures - Imp. of Instructional Svcs.	<u>53,780</u>	<u>3,000</u>	<u>56,780</u>	<u>53,112</u>	<u>3,668</u>
Undistributed Expenditures - Educational Media Services/ School Library:					
Other Salaries for Instruction	95,880		95,880	95,400	480
Purchased Professional and Technical Services	22,797		22,797	12,375	10,422
Supplies and Materials	29,790	17,814	47,604	20,641	26,963
Total Undistributed Expenditures - Educational Media Services/School Library	<u>148,467</u>	<u>17,814</u>	<u>166,281</u>	<u>128,416</u>	<u>37,865</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional Educational Services	10,875	(3,000)	7,875	2,967	4,908
Total Undistributed Expenditures - Instructional Staff Training Services	<u>10,875</u>	<u>(3,000)</u>	<u>7,875</u>	<u>2,967</u>	<u>4,908</u>
Undistributed Expenditures - Support Services - General Admin.:					
Salaries	226,837	19,151	245,988	245,988	-
Legal Services	20,000	(427)	19,573	13,420	6,153
Audit Fees	10,000	(970)	9,030	9,000	30
Architectural/Engineering Services		829	829	829	-
Purchased Technical Services	4,100	240	4,340	4,340	-
Communications/Telephone	11,650	(3,883)	7,767	2,410	5,357
Travel	300		300		300
Miscellaneous Purchase Services	2,000	5,545	7,545	7,159	386
General Supplies	2,000	(278)	1,722	1,247	475
Board of Education-Membership Fees & Dues	9,100	(559)	8,541	8,541	-
Miscellaneous Expenditures	4,350	700	5,050	3,956	1,094
Total Undistributed Expenditures - Support Services - General Administration	<u>290,337</u>	<u>20,348</u>	<u>310,685</u>	<u>296,890</u>	<u>13,795</u>
Undistributed Expenditures - Support Services - School Admin.:					
Salaries of Principals/Assistant Principals	116,488	(790)	115,698	115,698	-
Salaries of Secretarial and Clerical Assistants	90,941	790	91,731	91,438	293
Other Salaries	4,500		4,500	2,250	2,250
Other Purchased Services (400-500 Series)	3,500	(1,572)	1,928	242	1,686
Supplies and Materials	4,000	6,093	10,093	6,169	3,924
Other Objects	3,695	(900)	2,795	2,355	440
Total Undistributed Expenditures - Support Services - School Administration	<u>223,124</u>	<u>3,621</u>	<u>226,745</u>	<u>218,152</u>	<u>8,593</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

Sheet 8 of 12

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Central Services:					
Salaries	114,337	(17,000)	97,337	95,472	1,865
Purchased Professional Services	31,500	3,413	34,913	30,000	4,913
Miscellaneous Purchased Services	100		100		100
Supplies and Materials	6,000	107	6,107	2,607	3,500
Miscellaneous Expenditures	550	54	604	604	-
Total Undistributed Expenditures - Central Services	<u>152,487</u>	<u>(13,426)</u>	<u>139,061</u>	<u>128,683</u>	<u>10,378</u>
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	87,873	(3,375)	84,498	84,214	284
Cleaning, Repair and Maintenance Services	126,500	31,886	158,386	138,518	19,868
General Supplies	3,000	(3,000)	-		-
Total Undistributed Expenditures - Required Maintenance - School Facilities	<u>217,373</u>	<u>25,511</u>	<u>242,884</u>	<u>222,732</u>	<u>20,152</u>
Undistributed Expenditures - Other Operations and Maintenance of Plant:					
Salaries	192,548	29,273	221,821	221,096	725
Legal Salaries	88,083	39,587	127,670	126,633	1,037
Purchased Professional and Technical Services	3,000	815	3,815	3,815	-
Cleaning, Repair and Maintenance Services	6,450	327	6,777	5,001	1,776
Other Purchased Property Services	15,686	(5,000)	10,686	8,778	1,908
Miscellaneous Purchased Services		3,957	3,957		3,957
Insurance	89,000	18,328	107,328	107,328	-
General Supplies	65,000	(8,821)	56,179	50,437	5,742
Energy/Electricity	145,000		145,000	127,293	17,707
Energy- Gasoline	4,000	(1,675)	2,325	1,732	593
Energy-Natural Gas	60,000	12,500	72,500	68,019	4,481
Other Objects	13,000	(7,288)	5,712	3,623	2,089
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	<u>681,767</u>	<u>82,003</u>	<u>763,770</u>	<u>723,755</u>	<u>40,015</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Care & Upkeep of Grounds:					
Salaries	<u>27,642</u>	<u>(10,091)</u>	<u>17,551</u>	<u>17,551</u>	<u>-</u>
Undistributed Expenditures - Security					
Salaries	<u>31,053</u>	<u>502</u>	<u>31,555</u>	<u>31,555</u>	<u>-</u>
Total Undistributed Expenditures - Security	<u>31,053</u>	<u>502</u>	<u>31,555</u>	<u>31,555</u>	<u>-</u>
Total Undistributed Expenditures - Operations and Maintenance of Plant	<u>957,835</u>	<u>97,925</u>	<u>1,055,760</u>	<u>995,593</u>	<u>60,167</u>
Undistributed Expenditures - Student Transportation Services:					
Salaries Between Home and School - Regular	4,000	2,022	6,022	6,022	-
Salaries Between Home and School - Special	29,506	(2,022)	27,484	25,567	1,917
Contracted Services (Between Home & School) Jointures	554,500	26,700	581,200	581,200	-
Contracted Services (Spec. Ed.) - Vendors	120,000	24,942	144,942	134,485	10,457
Contracted Services (Between Home & School) Special Education - Jointures	128,050	9,300	137,350	137,350	-
Contracted Services - Aid in Lieu	5,000	8,197	13,197	9,198	3,999
Total Undistributed Expenditures - Student Transportation Services	<u>841,056</u>	<u>69,139</u>	<u>910,195</u>	<u>893,822</u>	<u>16,373</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Employee Benefits:					
Social Security Benefits	135,000	54,099	189,099	175,964	13,135
Other Retirement Benefits-PERS	241,000	89,433	330,433	321,383	9,050
Workman's Compensation	100,000	(20,446)	79,554	79,259	295
Unemployment		12,150	12,150	12,800	(650)
Health Benefits	1,652,848	(169,355)	1,483,493	1,336,063	147,430
Other Employee Benefits	25,000	48,846	73,846	73,846	-
Tuition Reimbursement	26,000		26,000	12,297	13,703
Total Undistributed Expenditures Unallocated Benefits	<u>2,179,848</u>	<u>14,727</u>	<u>2,194,575</u>	<u>2,011,612</u>	<u>182,963</u>
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	414,991	(414,991)
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (Non-Budgeted)			-	1,579,729	(1,579,729)
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability			-	613	(613)
Reimbursed T.P.A.F. Social Security Contributions Non-Budgeted			-	303,672	(303,672)
Total Non-Budgeted Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,299,005</u>	<u>(2,299,005)</u>
Total Undistributed Expenditures	<u>13,522,923</u>	<u>194,200</u>	<u>13,717,123</u>	<u>15,481,492</u>	<u>(1,764,369)</u>
Total Current Expense	<u>16,974,709</u>	<u>110,290</u>	<u>17,084,999</u>	<u>17,926,379</u>	<u>(841,380)</u>

OCEAN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 11 of 12

GENERAL FUND

JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay:					
Regular Programs - Instruction:					
SDA Debt Service Assessment	1,197		1,197	1,197	-
Total Equipment	1,197	-	1,197	1,197	-
Total Capital Outlay	1,197	-	1,197	1,197	-
Total Expenditures	16,975,906	110,290	17,086,196	17,927,576	(841,380)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,348,270)	(110,290)	(1,458,560)	1,851,731	3,310,291
Other Financing Sources (Uses):					
Transfer to Latchkey Program		4,000	4,000		4,000
Transfer to Fund 20 Preschool Contribution	115,401	5,865	121,266	(121,266)	242,532
Total Other Financing Sources (Uses)	115,401	9,865	125,266	(121,266)	246,532
Total Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	(1,232,869)	(100,425)	(1,333,294)	1,730,465	3,556,823
Fund Balance, July 1	5,007,158		5,007,158	5,007,158	-
Fund Balance, June 30	\$ 3,774,289	(100,425)	3,673,864	6,737,623	3,556,823

OCEAN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-1
Sheet 12 of 12

GENERAL FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Maintenance Reserve				\$ 410,872	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				150,000	
Capital Reserve				1,352,158	
Excess Surplus - Current Year				1,012,790	
Excess Surplus - Designated for Subsequent Year's Expenditures				882,850	
Designated for Subsequent Year's Expenditures buy the BOE				838,015	
Committed Fund Balance:					
Year End Encumbrances				87,429	
Unemployment Compensation				54,169	
Unassigned Fund Balance				<u>1,949,340</u>	
				6,737,623	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis				<u>(234,254)</u>	
Fund Balance per Governmental Funds (GAAP)				<u><u>\$ 6,503,369</u></u>	

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

Sheet 1 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ 73,460		73,460	73,460	-
State Sources:					
Preschool Education Aid	1,374,348		1,374,348	1,374,348	-
Federal Sources:					
Title I, Part A	271,498		271,498	271,498	-
Title IIA	44,861		44,861	44,861	-
Title IV	8,145		8,145	8,145	-
IDEA Part B, Basic	206,961		206,961	206,961	-
IDEA Part B, Preschool	7,710		7,710	7,710	-
CRRSA - Mental Health	21,554		21,554	21,554	-
CRRSA - Accelerated Learning	28,701		28,701	28,701	-
CRRSA - ESSER II	93,659		93,659	93,659	-
ARP ESSER II	945,169		945,169	945,169	-
ARP - Accelerated Learning	2,149		2,149	2,149	-
ARP - Summer	40,000		40,000	40,000	-
ARP - Beyond School	40,000		40,000	40,000	-
ARP - Mental Health	33,114		33,114	33,114	-
Total Federal Sources	1,743,521	-	1,743,521	1,743,521	-
Total Revenues	3,191,329	-	3,191,329	3,191,329	-
Expenditures:					
Instruction:					
Salaries of Teachers	1,484,596		1,484,596	1,484,596	-
Other Salaries for Instruction	269,290		269,290	269,290	-
General Supplies	150,416		150,416	150,416	-
Other Purchased Services	233,874		233,874	233,874	-
Total Instruction	2,138,176	-	2,138,176	2,138,176	-

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

Sheet 2 of 2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Salaries of Program Directors	31,317		31,317	31,317	-
Other Salaries	114,137		114,137	114,137	-
Salaries of Teachers	21,554		21,554	21,554	-
Salaries of Master Teachers	58,177		58,177	58,177	-
Employee Benefits	802,496		802,496	802,496	-
Other Purchased Services	10,445		10,445	10,445	-
Student Activities	4,376		4,376	4,376	-
Total Support Services	<u>1,042,502</u>	<u>-</u>	<u>1,042,502</u>	<u>1,042,502</u>	<u>-</u>
Facilities, Acquisition and Construction Services:					
Instructional Equipment	<u>6,696</u>	<u>-</u>	<u>6,696</u>	<u>6,696</u>	<u>-</u>
Total Expenditures	<u>3,187,374</u>	<u>-</u>	<u>3,187,374</u>	<u>3,187,374</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,955</u>	<u>-</u>	<u>3,955</u>	<u>3,955</u>	<u>-</u>
Fund Balance, July 1				<u>4,440</u>	
Fund Balance, June 30				<u>\$ 8,395</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 8,395</u>	
Total Fund Balance				<u>\$ 8,395</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit C-3

REQUIRED SUPPLEMENTARY INFORMATION

BUDGET-TO-GAAP RECONCILIATION

NOTE TO RSI

JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (budgetary) "revenues" from the budgetary comparison schedule	\$ 19,779,307	3,191,329
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		102,474
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	357,053	94,342
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	<u>(234,254)</u>	<u>(137,435)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.	<u>\$ 19,902,106</u>	<u>3,250,710</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 17,927,576	3,187,374
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>102,474</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 17,927,576</u>	<u>3,289,848</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

Exhibit L-1

NET PENSION LIABILITY - PERS

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.01854%	0.01744%	0.01765%	0.01651%	0.01788%	0.02092%	0.01859%	0.01815%	0.01786%	0.01706%
District's Proportionate Share of the Net Pension Liability	<u>\$ 2,822,112</u>	<u>\$ 2,088,479</u>	<u>2,900,732</u>	<u>2,995,994</u>	<u>3,521,131</u>	<u>6,755,887</u>	<u>5,507,162</u>	<u>4,075,034</u>	<u>3,344,465</u>	<u>3,259,576</u>
District's Covered-Employee Payroll	\$ 1,265,258	\$ 1,182,804	1,282,142	1,222,941	1,186,453	1,222,477	1,215,177	1,272,368	914,319	956,085
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	44.83%	56.63%	44.20%	40.82%	33.70%	18.09%	22.07%	31.22%	27.34%	29.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.41%	42.90%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 255,716	203,246	168,610	184,479	169,839	169,553	169,553	147,546	128,507	147,395
Contributions in Relation to the Contractually Required Contribution	<u>255,716</u>	<u>203,246</u>	<u>168,610</u>	<u>184,479</u>	<u>169,839</u>	<u>169,553</u>	<u>169,553</u>	<u>147,546</u>	<u>128,507</u>	<u>147,395</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 1,265,258	1,182,804	1,282,142	1,222,941	1,186,453	1,222,477	1,215,177	1,272,368	914,319	956,085
Contributions as a Percentage of Covered-Employee Payroll	20.21%	17.18%	13.15%	15.08%	14.31%	13.87%	13.95%	11.60%	14.05%	15.42%

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

Exhibit L-3

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability	\$ -	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>20,699,802</u>	<u>19,041,166</u>	<u>26,443,153</u>	<u>24,238,944</u>	<u>25,876,334</u>	<u>27,941,872</u>	<u>32,037,804</u>	<u>25,824,667</u>	<u>21,924,949</u>	<u>20,709,570</u>
Total	<u>\$ 20,699,802</u>	<u>19,041,166</u>	<u>26,443,153</u>	<u>24,238,944</u>	<u>25,876,334</u>	<u>27,941,872</u>	<u>32,037,804</u>	<u>25,824,667</u>	<u>21,924,949</u>	<u>20,709,570</u>
District's Covered-Employee Payroll	\$ 4,285,512	4,340,004	4,496,630	4,260,275	4,356,738	4,162,106	4,189,531	4,210,789	3,246,108	4,054,311
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	20.70%	22.79%	17.00%	17.58%	16.84%	14.90%	13.08%	16.31%	14.81%	19.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.39%	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

L-4

This schedule is not applicable.

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

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

OCEAN TOWNSHIP SCHOOL DISTRICT**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 2023**Public Employee's Retirement System (PERS)**

Changes in Benefit Terms – None

Changes in Assumptions – The discount rate remained at 7.00% as of June 30, 2021, and as of June 30, 2022, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None

Changes in Assumption – The discount rate remained at 7.00% as of June 30, 2021, and as of June 30, 2022, in accordance with Paragraph 44 of GASB Statement No. 67.

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

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit M-1

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST SEVEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	\$ -	-	-	-	-	-	-
<u>State's OPEB Liability Attributable to the District</u>							
Service Cost	\$ 1,414,074	1,600,973	877,701	850,863	970,660	1,164,013	*
Interest	716,558	808,867	748,285	933,761	983,254	843,770	*
Change of Benefit Terms		(33,188)					*
Benefit Payments	(709,772)	(637,160)	(604,987)	(638,273)	(630,630)	(620,659)	*
Member Contributions	22,770	20,679	18,337	18,920	21,796	22,854	*
Difference between Expected and Actual Experience	1,667,642	(5,361,041)	6,571,208	(4,266,679)	(1,850,896)		*
Change of Assumptions	(7,253,404)	30,762	6,347,823	310,021	(2,706,390)	(3,352,455)	*
Net Change in Total OPEB Liability	(4,142,132)	(3,570,108)	13,958,367	(2,791,387)	(3,212,206)	(1,942,477)	*
Total Attributable OPEB Liability - Beginning	<u>31,180,944</u>	<u>34,751,052</u>	<u>20,792,685</u>	<u>23,584,072</u>	<u>26,796,278</u>	<u>28,738,755</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 27,038,812</u>	<u>31,180,944</u>	<u>34,751,052</u>	<u>20,792,685</u>	<u>23,584,072</u>	<u>26,796,278</u>	<u>28,738,755</u>
District's Covered Payroll	\$ 5,550,770	5,522,808	5,778,772	5,483,216	5,543,191	5,384,583	5,404,708
District's Contribution	None	None	None	None	None	None	None
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of the District's Covered-Employee Payroll	487.12%	564.58%	601.36%	379.21%	425.46%	497.65%	531.74%

* - Information not available

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

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

OCEAN TOWNSHIP SCHOOL DISTRICTNOTES TO REQUIRED SUPPLEMENTARY INFORMATIONFOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit M-2

Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements.

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2021 to June 30, 2022 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit E-1
Sheet 1 of 2

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

JUNE 30, 2023

	<u>Title I</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Title IIA</u>	<u>Title IV</u>	<u>Preschool Education Aid</u>	<u>CRRSA ESSER II</u>	<u>CRRSA Accelerated Learning</u>	<u>CRRSA Mental Health</u>
Revenues:									
Local Sources	\$ -					65,129			
Federal Sources	271,498	206,961	7,710	44,861	8,145		93,659	28,701	21,554
State Sources						1,374,348			
Total Revenues	<u>271,498</u>	<u>206,961</u>	<u>7,710</u>	<u>44,861</u>	<u>8,145</u>	<u>1,439,477</u>	<u>93,659</u>	<u>28,701</u>	<u>21,554</u>
Expenditures:									
Instruction:									
Salaries of Teachers	164,588			29,708		518,221	93,659		
Other Salaries for Instruction			6,800			262,490			
General Supplies	18,886		390			50,117		28,701	
Other Purchased Services		206,961							
Total Instruction	<u>183,474</u>	<u>206,961</u>	<u>7,190</u>	<u>29,708</u>	<u>-</u>	<u>830,828</u>	<u>93,659</u>	<u>28,701</u>	<u>-</u>
Support Services:									
Salaries of Program Directors						31,317			
Salaries of Master Teachers						58,177			
Salaries of Community Parent Involvement						17,304			
Salaries of Teachers									21,554
Other Salaries						38,948			
Salaries of Secretarial and Clerical						19,455			
Salaries of Other Professional Staff						36,434			
Employee Benefits	85,724		520	15,153		400,318			
Purchased Technical Services	2,100				8,145				
Other Purchased Services	200								
Student Activities									
Total Support Services	<u>88,024</u>	<u>-</u>	<u>520</u>	<u>15,153</u>	<u>8,145</u>	<u>601,953</u>	<u>-</u>	<u>-</u>	<u>21,554</u>
Facilities Acquisition and Construction Services:									
Instructional Equipment						6,696			
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,696</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>271,498</u>	<u>206,961</u>	<u>7,710</u>	<u>44,861</u>	<u>8,145</u>	<u>1,439,477</u>	<u>93,659</u>	<u>28,701</u>	<u>21,554</u>
Fund Balance, July 1									
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit E-1
Sheet 2 of 2

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

JUNE 30, 2023

	<u>ARP ESSER II</u>	<u>ARP Accelerated Learning</u>	<u>ARP Summer</u>	<u>ARP Beyond School</u>	<u>ARP Mental Health</u>	<u>Student Activity</u>	<u>Total</u>
Revenues:							
Local Sources						8,331	73,460
Federal Sources	945,169	2,149	40,000	40,000	33,114		1,743,521
State Sources							1,374,348
Total Revenues	945,169	2,149	40,000	40,000	33,114	8,331	3,191,329
Expenditures:							
Instruction:							
Salaries of Teachers	606,719		10,000	40,000	21,701		1,484,596
Other Salaries for Instruction							269,290
General Supplies	50,000		2,322				150,416
Other Purchased Services			26,913				233,874
Total Instruction	656,719	-	39,235	40,000	21,701	-	2,138,176
Support Services:							
Salaries of Program Directors							31,317
Salaries of Master Teachers							58,177
Salaries of Community Parent Involvement							17,304
Salaries of Teachers							21,554
Other Salaries		1,996					40,944
Salaries of Secretarial and Clerical							19,455
Salaries of Other Professional Staff							36,434
Employee Benefits	288,450	153	765		11,413		802,496
Purchased Technical Services							10,245
Other Purchased Services							200
Student Activities						4,376	4,376
Total Support Services	288,450	2,149	765	-	11,413	4,376	1,042,502
Facilities Acquisition and Construction Services:							
Instructional Equipment							6,696
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	6,696
Total Expenditures	945,169	2,149	40,000	40,000	33,114	4,376	3,187,374
Fund Balance, July 1						4,440	4,440
Fund Balance, June 30	-	-	-	-	-	8,395	8,395

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit E-2

SPECIAL REVENUE FUNDPRESCHOOL EDUCATION AIDSCHEDULE OF EXPENDITURESBUDGETARY BASISFOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 539,506	518,221	21,285
Other Salaries for Instruction	262,490	262,490	-
Purchased Professional Educational Services	18,450		18,450
General Supplies	51,415	50,118	1,297
Total Instruction	<u>871,861</u>	<u>830,829</u>	<u>41,032</u>
Support Services:			
Salaries of Program Directors	31,317	31,317	-
Salaries of Other Professional Staff	36,434	36,434	-
Salaries of Secretarial and Clerical Staff	19,455	19,455	-
Other Salaries	38,948	38,948	-
Salaries of Family\Parent Liaison Specialists	17,304	17,304	-
Salaries of Master Teachers	58,177	58,177	-
Personal Services - Employee Benefits	402,118	400,318	1,800
Total Support Services	<u>603,753</u>	<u>601,953</u>	<u>1,800</u>
Facilities Acquisition and Construction Services			
Instructional Equipment	<u>20,000</u>	<u>6,695</u>	<u>13,305</u>
Total Expenditures	<u>\$ 1,495,614</u>	<u>1,439,477</u>	<u>56,137</u>

Calculation of Budget and Carryover

Total 2022-2023 Preschool Education Aid Allocation	\$ 1,374,348
Transfer from General Fund	121,266
Actual ECPA Carryover (June 30, 2022)	60,025
Total Funds available for 2022-2023 Budget	<u>1,555,639</u>
Less: Budgeted 2022-2023 Preschool Education Aid	<u>(1,495,614)</u>
Available and Unbudgeted at June 30, 2023 Preschool Education Aid	\$ 60,025
Add: 2022-2023 Unexpended Preschool Education Aid	<u>56,137</u>
2022-2023 Actual Carryover Preschool Education Aid	<u>\$ 116,162</u>
2022-2023 Carryover Budgeted in 2023-2024 Preschool Education Aid	<u>\$ -</u>

CAPITAL PROJECTS FUND – F

OCEAN TOWNSHIP SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGESIN FUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2023

Expenditures:	
Construction Services	\$ 316,180
	<hr/>
Excess Revenues Over/(Under) Expenditures	(316,180)
Fund Balance - Beginning	604,328
	<hr/>
Fund Balance - Ending	\$ 288,148
	<hr/> <hr/>

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISWARETOWN ELEMENTARY SCHOOL HAVC PROJECTFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Transfer from General - Capital Reserve	\$ 243,600		243,600	243,600
SDA Grants	162,400		162,400	162,400
Total Revenues	<u>406,000</u>	<u>-</u>	<u>406,000</u>	<u>406,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	32,752		32,752	32,752
Construction Services	312,877		312,877	312,877
Total Expenditures	<u>345,629</u>	<u>-</u>	<u>345,629</u>	<u>345,629</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>\$ 60,371</u>	<u>-</u>	<u>60,371</u>	<u>-</u>

Additional Project Information

Project Number	3820-050-14-1002
Grant Date	4/7/2014
Original Authorized Cost	\$ 406,000
Additional Authorized Cost	-
Revised Authorized Cost	406,000
Percentage Increase Over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	2014
Revised Target Completion Date	2016

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit F-1b

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISWARETOWN ELEMENTARY SCHOOL EMERGENCY GENERATOR PROJECTFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Transfer from General - Capital Reserve	\$ 105,000		105,000	
SDA Grants	70,000		70,000	
Total Revenues	<u>175,000</u>	<u>-</u>	<u>175,000</u>	<u>-</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	13,500		13,500	
Construction Services	161,200		26,144	
Total Expenditures	<u>174,700</u>	<u>-</u>	<u>39,644</u>	<u>-</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>\$ 300</u>	<u>-</u>	<u>135,356</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number		3820-050-14-1003		
Grant Date		4/7/2014		
Original Authorized Cost		\$ 175,000		
Additional Authorized Cost		-		
Revised Authorized Cost		175,000		
Percentage Increase Over Original Authorized Cost				
Percentage Completion		100%		
Original Target Completion Date		2014		
Revised Target Completion Date		2016		

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit F-1c

CAPITAL PROJECTS FUND**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,****AND PROJECT STATUS - BUDGETARY BASIS****FREDERICK A. PRIFF ELEMENTARY SCHOOL****EMERGENCY GENERATOR REPLACEMENT PROJECT****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Transfer from General - Capital Reserve	\$ 48,000		48,000	48,000
SDA Grants	32,000		32,000	32,000
Total Revenues	<u>80,000</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	6,200		6,200	6,200
Construction Services	73,800		73,605	73,800
Total Expenditures	<u>80,000</u>	<u>-</u>	<u>79,805</u>	<u>80,000</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>195</u>	<u>-</u>

Additional Project Information

Project Number	3820-030-14-1001
Grant Date	4/7/2014
Original Authorized Cost	\$ 80,000
Additional Authorized Cost	-
Revised Authorized Cost	80,000
Percentage Increase Over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	2014
Revised Target Completion Date	2016

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit F-1d

CAPITAL PROJECTS FUND**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,****AND PROJECT STATUS - BUDGETARY BASIS****PRESCHOOL BATHROOM RENOVATION PROJECT****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Transfer from General - Capital Reserve	\$ 157,000		157,000	157,000
Total Revenues	<u>157,000</u>	<u>-</u>	<u>157,000</u>	<u>157,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	22,049	1,451	23,500	50,000
Construction Services		107,000	107,000	107,000
Total Expenditures	<u>22,049</u>	<u>108,451</u>	<u>130,500</u>	<u>157,000</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>\$ 134,951</u>	<u>(108,451)</u>	<u>26,500</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number		N/A		
Grant Date		N/A		
Original Authorized Cost		\$ 157,000		
Additional Authorized Cost		-		
Revised Authorized Cost		157,000		
Percentage Increase Over Original Authorized Cost				
Percentage Completion		14%		
Original Target Completion Date		2022		
Revised Target Completion Date		2022		

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit F-1e

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

INTERCOM SYSTEM PROJECT

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Transfer from General - Capital Reserve	250,000		250,000	250,000
Total Revenues	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	695		695	36,641
Construction Services		183,579	183,579	213,359
Total Expenditures	<u>695</u>	<u>183,579</u>	<u>184,274</u>	<u>250,000</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>\$ 249,305</u>	<u>(183,579)</u>	<u>65,726</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number		N/A		
Grant Date		N/A		
Original Authorized Cost		\$ 250,000		
Additional Authorized Cost		-		
Revised Authorized Cost		250,000		
Percentage Increase Over Original Authorized Cost				
Percentage Completion		1%		
Original Target Completion Date		2022		
Revised Target Completion Date		2022		

OCEAN TOWNSHIP SCHOOL DISTRICT**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**

Exhibit F-1f

AND PROJECT STATUS - BUDGETARY BASIS**SECURITY GRANT PROJECT****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
SDA Grant	\$ 24,150		24,150	
Total Revenues	<u>24,150</u>	<u>-</u>	<u>24,150</u>	<u>-</u>
<u>Expenditures and Other Financing Uses</u>				
Non-Instructional Equipment		24,150	24,150	
Total Expenditures	<u>-</u>	<u>24,150</u>	<u>24,150</u>	<u>-</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>\$ 24,150</u>	<u>(24,150)</u>	<u>-</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number		N/A		
Grant Date		N/A		
Original Authorized Cost		\$ 24,150		
Additional Authorized Cost		-		
Revised Authorized Cost		24,150		
Percentage Increase Over Original Authorized Cost				
Percentage Completion		0%		
Original Target Completion Date		2022		
Revised Target Completion Date		2023		

PROPRIETARY FUNDS – G

OCEAN TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION

Exhibit G-1

PROPRIETARY FUNDS

JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		Totals
	Food Service	Latch Key Program	
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 170,389	20,921	191,310
Accounts Receivable:			
State	328		328
Federal	10,955		10,955
Inventories	6,972		6,972
Total Current Assets	<u>188,644</u>	<u>20,921</u>	<u>209,565</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	188,304		188,304
Less: Accumulated Depreciation	(164,164)		(164,164)
Total Noncurrent Assets	<u>24,140</u>	<u>-</u>	<u>24,140</u>
Total Assets	<u>\$ 212,784</u>	<u>20,921</u>	<u>233,705</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 6,942		6,942
Total Liabilities	<u>\$ 6,942</u>	<u>-</u>	<u>6,942</u>
<u>Net Position</u>			
Invested in Capital Assets Net of Related			
Debt	\$ 24,140		24,140
Unrestricted	181,702		181,702
Reserve for Latch Key		20,921	20,921
Total Net Position	<u>\$ 205,842</u>	<u>20,921</u>	<u>226,763</u>

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND**CHANGES IN FUND NET POSITION****PROPRIETARY FUNDS****JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds		Totals
	Food Service	Latch Key Program	
Operating Revenues:			
Charge for Services:			
Daily Sales - Reimbursable Programs	\$ 112,747		112,747
Daily Sales - Non Reimbursable Programs	4,698		4,698
Community Service Functions		192,374	192,374
Total Operating Revenues	117,445	192,374	309,819
Operating Expenses:			
Cost of Sales - Reimbursable Programs	183,527		183,527
Cost of Sales - Non Reimbursable Programs	7,647		7,647
Salaries	108,817	176,786	285,603
Management Fee	2,853		2,853
General Supplies	1,962	1,624	3,586
Depreciation	2,158		2,158
Miscellaneous		180	180
Other Purchased Professional Services	23,647	1,800	25,447
Total Operating Expenses	330,611	180,390	511,001
Operating Income (Loss)	(213,166)	11,984	(201,182)
Nonoperating Revenues (Expenses):			
Interest Revenue	2,300		2,300
State Sources:			
State School Lunch Program	4,645		4,645
State Breakfast Program	242		242
Federal Sources:			
National Breakfast Program	32,008		32,008
National School Lunch Program	132,087		132,087
HHFKA Program	4,122		4,122
Supply Chain Grant	37,781		37,781
Food Distribution Program	16,015		16,015
Total Nonoperating Revenues (Expenses)	229,200	-	229,200
Change in Net Position	16,034	11,984	28,018
Total Net Position - Beginning	189,808	8,937	198,745
Total Net Position - Ending	\$ 205,842	20,921	226,763

OCEAN TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS

Exhibit G-3

PROPRIETARY FUNDS

JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		Totals
	Food Service	Latch Key Program	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 117,445	192,374	309,819
Payments to Employees	(108,817)	(176,786)	(285,603)
Payments to Suppliers	(177,430)	(3,604)	(181,034)
Net Cash Provided (Used by) Operating Activities	<u>(168,802)</u>	<u>11,984</u>	<u>(156,818)</u>
Cash Flows from Noncapital Financing Activities:			
State and Federal Sources	210,885		210,885
Net Cash Provided (Used by) Noncapital Financing Activities	<u>210,885</u>	<u>-</u>	<u>210,885</u>
Cash Flows from Investing Activities			
Interest	2,300	-	2,300
Net Increase (Decrease) in Cash & Cash Equivalents	44,383	11,984	56,367
Balances - Beginning of Year	<u>126,006</u>	<u>8,937</u>	<u>134,943</u>
Balances - End of Year	<u>\$ 170,389</u>	<u>20,921</u>	<u>191,310</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (213,166)	11,984	(201,182)
Depreciation	2,158		2,158
Federal Commodities	16,015		16,015
(Increase) Decrease in Accounts Receivable	19,985		19,985
(Increase) Decrease in Inventories	(736)		(736)
Increase (Decrease) in Accounts Payable	6,942		6,942
Net Cash Provided (Used by) Operating Activities	<u>\$ (168,802)</u>	<u>11,984</u>	<u>(156,818)</u>

FIDUCIARY FUND – H

N/A

LONG-TERM DEBT – I

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit I-1

LONG-TERM DEBT

SCHEDULE OF SERIAL BONDS

JUNE 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>				
Refunding -2015	7/15/15	\$ 6,010,000	1/15/24	620,000	3.000%	\$ 3,210,000	605,000	2,605,000
			1/15/25	640,000				
			1/15/26	660,000	3.500%			
			1/15/27	685,000				

OCEAN TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 407,914		407,914	407,914	
State Aid:					
Debt Service Aid	299,158		299,158	299,158	
Total Revenues	<u>707,072</u>	<u>-</u>	<u>707,072</u>	<u>707,072</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	103,025		103,025	103,025	-
Redemption of Principal	605,000		605,000	605,000	
Total Expenditures	<u>708,025</u>	<u>-</u>	<u>708,025</u>	<u>708,025</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(953)	-	(953)	(953)	-
Fund Balance July 1	<u>3,119</u>		<u>3,119</u>	<u>3,119</u>	<u>-</u>
Fund Balance June 30	<u>\$ 2,166</u>	<u>-</u>	<u>2,166</u>	<u>2,166</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

Ocean Township Board of Education
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	993,174	1,908,300	1,798,900	2,077,375	2,268,789	2,467,243	2,704,872	3,097,987	3,646,704	3,889,983
Restricted	5,206,294	5,139,663	5,777,654	5,969,425	6,098,015	5,415,871	3,857,884	5,064,179	4,727,886	4,949,557
Unrestricted	(51,716)	(3,835,303)	(3,970,274)	(4,005,892)	(7,275,695)	(4,511,295)	(1,664,204)	(3,339,967)	(2,957,294)	(1,209,208)
Total governmental activities net position	6,147,752	3,212,660	3,606,280	4,040,908	1,091,109	3,371,819	4,898,552	4,822,199	5,417,296	7,630,332
Business-type activities										
Invested in capital assets, net of related debt	17,316	13,685	18,276	17,236	16,196	30,694	29,575	28,456	26,298	24,140
Restricted	42,645	38,228	39,154	35,927		59,670	45,960	39,961	8,937	20,921
Unrestricted	44,737	52,231	30,359	34,723	57,775	(4,336)	11,040	39,896	163,510	181,702
Total business-type activities net position	104,698	104,144	87,789	87,886	73,971	86,028	86,575	108,313	198,745	226,763
District-wide										
Invested in capital assets, net of related debt	1,010,490	1,921,985	1,817,176	2,094,611	2,284,985	2,497,937	2,734,447	3,126,443	3,673,002	3,914,123
Restricted	5,248,939	5,177,891	5,816,808	6,005,352	6,098,015	5,475,541	3,903,844	5,104,140	4,736,823	4,970,478
Unrestricted	(6,979)	(3,783,072)	(3,939,915)	(3,971,169)	(7,217,920)	(4,515,631)	(1,653,164)	(3,300,071)	(2,793,784)	(1,027,506)
Total district net position	6,252,450	3,316,804	3,694,069	4,128,794	1,165,080	3,457,847	4,985,127	4,930,512	5,616,041	7,857,095

Source: ACFR Schedule A-1

Ocean Township Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 2,367,728	2,318,149	2,552,204	2,520,354	2,555,367	2,359,863	2,195,346	2,383,822	1,986,368	1,505,387
Special Education	1,584,781	1,357,740	1,439,622	1,249,238	1,559,488	1,756,660	1,246,815	2,110,328	2,145,684	3,119,297
Other Instruction	373,842	415,414	338,261	643,045	353,285	359,057	265,984	46,537	116,337	9,616
Support Services:										
Tuition	7,151,221	6,789,614	6,255,211	6,757,641	7,818,307	8,406,100	7,737,900	7,699,687	7,415,133	7,471,130
Student & Instruction Related Services	1,080,447	1,126,939	1,193,482	1,260,931	1,323,546	1,318,087	1,187,247	1,818,751	1,946,166	2,260,344
General Administrative Services	263,869	276,858	289,238	269,689	305,475	296,128	269,930	463,084	293,111	425,573
School Administrative Services	225,980	295,614	262,894	237,967	273,589	283,590	400,468	251,389	342,468	218,152
Other Administrative Services										
Plant Operations and Maintenance	989,683	938,616	867,928	963,238	872,602	949,249	957,735	966,769	863,000	995,593
Pupil Transportation	943,013	1,042,749	1,052,621	1,098,653	955,122	897,461	758,517	695,522	794,424	893,822
Business and Other Support Services	144,392	144,425	145,499	147,801	152,043	173,180				
Unallocated Benefits	2,484,976	2,603,044	3,274,660	3,735,571	6,518,371	1,115,082	2,829,518	4,322,661	3,979,352	3,846,172
Capital Outlay	38,771		260,352	1,200	1,197	11,258	-			324,073
Interest on Long-term Debt	297,510	280,917	332,262	89,168	181,344	160,187	146,694	129,838	112,531	94,706
Unallocated Depreciation	321,819	366,257	369,788	390,238	395,456	357,558	362,044	382,424	294,259	361,721
Total Governmental Activities Expenses	18,268,032	17,956,336	18,634,022	19,364,734	23,265,192	18,443,460	18,358,198	21,270,812	20,288,833	21,525,586
Business-type Activities:										
Food Service	312,258	-	-	-	280,747	264,434	76,500	266,591	291,097	330,611
Latch Key	112,863	120,594	(21,986)		132,283	143,755		81,390	179,469	180,390
Total Business-type Activities Expense	425,121	120,594	(21,986)	476,982	413,030	408,189	76,500	347,981	470,566	511,001
Total District Expenses	\$ 18,693,153	18,076,930	18,612,036	19,841,716	23,678,222	18,851,649	18,434,698	21,618,793	20,759,399	22,036,587
Program Revenues										
Governmental activities:										
Charges for services:										
Taxes	\$ 9,944,546	10,143,430	10,224,870	10,415,270	10,779,804	11,318,706	11,622,126	11,854,569	12,091,659	13,173,493
Taxes on Debt Service	414,056	415,021	416,706	409,648	388,022	393,601	409,618	269,924	409,618	407,914
Federal & State Aid Not Restricted	8,749,931	8,268,070	8,439,049	9,028,587	9,037,187	8,953,188	7,873,497	9,247,579	8,312,575	9,984,864
Miscellaneous Income	138,459	242,712	51,957	85,857	160,380	58,675	56,690	63,594	70,078	172,351
Sale of Bonds										
Prior Period Adjustment										
Transfers	(125,000)		(104,940)	(140,000)	(50,000)		(77,000)	(102,442)		
Total Governmental Activities Program Revenues	19,121,992	19,069,233	19,027,642	19,799,362	20,315,393	20,724,170	19,884,931	21,333,224	20,883,930	23,738,622
Business Type Program Revenues				477,079	399,115	420,246	77,047	282,719	560,998	539,019
Change in Net Position										
Governmental Activities	853,960	992,857	393,620	434,628	(2,949,799)	2,280,710	1,526,733	(115,440)	595,097	2,213,036
Business -Type Activities	19,262	(554)	(21,986)	97	(13,915)	12,057	547	21,738	90,432	28,018
Total District	\$ 873,222	992,303	371,634	434,725	(2,963,714)	2,292,767	1,527,280	(93,702)	685,529	2,241,054

Source: ACFR Schedule A-2

Ocean Township Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ 4,247,052	4,374,838	5,305,549	5,719,425	5,641,332	4,969,949	5,630,165	5,064,179	4,245,836	4,788,283
Unreserved	(282,182)	(250,007)	(188,505)	(167,867)	(318,210)	(276,443)	(240,998)	267,121	404,269	1,715,086
Emergency Reserve	450,000	840,019	250,000	250,000	250,000	250,000				
Total general fund	\$ 4,414,870	4,964,850	5,367,044	5,801,558	5,573,122	4,943,506	5,389,167	5,331,300	4,650,105	6,503,369
All Other Governmental Funds										
Reserved										
Capital Projects	\$ 739,640	234,262	205,504	195,922	195,922	195,922	195,922	195,922	604,328	288,148
Debt Service	68		16,601	27,362	10,761				3,119	2,166
Unreserved, reported in:										
Special revenue fund							(107,954)	(95,551)	(89,902)	(129,040)
Capital Reserve fund	-	-	-	-	-	-	-	-	-	-
Maintenance Reserve	-	-	-	-	-	-	-	-	-	-
Debt Service								953		
Total all other governmental funds	\$ 739,708	234,262	222,105	223,284	206,683	195,922	87,968	101,324	517,545	161,274

Source: ACFR Schedule B-1

Ocean Township Board of Education
 Changes in Fund Balances, Governmental Funds,
 Last Ten Fiscal Years

Exhibit J-4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 10,358,602	10,358,602	10,641,576	10,824,918	11,167,826	11,712,307	12,031,744	12,124,493	12,501,277	13,581,407
Tuition charges			137,649	50,425	98,971					
Interest earnings										
Miscellaneous	138,459	138,459	51,957	35,432	61,409	58,675	56,690	63,734	70,078	172,351
State sources	8,390,515	8,390,515	8,411,758	8,594,907	8,588,457	8,477,725	8,219,705	8,469,021	7,552,483	8,057,513
Federal sources	359,416	359,416	372,882	433,680	448,730	475,463	855,841	600,566	760,092	1,927,351
Total revenue	19,246,992	19,246,992	19,615,822	19,939,362	20,365,393	20,724,170	21,163,980	21,257,814	20,883,930	23,738,622
Expenditures										
Instruction										
Regular instruction	2,367,728	2,367,728	2,550,952	2,513,632	2,555,367	2,359,863	2,189,002	2,401,944	1,986,368	1,505,387
Special education instruction	1,584,781	1,584,781	1,439,622	1,249,238	1,559,488	1,756,660	2,037,861	2,138,943	2,145,684	3,119,297
Other instruction	373,842	373,842	656,040	643,045	353,285	359,057	265,984	46,537	116,337	9,616
Support Services:										
Tuition	7,151,221	7,151,221	6,392,860	6,757,641	7,818,307	8,406,100	7,737,900	7,699,687	7,415,133	7,471,130
Student & instruction related services	1,080,447	1,080,447	1,221,294	1,260,931	1,323,546	1,318,087	1,586,585	1,818,751	1,946,166	2,260,344
General administrative services	263,869	263,869	289,238	269,689	305,475	296,128	269,930	463,084	293,111	425,573
School Administrative services	225,980	225,980	262,894	237,967	273,589	283,590	400,468	251,389	342,468	218,152
Plant operations and maintenance	989,683	989,683	867,928	963,238	872,602	949,249	957,735	966,769	1,066,743	995,593
Pupil transportation	943,013	943,013	1,052,621	1,098,653	955,122	897,461	758,517	695,522	794,424	893,822
Business and Other Support Services	144,392	144,392	145,499	147,801	152,043	173,180	-	-	-	-
Unallocated employee benefits	2,469,855	2,469,855	3,140,635	3,336,528	3,617,864	3,827,677	3,779,628	3,871,745	4,282,662	4,310,617
Capital outlay	75,326	75,326	396,263	179,492	73,067	37,270	56,338	176,924	54,233	324,073
Debt service:										
Principal	415,000	415,000	450,000	500,000	515,000	530,000	555,000	570,000	585,000	605,000
Interest and other charges	304,881	304,881	254,999	205,814	185,675	170,225	154,325	137,675	120,575	103,025
Total expenditures	18,390,018	18,390,018	19,120,845	19,363,669	20,560,430	21,364,547	20,749,273	21,238,970	21,148,904	22,241,629
Excess (Deficiency) of revenues over (under) expenditures	856,974	856,974	494,977	575,693	(195,037)	(640,377)	414,707	18,844	(264,974)	1,496,993
Other Financing sources (uses)										
Accounts Payable Cancelled Adjustments			15,060					(15,442)		
Transfers - Food Service	(125,000)	(125,000)	(120,000)	(140,000)	(50,000)		(77,000)	(87,000)		
Total other financing sources (uses)	(125,000)	(125,000)	(104,940)	(140,000)	(50,000)	-	(77,000)	(102,442)	-	-
Net change in fund balances	\$ 731,974	731,974	390,037	435,693	(245,037)	(640,377)	337,707	(83,598)	(264,974)	1,496,993
Debt service as a percentage of noncapital expenditures	3.9%	3.9%	3.8%	3.7%	3.4%	3.3%	3.4%	3.5%	3.5%	3.2%

Source: ACFR Schedule B-2

OCEAN TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 UNAUDITED

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Misc.	Total
2014	\$ 7,149			131,310	138,459
2015		37,647		37,844	75,491
2016		137,649		51,957	189,606
2017		50,425		35,432	85,857
2018		98,971		61,409	160,380
2019				58,675	58,675
2020		20,771		35,919	56,690
2021	9,746	10,912		42,936	63,594
2022	14,992	-		55,086	70,078
2023	14,992	-		157,359	172,351

Source: District Records

Ocean Township Board of Education
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	\$ 50,824,100	1,142,069,800	2,320,200	264,100	63,064,600	925,800	1,259,468,600		1,193,220	1,260,622,320	0.838	0.387
2015	44,663,000	1,165,958,200	3,453,700	271,000	63,060,900	925,800	1,380,678,186	101,148,200	1,227,386	1,279,529,986	0.832	0.432
2016	44,663,000	1,165,958,200	3,453,700	271,000	63,060,900	925,800	1,380,678,186	101,148,200	1,227,386	1,279,529,986	0.833	0.432
2017	33,405,800	1,208,530,500	3,386,100	280,400	63,452,300	925,800	1,419,433,900	109,453,000	1,227,386	1,309,980,900	0.853	0.803
2018	34,038,300	1,213,816,300	3,386,100	280,800	63,603,500	925,800	1,316,039,000	110,158,800		1,305,023,120	0.890	0.379
2019	33,731,900	1,216,267,600	3,386,100	272,500	64,662,900	925,800	1,319,296,800	110,346,400	1,227,386	1,430,093,200	0.912	0.373
2020	32,628,300	1,219,341,300	3,386,400	69,700	63,520,200	925,800	1,319,871,700	120,428,300	1,227,506	1,475,719,403	0.929	0.377
2021	32,489,900	1,220,655,100	4,193,700	67,400	64,610,100	925,800	1,322,942,000	129,161,600		1,452,103,600	0.945	0.376
2022	28,699,600	1,226,518,200	4,193,700	69,200	79,386,700	925,800	1,339,793,200	130,523,900		1,339,793,200	0.951	0.384
2023	28,368,000	1,230,929,500	4,193,700	71,000	89,516,100	925,800	1,354,004,100	130,984,900		1,861,616,585	1.038	0.415

Source: Municipal Tax Assessor

N_c Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies (2012 Data Unavailable)

b Tax rates are per \$100

**Ocean Township Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Ocean Township Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	General Obligation		Total Direct	School District	Ocean Township	Library/Oth er		Ocean County
	Basic Rate ^a	Debt Service ^b						
2014	0.805	0.033	0.838	0.838	0.575	0.040	0.387	1.840
2015	0.799	0.033	0.832	0.832	0.587	0.040	0.423	1.855
2016	0.800	0.033	0.833	0.833	0.629	0.040	0.403	1.905
2017	0.821	0.032	0.853	0.853	0.667	0.040	0.401	1.961
2018	0.860	0.030	0.890	0.890	0.662	0.041	0.379	1.972
2019	0.882	0.030	0.912	0.091	0.681	0.041	0.373	2.068
2020	0.929	0.030	0.959	0.959	0.699	0.042	0.377	2.077
2021	0.915	0.030	0.945	0.945	0.742	0.041	0.409	2.137
2022	0.920	0.031	0.951	0.951	0.766	0.038	0.418	2.173
2023	1.007	0.031	1.038	1.038	0.791	0.039	0.455	2.323

Source: Municipal 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 calcu

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 Board of Education
 Principal Property Tax Payers,
 Latest Available

Exhibit J-8

Taxpayer	As of December 31, 2022	
	Taxable Assessed Value	Rank [Optional]

Information not available at this time

Total	\$ -
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Source: Municipal Tax Assessor

Ocean Township Board of Education
 Property Tax Levies and Collections,
 Last Ten Fiscal Years

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2014	\$ 10,358,602	10,358,602	100.00%
2015	10,558,457	10,558,457	100.00%
2016	10,641,576	10,641,576	100.00%
2017	10,824,918	10,824,918	100.00%
2018	11,712,307	11,712,307	100.00%
2019	12,031,744	12,031,744	100.00%
2020	12,264,187	12,264,187	100.00%
2021	12,124,493	12,124,493	100.00%
2022	12,501,278	12,501,278	100.00%
2023	13,581,407	13,581,407	100.00%

Source: District records including the Certificate and Report of School Taxes

Note: 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 is the amount voted upon or certified prior to the end of the school

Ocean Township Board of Education
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	
2014	\$ 7,220,000		23,327			7,243,327	43,214
2015	6,790,000		16,662			6,806,662	44,381
2016	6,465,000		9,579			6,474,579	46,109
2017	5,965,000		-			5,965,000	50,356
2018	5,450,000		-			5,450,000	51,725
2019	4,920,000		-			4,920,000	53,517
2020	4,365,000		-			4,365,000	57,344
2021	3,795,000		-			3,795,000	N/A
2022	3,210,000		-			3,210,000	N/A
2023	2,605,000		-			2,605,000	N/A

Source: District ACFR Schedules I-1, I-2

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

a See Exhibit NJ J-13 for population data.

Ocean Township Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita Income ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	7,635,000	415,000	7,220,000	0.57%	43,214
2015	7,220,000	430,000	6,790,000	0.53%	44,381
2016	6,790,000	325,000	6,465,000	0.53%	46,109
2017	6,465,000	500,000	5,965,000	0.50%	50,184
2018	5,965,000	515,000	5,450,000	0.41%	51,353
2019	5,450,000	530,000	4,920,000	0.37%	53,139
2020	4,925,000	555,000	4,370,000	0.33%	57,344
2021	4,365,000	570,000	3,795,000	0.28%	N/A
2022	3,795,000	585,000	3,210,000	0.24%	N/A
2023	3,210,000	605,000	2,605,000	0.14%	N/A

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
a See Exhibit NJ J-6 for property tax data.
b Population data can be found in Exhibit NJ J-14.

Ocean Township Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2023

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Ocean Township	31,403,261	100%	\$ 31,403,261
Other debt		0.00%	
Ocean County	577,862,993	1.25%	<u>7,223,287</u>
Subtotal, overlapping debt			38,626,548
Ocean Township School District Direct Debt			<u>2,605,000</u>
Total direct and overlapping debt			<u><u>\$ 41,231,548</u></u>

Sources: Ocean Township Finance Officer, Ocean County Finance Office and Utility Authorities

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 Ocean Township. 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 Board of Education
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Exhibit J-13

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 33,014,695	31,537,060	31,537,060	32,749,520	32,749,500	32,749,500	32,749,500	36,700,461	40,265,300	36,455,102
Total net debt applicable to limit	7,220,000	6,790,000	6,465,000	5,965,000	5,450,000	4,920,000	4,370,000	3,795,000	3,210,000	2,605,000
Legal debt margin	\$ 7,220,000	24,747,060	25,072,060	26,784,520	27,299,500	27,829,500	28,379,500	32,905,461	37,055,300	33,850,102
Total net debt applicable to the limit as a percentage of debt limit										

Source: Abstract of Ratables and District Records ACFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**Ocean Township Board of Education
Demographic and Economic Statistics
Last Ten Years**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2013	8,653	43,214	11.6%
2014	8,658	44,381	8.4%
2015	8,850	46,109	6.8%
2016	9,013	48,578	5.9%
2017	9,013	49,813	5.1%
2018	9,013	51,353	4.9%
2019	9,013	53,139	3.5%
2020	9,161	57,344	9.4%
2021	8,922	N/A	6.4%
2022	9,001	N/A	4.0%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income NJ Department of Education

c Per Capita NJ Department of Education

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Ocean Township Board of Education
 Principal Employers,
 Latest Available

Exhibit J-15

2022			
Employer	Employees	Rank (Optional)	Percentage of Total Employment
	-		0.00%

INFORMATION IS NOT AVAILABLE AT THIS TIME

Source:

This schedule should include the ten largest employers, unless fewer are required to reach 50 percent of total employment.

Ocean Township Board of Education
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years

Exhibit J-16

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Administration	4	4	4	4	4	4	4	4	4	4
Certified Educational Support Staff	3	3	3	3	3	3	3	3	1	1
Instruction	38	38	38	38	38	38	38	38	47	49
Regular	15	15	15	15	15	15	15	15	24	24
Special education										
Support Services:										
Student & instruction related services	20	20	20	20	20	20	20	20	10	10
General administrative services	1	1	1	1	1	1	1	1	1	1
School administrative services	5	5	5	5	5	5	5	5	5	5
Business administrative services	2	2	2	2	2	2	2	2	1	1
Plant operations and maintenance	16	16	16	16	16	16	16	16	9	9
Food Service										
Total	<u>104</u>	<u>104</u>	<u>104</u>	<u>104</u>	<u>104</u>	<u>104</u>	<u>104</u>	<u>104</u>	<u>102</u>	<u>104</u>

Source: District Personnel Records

Ocean Township Board of Education
 Operating Statistics
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment
					Teaching Staff ^b	Elementary			
2014	514	0	0	0.00%	53		519	489	-3.35%
2015	546	0	0	0.00%	53		542	512	4.44%
2016	519	18,401,497	35,456	0.00%	53		522	494	-3.70%
2017	513	18,300,548	35,674	0.00%	53		507	480	-2.90%
2018	488		-	0.00%	53		497	471	-5.00%
2019	507	18,870,072	37,219	0.00%	53		517	492	4.00%
2020	500	18,183,449	36,367	0.00%	53		500	492	0.00%
2021	504	18,983,461	37,666	0.00%	53		504	472	1.00%
2022	504	20,176,302	40,032	0.00%	46		519	480	2.98%
2023	541	21,106,807	39,014	0.00%	49		548	506	5.59%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-2
- 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 Board of Education
 School Building Information
 Last Ten Fiscal Years

Exhibit J-18

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary</u>										
Frederic A. Priff School										
Square Feet	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Capacity (students)	318	318	318	318	318	318	318	318	318	318
Enrollment	209	209	210	201	198	198	198	257	257	256
Waretown Elementary School										
Square Feet	40,002	40,002	40,002	40,002	40,002	30,002	30,002	30,002	30,002	30,002
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment	305	305	312	306	298	309	309	247	262	285
Total Enrollment	514	514	522	507	488	507	500	504	519	541
<u>Other</u>										
Superintendent's Office										
Square Feet	840	840	840	840	840	840	840	840	840	840
Business Office										
Square Fee	840	840	840	840	840	840	840	840	840	840
Maintenance Offices										
Square Feet	840	840	840	840	840	840	840	840	840	840
Latchkey Trailer										
Square Feet	0	0	0	0	0	0	0	0	0	0
Municipal Alliance										
Square Fee	0	0	0	0	0	0	0	0	0	0
Number of Schools at June 30th	2	2	2	2	2	2	2	2	2	2
Elementary = 2										
Other = 5										

Source: District records, ASSA

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

OCEAN TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
 UNAUDITED

Exhibit J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXX

School Facilities	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Frederic Priff School	\$ 117,802	119,666	100,000	95,000	94,974	89,434	91,791	74,690	86,539	73,421
Waretown Elementary School	104,929	132,263	110,407	105,000	104,972	98,965	107,755	87,223	101,093	93,446
Total School Facilities	222,731	251,929	210,407	200,000	199,946	188,399	199,546	161,913	187,632	166,867
Grand Total	\$ 222,731	251,929	210,407	200,000	199,946	188,399	199,546	161,913	187,632	166,867

Source: District Records

OCEAN TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
	Property Blanket Building & Contents- Replacement Cost Values	\$ 500,000,000	\$ 1,000
	Flood	75,000,000 / 500,000 per bldg	
	Earthquake	50,000,000	5,000
	General Liability		
	Each Occurrence	31,000,000	
	General Aggregate	31,000,000	
	Prod/completed Oper	31,000,000	
	Personal Injury	31,000,000	1,000
	Fire Damage	2,500,000	
	Medical Expense Limit	5,000	per person
	Excluding students		
	Employee Benefit Liability	31,000,000	
	Aggregate	31,000,000	
	Automotive Coverage		
	-Combined Single Limit	31,000,000	
	-Uninsured & Underinsured	1,000,000	
	-Electronic Data Processing		
	Computer Virus	250,000/10m NJSIG	1,000
	Computer Fraud	100,000	500
	-Employee Dishonesty with Faithful Performance	100,000	500
	-Theft, Disappearance & Destruction Inside and Out	100,000	500
	Boiler & Machinery Coverage	100,000,000	25,000
	Catastrophe Liability Coverage Included Above		

Source: District Records

(Continued)

OCEAN TOWNSHIP SCHOOL DISTRICT
 INSURANCE SCHEDULE (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 UNAUDITED

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
	Board of Education		
	-Liability Wrongful Acts Coverage	31,000,000	5,000
	Each Loss	31,000,000	\$ 5,000
	Fellow Employee/Volunteer Workers	25,000	N/A
	Student Accident - Voluntary Program	5,000,000	
	Fidelity Bonds		
Selective Insurance Co.	-School Business Administrator/ Board Secretary	250,000	
NJSIG	Worker's Compensation	3,000,000	N/A

SINGLE AUDIT SECTION

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

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

K-1

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ocean Township Board of Education, County of Ocean, 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 Ocean Township Board of Education, County of Ocean, State of New Jersey's basic financial statements, and have issued our report thereon dated January 15, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

Licensed Public School Accountant

No. 322

Robert A. Hulsart and Company

Wall Township, New Jersey

January 15, 2024

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND
NEW JERSEY OMB'S CIRCULAR 15-08

K-2

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

Report on Compliance for Each Major Federal & State Program

Opinion on Each Major Federal & State Program

We have audited the Ocean Township Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Ocean Township Board of Education's major federal and state programs for the year ended June 30, 2023. The Ocean Township 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 Ocean Township 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 in accordance with the auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Ocean Township Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Ocean Township Board of Education's compliance with the 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 its 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 have occurred, whether due to fraud or error, and express an opinion on the Ocean Township 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 NJ OMB 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 the Ocean Township Board of Education's compliance with the requirements of each major federal or state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Ocean Township 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 the Ocean Township 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 NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Ocean Township 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.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purposes described in the Auditor's Responsibilities for the Audit of Compliance paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 have not been identified.

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

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

January 15, 2024

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2023			
					From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education:															
General Fund:															
Medical Assistance Program	93.778	2205NJ5MAP	N/A	\$ 71,274	07/01/2022	06/30/2023	\$ -	-	71,274	(71,274)	-	-	-	-	
Total General Fund							-	-	71,274	(71,274)	-	-	-	-	
Special Revenue:															
NCLB:															
Title I	84.010A	S010A220030	ESEA-22	318,763	07/01/2022	09/30/2023			150,873	(271,498)		(120,625)			
Title I	84.010A	S010A210030	ESEA-21	212,234	07/01/2021	09/30/2022	(87,765)		87,765						
Title IIA	84.367A	S0367A220029	ESEA-22	44,861	07/01/2022	09/30/2023			23,767	(44,861)		(21,094)			
Title IV	84.424	S424A220031	ESEA-22	14,518	07/01/2022	09/30/2023			8,145	(8,145)					
IDEA:															
Preschool	84.173	H173A220114	IDEA-22	7,710	07/01/2022	09/30/2023			5,440	(7,710)		(2,270)			
Basic	84.027	H027A220100	IDEA-22	206,961	07/01/2022	09/30/2023			206,961	(206,961)					
ARP IDEA, Preschool	84.173X	H173X210114	N/A	2,174	07/01/2021	09/30/2023	(2,174)		2,174						
CRRSA ESSER II	84.425D	S425D210027	N/A	462,809	03/13/2020	09/30/2023	(8,303)		87,584	(93,659)		(14,378)			
CRRSA Accelerated Learning	84.425D	S425D210027	N/A	29,701	03/13/2020	09/30/2023	(1,000)		16,104	(28,701)		(13,597)			
CRRSA Mental Health	84.425D	S425D210027	N/A	45,000	03/13/2020	09/30/2023			17,925	(21,554)		(3,629)			
ARP ESSER	84.425U	S425U210027	N/A	1,040,133	3/11/2021	09/30/2024			539,895	(945,169)		(405,274)			
ARP Accelerated Learning	84.425U	S425U210027	N/A	83,857	3/11/2021	09/30/2024				(2,149)		(2,149)			
ARP Summer	84.425U	S425U210027	N/A	40,000	3/11/2021	09/30/2024			31,840	(40,000)		(8,160)			
ARP Beyond School	84.425U	S425U210027	N/A	40,000	3/11/2021	09/30/2024			35,045	(40,000)		(4,955)			
ARP Mental Health	84.425U	S425U210027	N/A	45,000	3/11/2021	09/30/2024			21,700	(33,114)		(11,414)			
Total Special Revenue							(99,242)	-	1,235,218	(1,743,521)	-	(607,545)	-	-	
U.S. Department of Agriculture:															
Passed Through State Department of Education:															
Enterprise Fund:															
National School Breakfast Program	10.553	221NJ304N1099	N/A	32,008	07/01/2022	06/30/2023			30,027	(32,008)		(1,981)			
National School Breakfast Program	10.553	211NJ304N1099	N/A	51,692	07/01/2021	06/30/2022	(5,163)		5,163						
National School Lunch Program	10.555	221NJ304N1099	N/A	132,087	07/01/2022	06/30/2023			123,391	(132,087)		(8,696)			
National School Lunch Program	10.555	211NJ304N1099	N/A	304,131	07/01/2021	06/30/2022	(25,518)		25,518						
National School PB Lunch Program	10.555	221NJ304N1099	N/A	4,122	07/01/2022	06/30/2023			3,844	(4,122)		(278)			
Supply Chain Grant	10.555	221NJ304N1099	N/A	37,781	07/01/2022	06/30/2023			37,781	(37,781)					
U.S. Food Distribution Program	10.550	211NJ304N1099	N/A	16,015	07/01/2022	06/30/2023			16,015	(16,015)					
Total Enterprise Fund							(30,681)	-	241,739	(222,013)	-	(10,955)	-	-	
Total Federal Assistance							\$ (129,923)	-	1,548,231	(2,036,808)	-	(618,500)	-	-	

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Schedule B
K-4

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2023			MEMO		
			From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:															
General Fund:															
Extraordinary Aid	23-495-034-5120-044	\$ 177,472	07/01/2021	06/30/2022	\$ (177,472)		177,472								
Extraordinary Aid	23-495-034-5120-044	358,448	07/01/2022	06/30/2023				(358,448)		(358,448)					358,448
Security Aid	23-495-034-5120-084	176,928	07/01/2022	06/30/2023			159,459	(176,928)				(17,469)		176,928	
Transportation Aid	23-495-034-5120-014	443,920	07/01/2022	06/30/2023			400,023	(443,920)				(43,897)		443,920	
Special Education Aid	23-495-034-5120-089	541,176	07/01/2022	06/30/2023			487,653	(541,176)				(53,523)		541,176	
Adjustment Aid	23-495-034-5120-085	1,221,976	07/01/2022	06/30/2023			1,102,611	(1,221,976)				(119,365)		1,221,976	
Non-Public Transportation	23-495-034-5120-014	4,992	07/01/2022	06/30/2023				(4,992)		(4,992)				4,992	
Non-Public Transportation	22-495-034-5120-014	3,770	07/01/2021	06/30/2022	(3,770)		3,770								
Maintenance of Equity	22-495-034-5120-128	144,786	07/01/2021	06/30/2022			144,786	(144,786)						144,786	
Maintenance of Equity	23-495-034-5120-128	751,824	07/01/2022	06/30/2023				(751,824)		(751,824)				751,824	
Supplemental Stabilization Aid	23-495-034-5120-494	419,134	07/01/2022	06/30/2023			419,134	(419,134)						419,134	
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	23-495-034-5094-001	414,991	07/01/2022	06/30/2023			414,991	(414,991)						414,991	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	23-495-034-5094-002	1,579,729	07/01/2022	06/30/2023			1,579,729	(1,579,729)						1,579,729	
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	23-495-034-5094-004	613	07/01/2022	06/30/2023			613	(613)						613	
TPAF Social Security (Reimbursed Non-Budgeted)	23-495-034-5095-002	303,672	07/01/2022	06/30/2023			303,672	(303,672)						303,672	
Total General Fund					(181,242)	-	5,193,913	(6,362,189)	-	(1,115,264)	-	-	(234,254)	6,362,189	
Special Revenue Fund:															
Preschool Education	23-495-034-5120-086	1,374,348	07/01/2022	06/30/2023			1,236,913	(1,374,348)					(137,435)	1,374,348	
Capital Projects:															
State Grant - Waretown Elementary HVAC	3820-050-14-1002	162,400	04/07/2014	06/30/2015	(162,400)					(162,400)					
State Grant - Waretown Elementary Generator	3820-050-14-1003	70,000	04/07/2014	06/30/2015	(70,000)					(70,000)					
State Grant - Waretown Elementary Windows	3820-050-14-1004	49,600	04/07/2014	06/30/2015	(49,600)					(49,600)					
State Grant - Priff Elementary Generator	3820-030-14-1001	32,000	04/07/2014	06/30/2015	(32,000)					(32,000)					
Total Capital Projects					(314,000)	-	-	-	-	(314,000)	-	-	-	-	
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	23-100-010-3350-023	4,645	07/01/2022	06/30/2023			4,332	(4,645)		(313)				4,645	
National School Breakfast Program (State Share)	23-100-010-3350-023	242	07/01/2022	06/30/2023			227	(242)		(5)				242	
National School Lunch Program (State Share)	22-100-010-3350-023	6,762	07/01/2021	06/30/2022	587		587								
Total Enterprise Fund					587	-	5,146	(4,887)	-	(318)	-	-	-	4,887	
Debt Service Fund:															
Debt Service Aid	23-495-034-5120-017	299,158	07/01/2022	06/30/2023			299,158	(299,158)						299,158	
Total State Financial Assistance					\$ (494,655)	-	6,735,130	(8,040,582)	-	(1,429,582)	-	-	(371,689)	8,040,582	
Less: State Financial Assistance Not Subject to Major Program Determination:															
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)								\$ 414,991							
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)								1,579,729							
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability								613							
Total State Financial Assistance Subject to Major Program Determination								\$ (6,045,249)							

See accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

BOARD OF EDUCATION

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OCEAN TOWNSHIP SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2023****NOTE 1: General**

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

NOTE 2: Basis of Accounting

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

NOTE 3: Relationship to General Purpose Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general-purpose financial statements except for the general fund and the special revenue fund. The general fund and special revenue fund is maintained on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognized the related revenues, whereas the GAAP basis does not. Financial assistance revenues are reported in the Board's general-purpose financial statements as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of State					
Financial Assistance	\$ 6,362,189	1,374,348	299,158	4,887	8,040,582
Difference – Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP					
in that Encumbrances are					
Recognized as Expenditures					
and the Related Revenue					
is Recognized		(10,082)			(10,082)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>122,799</u>	<u>(43,093)</u>	_____	_____	<u>79,706</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 6,484,988</u>	<u>1,321,173</u>	<u>299,158</u>	<u>4,887</u>	<u>8,110,206</u>
<u>Federal Assistance</u>					
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$ 71,274	1,743,521		222,103	2,036,808
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	<u>112,556</u>	_____	_____	<u>112,556</u>
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures and Changes in Fund Balances	<u>\$ 71,274</u>	<u>1,856,077</u>	_____	<u>222,013</u>	<u>2,149,364</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

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. 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. Revenues and expenditures reported under the food distribution program represent current year value received and current year distributions respectively.

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part I - Summary of Auditor's Results

Financial Statement Section

(A) Type of auditor's report issued: Unmodified

(B) Internal control over financial reporting:

1) Material weakness(es) identified? Yes x No

2) Were reportable conditions(s) identified that were not considered to be material weaknesses? Yes x No

(C) Noncompliance material to general purpose financial statements noted? Yes x No

Federal Awards Section

Internal control over compliance

1) Material weakness(es) identified? Yes x No

2) Reportable conditions(s) identified that are not considered to be material weaknesses? Yes x None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? Yes x No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Part B Basic (Special Education Cluster)
84.173	IDEA - Preschool (Special Education Cluster)
84.173X	ARP IDEA Preschool (Special Education Cluster)
84.425D	CRRSA ESSER II (Corona Virus Response and Relief)
84.425D	CRRSA Learning Acceleration (Corona Virus Response and Relief)
84.425D	CRRSA Mental Health (Corona Virus Response and Relief)
84.425U	ARP ESSER (American Rescue Plan)
84.425U	ARP Learning Acceleration (American Rescue Plan)
84.425U	ARP Beyond School (American Rescue Plan)
84.425U	ARP Summer (American Rescue Plan)
84.425U	ARP Mental Health (American Rescue Plan)

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

Auditee qualified as low-risk auditee? x Yes No

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part 1 - Summary of Auditor's Results (Continued)

State Awards

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

Auditee qualified as low-risk auditee? x Yes No

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

Internal Control over major programs:

(1) Material Weakness(es) identified? Yes x No

(2) Reportable condition(s) identified that are not considered to material weaknesses? Yes x None Reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 15-08? Yes x No

Identification of major programs:

GMIS Number(s)

23-495-034-5120-089
23-495-034-5120-085
23-495-034-5120-084
23-495-034-5120-086

Name of State Program

Special Education Aid (State Aid - Public Cluster)
Adjustment Aid (State Aid - Public Cluster)
Security Aid (State Aid - Public Cluster)
Preschool Education Aid

OCEAN TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part 2 - Financial Statement Findings

This section identifies audit findings required to be reported by section 200.515 paragraph c of Circular 2 CFR 200 and OMB 15-08.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

OCEAN TOWNSHIP SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

FEDERAL AWARDSFinding: NoneFederal program information: N/ACriteria or specific requirement: N/ACondition: N/AQuestioned Costs: N/AContext: N/AEffect: N/ACause: N/ARecommendation: N/AManagement's response: N/A**STATE AWARDS**Finding: NoneState program information: N/ACriteria or specific requirement: N/ACondition: N/AQuestioned Costs: N/AContext: N/AEffect: N/ARecommendation: N/AManagement's response: N/A

OCEAN TOWNSHIP SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Prior Audit Findings:

There were no prior year audit findings.