

SEASIDE HEIGHTS SCHOOL DISTRICT

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

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

YEAR ENDED JUNE 30, 2023

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

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION (First Section)	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION (Second Section)	
Independent Auditor's Report	11
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management's Discussion and Analysis	17
BASIC FINANCIAL STATEMENTS	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	29
A-2 Statement of Activities	30
B. Fund Financial Statements:	
B-1 Balance Sheet	35
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	36
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37
Proprietary Funds:	
B-4 Statement of Net Position	41
B-5 Statement of Revenues, Expenditures and Changes in Fund Net Position	42
B-6 Statement of Cash Flows	43
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to Financial Statements	49
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	87
C-2 Budgetary Comparison Schedule – Special Revenue Fund	96
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	99
REQUIRED SUPPLEMENTARY INFORMATION – PART III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	105
L-2 Schedule of the School District Contributions - PERS	106
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	107

TABLE OF CONTENTS

	PAGE
M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75)	
M-1 Schedule of Changes in the Net OPEB Liability and Related Ratios - OPEB	111
Notes to the Required Supplementary Information - Part III	115
OTHER SUPPLEMENTARY INFORMATION	
D. School Based Budget Schedules Fund (if applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues & Expenditures - Special Revenue Fund – Budgetary Basis	123
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	127
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	N/A
G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Position	N/A
G-3 Combining Schedule of Cash Flows	N/A
Internal Service Fund –	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund - Schedule of Receipts & Disbursements	N/A
H-4 Payroll Agency Fund - Schedule of Receipts & Disbursements	N/A
H-5 Athletic Agency Fund - Schedule of Receipts and Disbursements	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds Payable	N/A
I-2 Schedule of Obligations Under Capital Leases	135
I-3 Debt Service Fund - Budgetary Comparison Schedule	N/A
I-4 Schedule of Early Retirement Incentive Plan Loans Payable	N/A

TABLE OF CONTENTS

	PAGE
STATISTICAL SECTION (Unaudited) (Third Section)	
Financial Trends:	
J-1 Net Position by Component	141
J-2 Changes in Net Position	142
J-3 Fund Balances – Governmental Funds	144
J-4 Changes in Fund Balances – Governmental Funds	145
J-5 General Fund - Other Local Revenue by Source	146
Revenue Capacity:	
J-6 Assessed Value & Actual Value of Taxable Property	149
J-7 Direct and Overlapping Property Tax Rates	150
J-8 Principal Property Taxpayers	151
J-9 Property Tax Levies and Collections	152
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	155
J-11 Ratios of Net General Bonded Debt Outstanding	156
J-12 Ratios of Overlapping Governmental Activities Debt	157
J-13 Legal Debt Margin Information	158
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	161
J-15 Principal Employers	162
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	165
J-17 Operating Statistics	166
J-18 School Building Information	167
J-19 Schedule of Required Maintenance	168
J-20 Insurance Schedule	169

SINGLE AUDIT SECTION

(Fourth Section)

K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	173
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance and New Jersey OMB Circular Letter 15-08	175
K-3 Schedule of Expenditures of Federal Awards, Schedule A	179
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	180
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	181
K-6 Schedule of Findings and Questioned Cost - Part I, II & III	183
K-7 Summary Schedule of Prior Year Audit Findings	187

This page intentionally left blank

INTRODUCTORY SECTION

This page intentionally left blank

Seaside Heights School District

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

Dr. Douglas Corbett
Superintendent of Schools

Christopher Raichle
Principal

Kevin O'Shea
Business Admin/Board Secretary

January 17, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Seaside Heights School District for the fiscal year that 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 School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendation, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

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

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

Fiscal Year	Student Enrollment	Percent Change
2022-23	173	-7.49%

2021-22	187	-11.37%
2020-21	211	19.89%
2019-20	176	-13.30%
2018-19	203	-4.25%
2017-18	212	6.53%
2016-17	199	13.02%
2015-16	198	7.81%
2014-15	211	-14.27%
2013-14	207	18.36%

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

The District completed its projects which were primarily funded by Federal Covid Funds. The District completed its upgrade to HVAC and the Outdoor Fitness projects.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of the fund balance at June 30, 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 schedules will present a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2023.

8. DEBT ADMINISTRATION:

As of June 30, 2023, the District has no outstanding debt.

9. CASH MANAGEMENT:

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

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

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

12. ACKNOWLEDGMENTS:

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

Respectfully submitted,

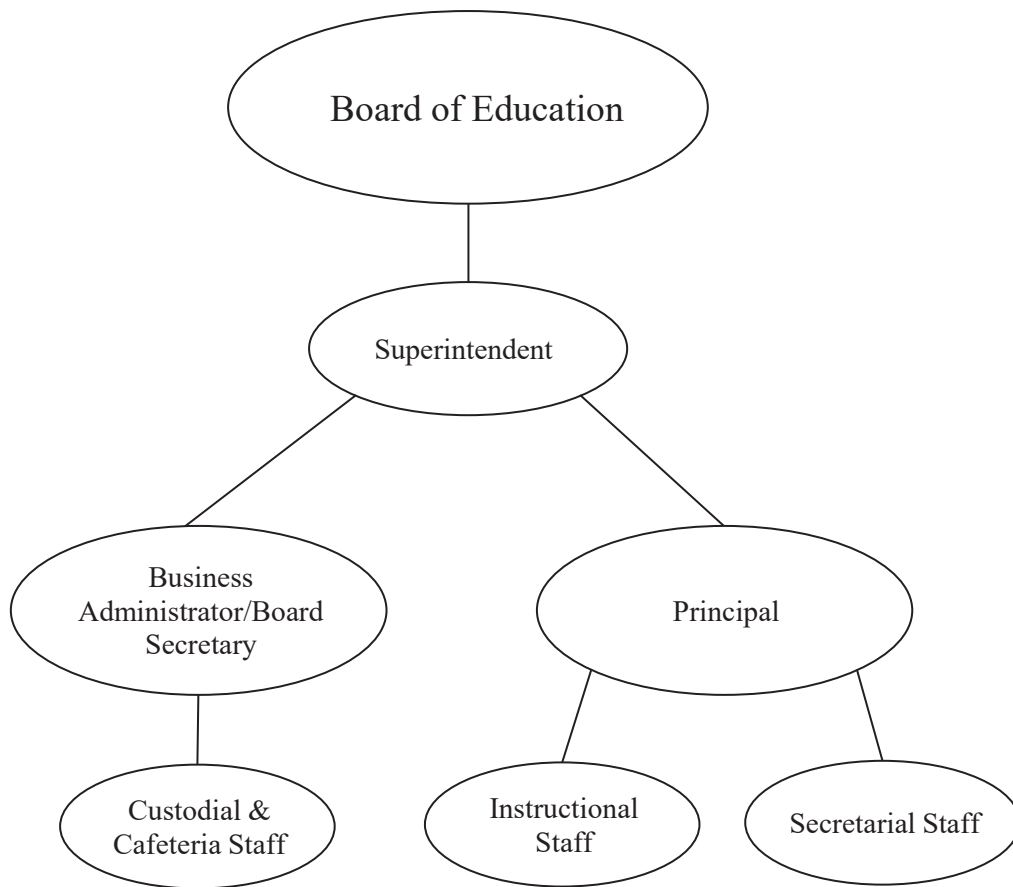


Douglas Corbett
Superintendent of Schools



Kevin O'Shea
Business Administrator/Board Secretary

**SEASIDE HEIGHTS SCHOOL DISTRICT
SEASIDE HEIGHTS, NEW JERSEY
ORGANIZATIONAL CHART
JUNE 30, 2023**



**SEASIDE HEIGHTS SCHOOL DISTRICT
SEASIDE HEIGHTS, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

TERM EXPIRES

Erik Hershey, President	2023
James Boyd, Vice President	2025
Andrew Leahy	2023
Edward Pasieka	2025
Anthony Storino	2024

Other Officials

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
SEASIDE HEIGHTS, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2023**

AUDITOR/AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

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

This page intentionally left blank

FINANCIAL SECTION

Second Section

This page intentionally left blank



Certified Public Accountants + Advisors

1985 Cedar Bridge Ave., Suite 3 • Lakewood, NJ 08701 • 732.797.1333

194 East Bergen Place • Red Bank, NJ 07701 • 732.747.0010

www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Seaside Heights School District (hereafter referred to as the School District), County of Ocean, State of New Jersey, as of and for the fiscal year ended, June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the School District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024 on our consideration of the School District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District’s internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
January 17, 2024

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

This page intentionally left blank

SEASIDE HEIGHTS SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023 UNAUDITED

This section of the Seaside Heights School District's (the School District) Annual Comprehensive Financial Report (ACFR) presents our discussion and analysis of the School District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the School District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34, Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2022-2023) and the prior fiscal year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- In total, net position of governmental activities increased \$624,848 which represents a 25.93% increase from 2022. Total net position of business-type activities increased \$41,907, which represents a 41.07% decrease from 2022.
- General revenues accounted for \$4,714,915 in revenue or 58.71% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,315,759 or 41.29% of total revenues of \$8,030,674.
- Total assets of governmental activities increased by \$424,522 as cash and cash equivalents decreased by \$68,146, receivables increased by \$344,384, restricted cash and cash equivalents decreased by - \$91,414, and total capital assets and right to use leased assets increased by \$103,406.
- Total liabilities of governmental activities increased by \$297,338 as non-current liabilities due beyond one year increased by \$367,151.
- The District had \$7,188,624 in governmental activity expenses; only \$3,098,558 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) of \$4,714,914 were adequate to provide for these programs, resulting in an increase in net position for governmental activities of \$624,848.
- In the governmental funds, the general fund had \$5,854,389 in revenues and, \$5,456,517 in expenditures. The general fund's fund balance decreased by \$397,872 over 2022.

USING THE ACFR

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

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

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

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

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

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

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

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

Government-Wide Financial Analysis

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

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. The following table provides a summary of net position for June 30, 2023 and 2022, respectively:

Net Position
June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Assets				
Current and Other				
Assets	\$ 1,270,276	\$ 949,160	\$ 52,056	\$ 92,464
Capital Assets and				
Right to Use Leased				
Assets, Net	3,824,579	3,721,173	11,998	13,497
Total Assets	5,094,855	4,670,333	64,054	105,961
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	327,209	243,961	-	-
Liabilities				
Long-Term Liabilities	1,603,862	1,241,119	-	-
Other Liabilities	528,445	593,850	3,911	3,911
Total Liabilities	2,132,307	1,834,969	3,911	3,911
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	255,546	669,962	-	-
Net Position				
Net Investment in				
Capital Assets	3,814,411	3,702,450	11,998	13,497
Restricted	289,602	282,561	-	-
Unrestricted	(1,069,802)	(1,575,648)	48,145	88,553
Total Net Position	\$ 3,034,211	\$ 2,409,363	\$ 60,143	\$ 102,050

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

Restricted net position increased \$7,041 from the prior year.

Unrestricted net position may be used to meet the School District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The \$1,069,802 is shown as unrestricted net deficit for Governmental Activities.

The following table provides a summary of revenues and expenses for the School District's governmental and business-type activities and the change in net position for June 30, 2023 and 2022. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the 'Financial Analysis of the District's Funds' section later in this report.

	For the year Ended June 30, 2023		
	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Operating Grants and Contributions	\$ 3,098,558	\$ 217,201	\$ 3,315,759
General Revenues:			
Property Taxes	3,748,999	-	3,748,999
Federal and State Aid	818,556	-	818,556
Miscellaneous	147,359	1	147,360
Total Revenues	<u>7,813,472</u>	<u>217,202</u>	<u>8,030,674</u>
Expenses:			
Instructional Services	4,178,664	-	4,178,664
Support Services	2,999,581	259,109	3,258,690
Interest and Other Charges	10,379	-	10,379
Total Expenses	<u>7,188,624</u>	<u>259,109</u>	<u>7,447,733</u>
Change in Net Position	624,848	(41,907)	582,941
Net Position, Beginning	2,409,363	102,050	2,511,413
Net Position, Ending	<u>\$ 3,034,211</u>	<u>\$ 60,143</u>	<u>\$ 3,094,354</u>
	For the year Ended June 30, 2022		
	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program Revenues:			
Operating Grants and Contributions	\$ 3,206,823	\$ 207,818	\$ 3,414,641
General Revenues:			
Property Taxes	3,577,480	-	3,577,480
Federal and State Aid	878,083	-	878,083
Miscellaneous	78,583	1	78,584
Total Revenues	<u>7,740,969</u>	<u>207,819</u>	<u>7,948,788</u>
Expenses:			
Instructional Services	4,012,553	-	4,012,553
Support Services	2,905,968	196,858	3,102,826
Interest and Other Charges	10,035	-	10,035
Total Expenses	<u>6,928,556</u>	<u>196,858</u>	<u>7,125,414</u>
Change in Net Position	812,413	10,961	823,374
Net Position, Beginning	1,596,950	91,089	1,688,039
Net Position, Ending	<u>\$ 2,409,363</u>	<u>\$ 102,050</u>	<u>\$ 2,511,413</u>

Financial Analysis of the School District's Funds

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

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

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2023 and 2022 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

	June 30, 2023			
	Amount	Percent Of Total	Increase (Decrease) From 2022	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 2,477,482	33.90%	\$ 885	0.04%
Undistributed	4,440,853	60.78%	150,772	3.51%
Capital Outlay	386,269	5.29%	(776,325)	-66.78%
Debt Service:				
Principal	-	0.00%	(76,613)	100.00%
Interest	1,824	0.03%	(1,042)	100.00%
Total	\$ 7,306,428	100.00%	\$ (702,323)	-8.77%

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

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

General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2022-2023 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- Teacher's Pension and Annuity Fund (TPAF), which is the State’s contribution to the pension fund, is an “on-behalf” revenue and expenditure item to the School District and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2022-2023 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2022-2023 unassigned fund balance decreased by \$249,880 to \$397,948.

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

The Food Services Enterprise Fund showed a change in net position of \$41,907 in 2022-2023 as compared to a change in net position of \$10,961 in 2021-2022.

Capital Assets

At June 30, 2023 the School District has capital assets of \$3,826,409, net of depreciation, which includes land, buildings and improvements and equipment.

	June 30, 2023	
	Governmental Activities	Business-Type Activities
Land	\$ 75,364	\$ -
Buildings and Improvements	2,103,141	-
Equipment	1,635,906	11,998
Total	<u>\$ 3,814,411</u>	<u>\$ 11,998</u>

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

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

Debt Administration and Other Obligations

At June 30, 2023 and 2022, the School District’s did not have outstanding debt. \$383,905 and \$342,858, respectively, are in relation to compensated absences payable and \$10,168 and \$18,723, respectively, of lease obligations.

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

Economic Factors and Subsequent Year's Budgets

- The School District anticipates that the approved 2023-2024 budget will be adequate to satisfy all 2023-2024 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.
- It is expected the State of New Jersey will again delay the final state aid payments to school School Districts for 2023-2024.
- The School Districts enrollment has been fairly consistent over the past 3 school years. The School District anticipates stable enrollment over the next several years

Requests for Information

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

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

A. Government-Wide Financial Statements

This page intentionally left blank

SEASIDE HEIGHTS SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 515,595	\$ 39,433	\$ 555,028
Receivables, Net (Note 4)	563,534	12,623	576,157
Restricted Cash & Cash Equivalents	191,147	-	191,147
Right to Use Leased Assets, Net (Note 20)	10,168	-	10,168
Capital Assets, Net (Note 5)			
Non-Depreciable	75,364	-	75,364
Depreciable	3,739,047	11,998	3,751,045
Total Assets	<u>5,094,855</u>	<u>64,054</u>	<u>5,158,909</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions (Note 8)	327,209	-	327,209
Total Deferred Outflow of Resources	<u>327,209</u>	<u>-</u>	<u>327,209</u>
LIABILITIES			
Accounts Payable	84,318	-	84,318
Payroll Deductions and Withholdings	148,967	-	148,967
Due to Other Governments	112,442	-	112,442
Unearned Revenue	172,380	-	172,380
Unemployment Trust Fund Liability	14,249	-	14,249
Internal Balances	(3,911)	3,911	-
Noncurrent Liabilities (Note 7):			
Due Within One Year	4,147	-	4,147
Due in More Than One Year	1,599,715	-	1,599,715
Total Liabilities	<u>2,132,307</u>	<u>3,911</u>	<u>2,136,218</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions (Note 8)	255,546	-	255,546
Total Deferred Inflow of Resources	<u>255,546</u>	<u>-</u>	<u>255,546</u>
NET POSITION			
Net Investment in Capital Assets	3,814,411	11,998	3,826,409
Restricted for:			
Capital Projects	58,473	-	58,473
Emergency Reserve	50,402	-	50,402
Maintenance Reserve	56,966	-	56,966
Unemployment Reserve	25,306	-	25,306
Excess Surplus	98,455	-	98,455
Unrestricted (Deficit)	<u>(1,069,802)</u>	<u>48,145</u>	<u>(1,021,657)</u>
Total Net Position	<u>\$ 3,034,211</u>	<u>\$ 60,143</u>	<u>\$ 3,094,354</u>

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

SEASIDE HEIGHTS SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS:	PROGRAM REVENUE:		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 3,255,110	\$ 1,603,474	\$ (1,651,636)	\$ -	\$ (1,651,636)
Special Education Instruction	787,257	225,005	(562,252)	-	(562,252)
Other Instruction	136,297	38,937	(97,360)	-	(97,360)
Support Services:					
Tuition	6,194	109	(6,085)	-	(6,085)
Student & Instruction Related Services	2,018,121	830,647	(1,187,474)	-	(1,187,474)
General Administrative	194,302	3,504	(190,798)	-	(190,798)
School Administrative Services	120,396	2,173	(118,223)	-	(118,223)
Central Services	103,729	1,867	(101,862)	-	(101,862)
Administrative Info. Technology	31,301	568	(30,733)	-	(30,733)
Plant Operations & Maintenance	380,239	389,654	9,415	-	9,415
Pupil Transportation	145,299	2,620	(142,679)	-	(142,679)
Interest & Other Charges	10,379	-	(10,379)	-	(10,379)
Total Governmental Activities	7,188,624	3,098,558	(4,090,066)	-	(4,090,066)
Business-Type Activities:					
Food Service	259,109	217,201	-	(41,908)	(41,908)
Total Business-Type Activities	259,109	217,201	-	(41,908)	(41,908)
Total Primary Government	\$ 7,447,733	\$ 3,315,759	(4,090,066)	(41,908)	(4,131,974)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes			3,748,999	-	3,748,999
Federal & State Aid Not Restricted			818,556	-	818,556
Tuition Charges			62,336	-	62,336
Miscellaneous			85,023	1	85,024
Total General Revenues			4,714,914	1	4,714,915
Change In Net Position			624,848	(41,907)	582,941
Net Position - Beginning			2,409,363	102,050	2,511,413
Net Position - Ending			\$ 3,034,211	\$ 60,143	\$ 3,094,354

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

B. Fund Financial Statements

This page intentionally left blank

Governmental Funds

This page intentionally left blank

**SEASIDE HEIGHTS SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

	MAJOR FUNDS		
	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash & Cash Equivalents	\$ 866,495	\$ -	\$ 866,495
Receivables, Net:			
Interfund Receivable	20,812	-	20,812
Due from Other Governments:			
Federal	-	540,181	540,181
State	16,023	-	16,023
Other	7,330	-	7,330
Restricted Cash & Cash Equivalents	191,147	-	191,147
Total Assets	\$ 1,101,807	\$ 540,181	\$ 1,641,988
LIABILITIES & FUND BALANCES			
Liabilities:			
Cash Deficit	\$ -	\$ 350,900	\$ 350,900
Accounts Payable	84,318	-	84,318
Unemployment Trust Fund Liability	14,249	-	14,249
Payroll Deductions and Withholdings	148,967	-	148,967
Unearned Revenue	-	172,380	172,380
Interfund Payable	-	16,901	16,901
Total Liabilities	247,534	540,181	787,715
Fund Balances:			
Restricted for:			
Capital Reserve	58,473	-	58,473
Maintenance Reserve	56,966	-	56,966
Emergency Reserve	50,402	-	50,402
Unemployment Reserve	25,306	-	25,306
Excess Surplus	98,455	-	98,455
Assigned for:			
Subsequent Year Expenditures	240,000	-	240,000
Unassigned	324,671	-	324,671
Total Fund Balances	854,273	-	854,273
Total Liabilities & Fund Balances	\$ 1,101,807	\$ 540,181	

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 \$7,208,789 and the accumulated depreciation is \$3,394,378.	3,814,411
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$26,755 and the accumulated amortization is \$16,587.	10,168
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows Related to Pensions	327,209
Deferred Inflows Related to Pensions	(255,546)
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(112,442)
Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,603,862)
Net Position of Governmental Activities	\$ 3,034,211

**SEASIDE HEIGHTS SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS		TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	
Revenues:			
Local Sources:			
Local Tax Levy	\$ 3,748,999	\$ -	\$ 3,748,999
Tuition Charges	62,336	-	62,336
Miscellaneous	85,023	-	85,023
Total Local Sources	3,896,358	-	3,896,358
State Sources	1,958,031	623,209	2,581,240
Federal Sources	-	1,226,702	1,226,702
Total Revenues	5,854,389	1,849,911	7,704,300
Expenditures:			
Instruction:			
Regular Instruction	1,256,790	673,115	1,929,905
Special Education Instruction	466,770	-	466,770
Other Instruction	80,807	-	80,807
Support Services:			
Tuition	5,076	-	5,076
Attendance & Social Work Services	86,935	-	86,935
Health Services	96,420	-	96,420
Student & Instruction Related Services	667,511	794,238	1,461,749
General Administrative	158,399	-	158,399
School Administrative Services	98,137	-	98,137
Central Services	84,602	-	84,602
Administrative Information Technology	25,485	-	25,485
Plant Operations & Maintenance	320,717	-	320,717
Pupil Transportation	118,456	-	118,456
Unallocated Benefits	845,402	-	845,402
On Behalf TPAF Pension and Social Security Contributions	1,139,475	-	1,139,475
Capital Outlay	3,711	382,558	386,269
Debt Service:			
Interest & Other Charges	1,824	-	1,824
Total Expenditures	5,456,517	1,849,911	7,306,428
Excess/(Deficiency) of Revenues Over Expenditures	397,872	-	397,872
Net Changes in Fund Balances	397,872	-	397,872
Fund Balance, July 1	456,401	-	456,401
Fund Balance, June 30	\$ 854,273	\$ -	\$ 854,273

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	397,872
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation Expense	\$	(278,933)
Capital Outlays		370,857
Capital Asset Adjustments and Retirements		<u>20,037</u>
		111,961
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		156,062
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		8,555
Governmental funds recognize the right to use leased assets as a revenue when lease is first entered, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of Right to Use Leased Assets		(8,555)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>(41,047)</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>624,848</u>

This page intentionally left blank

Proprietary Funds

This page intentionally left blank

**SEASIDE HEIGHTS SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2023**

	MAJOR FUNDS	
	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	
	FOOD SERVICE	TOTALS
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 39,433	\$ 39,433
Accounts Receivable:		
Federal	12,404	12,404
State	219	219
Total Current Assets	52,056	52,056
Noncurrent Assets:		
Capital Assets	14,997	14,997
Less: Accumulated Depreciation	(2,999)	(2,999)
Total Capital Assets, Net	11,998	11,998
Total Noncurrent Assets	11,998	11,998
Total Assets	64,054	64,054
LIABILITIES		
Current Liabilities:		
Interfund Payable	3,911	3,911
Total Current Liabilities	3,911	3,911
NET POSITION		
Net Investment in Capital Assets	11,998	11,998
Unrestricted	48,145	48,145
Total Net Position	\$ 60,143	\$ 60,143

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS	
	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	
	FOOD SERVICE	TOTALS
Operating Expenses:		
Cost of Sales - Non-Reimbursable Programs	\$ 31,046	\$ 31,046
Salaries	43,962	43,962
Employee Benefits	26,027	26,027
Supplies and Materials	156,575	156,575
Depreciation	1,499	1,499
Total Operating Expenses	<u>259,109</u>	<u>259,109</u>
Operating Loss	<u>(259,109)</u>	<u>(259,109)</u>
Nonoperating Revenues:		
State Sources:		
State School Lunch Program	1,647	1,647
Breakfast After the Bell	1,951	1,951
Federal Sources:		
National School Lunch Program	102,347	102,347
National School Breakfast Program	52,081	52,081
National School PB Program	1,882	1,882
EBT Administrative Cost	653	653
COVID Supply Chain Assistance	15,413	15,413
Fresh Fruit and Vegetables	10,181	10,181
Food Distribution Program	31,046	31,046
Interest Revenue	1	1
Total Nonoperating Revenues	<u>217,202</u>	<u>217,202</u>
Change in Net Position	(41,907)	(41,907)
Total Net Position - Beginning	<u>102,050</u>	<u>102,050</u>
Total Net Position - Ending	<u>\$ 60,143</u>	<u>\$ 60,143</u>

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS	
	FOOD SERVICE	TOTALS
		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
Cash Flows From Operating Activities:		
Payments to Employees	\$ (43,962)	\$ (43,962)
Payments for Employee Benefits	(26,027)	(26,027)
Payments to Suppliers	(156,575)	(156,575)
Net Cash Used for Operating Activities	(226,564)	(226,564)
Cash Flows From Noncapital Financing Activities:		
State Sources	3,631	3,631
Federal Sources	197,661	197,661
Net Cash Provided by Noncapital Financing Activities	201,292	201,292
Cash Flows From Investing Activities:		
Interest	1	1
Net Cash Provided by Investing Activities	1	1
Net Decrease in Cash and Cash Equivalents	(25,271)	(25,271)
Cash and Cash Equivalents - Beginning of Year	64,704	64,704
Cash and Cash Equivalents - End of Year	\$ 39,433	\$ 39,433
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Operating Loss	\$ (259,109)	\$ (259,109)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	1,499	1,499
Food Distribution Program	31,046	31,046
Total Adjustments	32,545	32,545
Net Cash Used for Operating Activities	\$ (226,564)	\$ (226,564)

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

This page intentionally left blank

Fiduciary Fund

Not Applicable

This page intentionally left blank

SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

This page intentionally left blank

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the Board). The Board is comprised of five members appointed to three-year terms. The operations of the District include one elementary school located in Seaside Heights. The School District has an approximate enrollment at June 30, 2023 of 211 students.

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

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

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

Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84*. The School District had no component units as of for the year ended June 30, 2023.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

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

A. Government-Wide Financial Statements

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

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

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

B. Governmental Fund Financial Statements

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

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

As required by the New Jersey Department of Education (DOE) the School District includes budgeted capital outlay in this fund. GAAP as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund – The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

C. Proprietary Fund Financial Statements

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

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

The School District reports the following major proprietary fund:

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

D. Fiduciary Fund Financial Statements

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

The School District reports no fiduciary funds.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with *P.L.2011 c.202*, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C. 6A:23-2-2(f)1*. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with *N.J.A.C. 6A:23-2-11*.

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

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

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

Encumbrances

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with GASB. New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

Tuition Receivable/Payable

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

Inventories

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

Interfund Receivables/Payables

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

Capital Assets

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

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

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

Right to Use Leased Assets

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences

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

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

Net Position

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

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

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

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

Fund Balance

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and January 17, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, see note 21 for additional information.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Impact of Recently Issued Accounting Principles (continued)

Adopted Accounting Pronouncements (continued)

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Management has deemed this to be immaterial to the District's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

- Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. The effective date is for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.
- Statement No. 101, *Compensated Absences*. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, *NJSA 17:9-41 et seq.* requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by Federal Deposit Insurance Corporation (FDIC). Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below. As of June 30, 2023, the School District's bank balance of \$1,026,102 was exposed to custodial credit risk as follows:

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 2. Deposits and Investments

Deposits (continued)

Insured under FDIC and GUDPA	\$	975,469
Uninsured and Uncollateralized		50,633
Total	\$	1,026,102

Investments

The School District had no investments at June 30, 2023.

Note 3. Reserve Accounts

Capital Reserve

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

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

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

Beginning Balance, July 1, 2022	\$	58,448
Increased by:		
Interest Earnings		25
Ending Balance, June 30, 2023	\$	58,473

Emergency Reserve

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

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

Beginning Balance, July 1, 2022	\$	50,377
Increased by:		
Interest Earnings		25
Ending Balance, June 30, 2023	\$	50,402

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 3. Reserve Accounts (Continued)

Maintenance Reserve

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

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

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

Beginning Balance, July 1, 2022	\$	56,941
Increased by:		
Interest Earnings		25
Ending Balance, June 30, 2023	\$	56,966

Unemployment Reserve

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

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

Beginning Balance, July 1, 2022	\$	25,254
Increased by:		
Interest Earnings		52
Ending Balance, June 30, 2023	\$	25,306

Note 4. Accounts Receivable

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2023, consisted of the following:

Description:	Governmental Funds		Total Governmental Activities
	General Fund	Special Revenue Fund	
Federal Awards	\$ -	\$ 540,181	\$ 540,181
State Awards	16,023	-	16,023
Other	7,330	-	7,330
Total	\$ 23,353	\$ 540,181	\$ 563,534
Description:	Proprietary Funds		Total Business-Type Activities
	Food Service Fund		
Federal Awards	\$ 12,404		\$ 12,404
State Awards	219		219
Total	\$ 12,623		\$ 12,623

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 5. Capital Assets

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

	Governmental Activities			
	Balance July 1, 2022	Additions	Adjustments, Retirements and Transfers	Balance June 30, 2023
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 75,364	\$ -	\$ -	\$ 75,364
Construction in Progress	1,015,514	368,174	(1,383,688)	-
Total Capital Assets not being Depreciated	1,090,878	368,174	(1,383,688)	75,364
Capital Assets being Depreciated:				
Buildings and Improvements	4,655,497	-	-	4,655,497
Equipment	1,106,664	1,386,371	(15,107)	2,477,928
Total Capital Assets being Depreciated	5,762,161	1,386,371	(15,107)	7,133,425
Accumulated Depreciation:				
Buildings and Improvements	(2,428,009)	(124,347)	-	(2,552,356)
Equipment	(722,580)	(154,586)	35,144	(842,022)
Total Accumulated Depreciation	(3,150,589)	(278,933)	35,144	(3,394,378)
Total Capital Assets being Depreciated, Net	2,611,572	1,107,438	20,037	3,739,047
Total Governmental Activities Capital Assets, Net	\$ 3,702,450	\$ 1,475,612	\$ (1,363,651)	\$ 3,814,411
Business-Type Activities				
	Balance July 1, 2022	Additions	Retirements and Transfers	Balance June 30, 2023
Business-Type Activities:				
Equipment	\$ 14,997	\$ -	\$ -	\$ 14,997
Total Capital Assets being depreciated	14,997	-	-	14,997
Less: Accumulated Depreciation:				
Equipment	(1,500)	(1,499)	-	(2,999)
Total Capital Assets being depreciated, net	(1,500)	(1,499)	-	(2,999)
Total Business-Type Activities Capital Assets, net	\$ 13,497	\$ (1,499)	\$ -	\$ 11,998

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

Governmental Activities:

Instruction:	
Regular Instruction	\$ 109,119
Special Education Instruction	26,387
Other Instruction	4,575
Support Services:	
Tuition	279
Student & Instruction Related Services	93,024
General Administrative	8,954
School Administrative Services	5,551
Central Services	4,770
Administrative Info. Technology	1,450
Plant Operations & Maintenance	18,131
Pupil Transportation	6,694
Total Depreciation Expense – Governmental Activities	\$ 278,934

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2023 are as follows:

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

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

There were no interfund transfers for the year ended June 30, 2023.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Balance Due Within One Year
Governmental Activities:					
Lease Obligations	\$ 18,723	\$ -	\$ 8,555	\$ 10,168	\$ 4,147
Compensated Absences	342,858	41,047	-	383,905	-
Net Pension Liability	879,538	829,758	499,507	1,209,789	-
	\$ 1,241,119	\$ 870,805	\$ 508,062	\$ 1,603,862	\$ 4,147
Total	\$ 1,241,119	\$ 870,805	\$ 508,062	\$ 1,603,862	\$ 4,147

Compensated absences, lease obligations and the net pension liability are liquidated by the general fund.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 7. Long-Term Obligations (Continued)

Lease Obligations

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

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

The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2023:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 4,147	\$ 511	\$ 4,658
2025	3,950	268	4,218
2026	2,071	38	2,109
	\$ 10,168	\$ 817	\$ 10,985

Bonds Authorized but not Issued

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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

Pension Liability, Pension (Credit)/Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$1,209,789 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.0080164275%, which was an increase of 0.0005919723% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension credit of (\$54,971) in the government-wide financial statements. This pension credit was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 8,732	\$ 7,700
Changes of Assumptions	3,748	181,153
Net Difference between Projected and Actual Earnings on Pension Plan Investments	50,072	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	152,215	66,693
School District contributions subsequent to measurement date	112,442	-
	\$ 327,209	\$ 255,546

\$112,442 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.98%. The payable is due on April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Year Ending <u>June 30,</u>		
2023	\$	(86,671)
2024		(35,766)
2025		(8,679)
2026		73,354
2027		16,983
	<u>\$</u>	<u>(40,779)</u>

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

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 collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers 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.

The School District's special funding allocation pension (credit)/expense for the year ended June 30, 2023 totaled \$2,545.

Actuarial Assumptions – The collective total pension liability for the June 30, 2022 measurement date was

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%
Mortality Rate of Return:	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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 Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

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

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 1,567,387	\$ 1,209,789	\$ 924,424

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

	6/30/2022	6/30/2021
Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
School District's portion	0.00802%	0.00742%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' 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 contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

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

The following represents the membership tiers for TPAF:

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2023 was \$8,855,868. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0171643927%, which was an increase of 0.0006749323% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized a pension expense in the amount of \$718,373 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2022 measurement date.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

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

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of Net Pension Liability Associated with the School District	\$ 10,383,693	\$ 8,855,868	\$ 7,568,867

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

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

	6/30/2022	6/30/2021
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
School District's portion	0.01716%	0.01649%

C. Defined Contribution Retirement Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in PERS or TPAF on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2018 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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

For the year ended June 30, 2023, employee contributions totaled \$770, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$567.

Note 9. Other Post-Retirement Benefits (OPEB)

General Information about the Other Postemployment Benefits (OPEB) Plan

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

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

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

Basis of Presentation

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25 to 16.25% 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 the Scale MP-2021. Postretirement mortality rates were based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021 for current disabled retirees. Future disabled retirees were based on Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$8,826,234. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.017427%, which was an increase of 0.00020352% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$332,623 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

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

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, 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%.

Discount Rate

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

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

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

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 10,374,310	\$ 8,826,234	\$ 7,585,529
State of New Jersey's Total Nonemployer OPEB Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

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

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 7,295,422	\$ 8,826,234	\$ 10,837,049
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected & Actual Experience	\$ 9,042,402,619	\$ (15,462,950,679)
Change in Assumptions	8,765,620,577	(17,237,289,230)
Contributions Made in Fiscal Year Year Ending June 30, 2023 After Measurement Date **	TBD	N/A
	<u>\$ 17,808,023,196</u>	<u>\$ (32,700,239,909)</u>

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

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

Additional Information (continued):

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

Fiscal Year Ending 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>\$</u>	<u>(14,892,216,713)</u>

** Employer Contributions made after June 30, 2023 are reported as a deferred outflow of resources, but are not amortized in expense.

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
	<u><u>364,817</u></u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Total OPEB Liability	
Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Difference Between Expected & Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Contributions: Member	42,650,252
Gross Benefit Payments	<u>(1,329,476,059)</u>
Net Change in Total OPEB Liability	(9,361,188,004)
Total OPEB Liability (Beginning)	<u>60,007,650,970</u>
Total OPEB Liability (Ending)	<u><u>\$ 50,646,462,966</u></u>
Total Covered Employee Payroll	\$ 14,753,355,408
Net OPEB Liability as a Percentage of Payroll	343%

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

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

As previously mentioned, the School District receives on-behalf payments from the State for normal costs and post-retirement medical costs related to the TPAF pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$772,419, \$163,819, \$202,913 and \$324 respectively.

Note 11. Risk Management

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

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

For the Year Ended June 30,	Contributions	Interest Earned	Amount Reimbursed	Ending Balance	
				Restricted for: Unemployment Reserve	Unemployment Liability
2023	\$ 5,690	\$ 52	\$ 3,172	\$ 25,306	\$ 14,249
2022	7,659	35	-	25,254	11,731
2023	7,832	35	3,760	25,219	4,072

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

Note 12. Contingencies

State and Federal Grantor Agencies – The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 12. Contingencies (Continued)

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

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable

Lincoln Financial

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2023, the liability for compensated absences reported was \$383,905.

Note 15. Tax Abatements

As defined by the GASB Statement No. 77, *Tax Abatement*, tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because *N.J.S.A. 54:4-75* and *N.J.S.A. 54:4-76* require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the School District.

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

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 16. Agreement with Central Regional School District

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

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A.18A:7F-7*. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District had \$98,455 of excess fund balance at June 30, 2023.

Note 18. Fund Balances

General Fund – Of the \$854,273 General Fund balance at June 30, 2023, \$58,473 has been restricted for the Capital Reserve Account, \$56,966 has been restricted for the Maintenance Reserve Account, \$50,402 has been restricted for the Emergency Reserve Account, \$25,306 has been restricted for Unemployment, \$98,455 has been restricted for excess surplus, \$240,000 has been assigned to subsequent year's expenditures and \$324,671 is unassigned.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of (\$1,069,802) at June 30, 2023. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for PERS as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 20. Right to Use Leased Assets

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

Right to use leased asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Right to Use Leased Assets:				
Equipment	\$ 26,755	\$ -	\$ -	\$ 26,755
Total Right to Use Leased Assets	<u>26,755</u>	<u>-</u>	<u>-</u>	<u>26,755</u>
Accumulated Amortization:				
Equipment	(8,032)	(8,555)	-	(16,587)
Total Accumulated Amortization	<u>(8,032)</u>	<u>(8,555)</u>	<u>-</u>	<u>(16,587)</u>
Right to Use Leased Assets, Net	<u>\$ 18,723</u>	<u>\$ (8,555)</u>	<u>\$ -</u>	<u>\$ 10,168</u>

Note 21. SUBSEQUENT EVENT

The Board of Education requested permission from the State of New Jersey, Department of Education, to hold a special voter approved referendum which proposes a merger between the School District and Toms River Regional School District. As of the date of this report, a date to which the referendum is to be held has yet to be approved by the State of New Jersey, Department of Education.

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank

C. Budgetary Comparison Schedules

This page intentionally left blank

SEASIDE HEIGHTS SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 3,748,999	\$ -	\$ 3,748,999	\$ -
Tuition From Other LEAs Within State	25,000	-	25,000	37,336
Unrestricted Miscellaneous Revenues	20,000	-	20,000	64,948
Interest Earned on Emergency Reserve	25	-	25	-
Interest Earned on Maintenance Reserve	25	-	25	-
Interest Earned on Capital Reserve Funds	25	-	25	-
Total Local Sources	3,794,074	-	3,794,074	102,284
State Sources:				
School Choice Aid	84,015	-	84,015	-
Categorical Transportation Aid	11,203	-	11,203	-
Categorical Special Education Aid	184,630	-	184,630	-
Equalization Aid	284,890	-	284,890	-
Categorical Security Aid	92,138	-	92,138	-
Stabilization Aid	-	-	-	147,948
Lead Based Testing	-	-	-	1,080
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	772,419
TPAF Social Security (reimbursed)	-	-	-	163,819
TPAF Post Retirements	-	-	-	202,913
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	324
Total State Sources	656,876	-	656,876	1,288,503
Federal Sources:				
Medicaid Reimbursement	22,978	-	22,978	(22,978)
Total Federal Sources	22,978	-	22,978	(22,978)
Total Revenues	4,473,928	-	4,473,928	1,367,809
Current Expense:				
Regular Programs - Instruction:				
Kindergarten - Salaries of Teachers	149,219	(4,846)	144,373	-
Grades 1-5 - Salaries of Teachers	849,861	32,152	882,013	194
Grades 6-8 - Salaries of Teachers	140,943	(36,470)	104,473	4,454
Regular Programs - Home Instruction:				
Salaries of Teachers	5,000	4,412	9,412	-
Purchased Professional - Educational Services	5,000	(4,000)	1,000	700

SEASIDE HEIGHTS SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Regular Programs - Undistributed Instruction:				
Other Salaries for Instruction	36,815	10,000	46,815	46,778
Purchased Professional - Educational Services	10,000	-	10,000	8,938
Other Purchased Services	19,200	(7,000)	12,200	8,570
General Supplies	60,000	(4,000)	56,000	53,458
Textbooks	5,000	(3,000)	2,000	1,203
Other Objects	4,000	-	4,000	1,920
Total Regular Programs - Instruction	1,285,038	(12,752)	1,272,286	1,256,790
Special Education - Instruction:				
Learning and/or Language Disabilities:				
Salaries of Teachers	162,682	(18,000)	144,682	141,446
Other Salaries for Instruction	89,000	(60,000)	29,000	28,790
General Supplies	1,000	-	1,000	581
Total Learning and/or Language Disabilities	252,682	(78,000)	174,682	170,817
Special Education - Instruction:				
Resource Room/Resource Center:				
Salaries of Teachers	140,667	92,500	233,167	233,075
Other Salaries	57,000	4,800	61,800	61,800
General Supplies	1,000	80	1,080	1,078
Total Resource Room/Resource Center	198,667	97,380	296,047	295,953
Total Special Education - Instruction	451,349	19,380	470,729	466,770
Bilingual Education - Instruction:				
Salaries of Teachers	72,540	940	73,480	73,479
General Supplies	1,000	-	1,000	470
Total Bilingual Education - Instruction	73,540	940	74,480	73,949
School-Sponsored Coccircular/Extra Curricular Activities - Instruction:				
Other Objects	4,000	(1,499)	2,501	200
Total School-Sponsored Coccircular/Extra Curricular Activities - Instruction	4,000	(1,499)	2,501	200

SEASIDE HEIGHTS SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Summer School - Instruction:					
Salaries of Teachers	11-422-100-101	-	20,504	20,504	3,244
Purchased Professional and Technical Services	11-422-100-300	2,000	-	2,000	2,000
Other Objects	11-422-100-800	-	1,415	1,415	1,414
		2,000	21,919	23,919	6,658
Total Summer School - Instruction					17,261
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Private School Disabled - Within State	11-000-100-566	65,000	(6,475)	58,525	5,076
Total Undistributed Expenditures - Instruction (Tuition)		65,000	(6,475)	58,525	5,076
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	77,574	9,000	86,574	86,534
Purchased Professional and Technical Services	11-000-211-300	2,000	(50)	1,950	-
Supplies and Materials	11-000-211-600	-	650	650	401
Total Undistributed Expenditures Attendance and Social Work		79,574	9,600	89,174	86,935
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	88,767	3,027	91,794	91,794
Purchased Professional & Technical Services	11-000-213-300	1,000	1,500	2,500	2,442
Supplies and Materials	11-000-213-600	3,500	(327)	3,173	2,184
Total Undistributed Expenditures - Health Services		93,267	4,200	97,467	96,420
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	65,667	2,500	68,167	68,120
Purchased Professional - Educational Services	11-000-216-320	35,000	(10,859)	24,141	13,515
Supplies and Materials	11-000-216-600	1,000	-	1,000	664
Total Undistributed Expenditures - Speech, OT, PT and Related Services		101,667	(8,359)	93,308	82,299
Undistributed Expenditures - Other Support Services - Extra Services:					
Salaries	11-000-217-100	90,000	42,300	132,300	132,215
Total Undistributed Expenditures - Other Support Services - Extra Services		90,000	42,300	132,300	132,215

SEASIDE HEIGHTS SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	11-000-218-104	63,753	3,100	66,853	28
Purchased Professional - Educational Services	11-000-218-320	8,500	-	8,500	268
Supplies and Materials	11-000-218-600	1,000	-	1,000	511
Total Undistributed Expenditures - Guidance		73,253	3,100	76,353	807
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	157,200	(5,704)	151,496	1
Salaries of Secretaries & Clerical Assistants	11-000-219-105	39,500	1,308	40,808	-
Purchased Professional - Educational Services	11-000-219-320	25,000	5,700	30,700	51
Supplies and Materials	11-000-219-600	4,000	(100)	3,900	1,594
Other Objects	11-000-219-800	-	100	100	3
Total Undistributed Expenditures - Child Study Teams		225,700	1,304	227,004	1,649
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	11-000-221-102	25,000	24,500	49,500	-
Purchased Professional - Educational Services	11-000-221-320	30,000	(19,000)	11,000	-
Total Undistributed Expenditures - Improvement of Instruction Services		55,000	5,500	60,500	-
Undistributed Expenditures - Educational Media Services/Library:					
Salaries	11-000-222-100	16,000	30,000	46,000	206
Salaries of Technology Coordinators	11-000-222-177	37,000	3,655	40,655	-
Supplies and Materials	11-000-222-600	4,000	(700)	3,300	2,486
Total Undistributed Expenditures - Educational Media Services/Library		57,000	32,955	89,955	2,692
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	11-000-223-104	-	700	700	-
Purchased Professional - Educational Services	11-000-223-320	1,000	-	1,000	1,000
Other Purchased Services	11-000-223-500	4,000	(99)	3,901	367
Supplies and Materials	11-000-223-600	-	99	99	-
Total Undistributed Expenditures - Instructional Staff Training Services		5,000	700	5,700	1,367

SEASIDE HEIGHTS SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Support Services - General Administration:					
Salaries	11-000-230-100	17,000	(17,000)	-	-
Salaries - Governance Staff	11-000-230-109	3,600	-	3,600	3,600
Legal Services	11-000-230-331	10,500	9,100	19,541	19,541
Audit Fees	11-000-230-332	23,000	3,000	26,000	26,000
Architectural/Engineering Services	11-000-230-334	-	11,960	11,960	11,960
Purchased Technical Services	11-000-230-340	21,000	24,700	45,700	45,385
Communications/Telephone	11-000-230-530	20,000	1,800	21,800	21,725
BOE Other Purchased Professional Services	11-000-230-585	4,000	(400)	3,600	3,556
Other Purchased Services	11-000-230-590	14,000	6,960	20,960	20,708
General Supplies	11-000-230-610	500	250	750	691
Miscellaneous Expenditures	11-000-230-890	1,000	1,200	2,200	2,104
BOE Membership Dues and Fees	11-000-230-895	3,000	200	3,200	3,129
Total Undistributed Expenditures -		117,600	41,770	159,370	158,399
Support Services - General Administration					971
Undistributed Expenditures -					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	11-000-240-103	92,000	3,400	95,400	78,082
Salaries of Secretaries & Clerical Assistants	11-000-240-105	18,822	-	18,822	12,502
Purchased Professional & Technical Services	11-000-240-300	1,250	200	1,450	1,375
Supplies and Materials	11-000-240-600	2,500	3,800	6,300	6,178
Total Undistributed Expenditures -		114,572	7,400	121,972	98,137
Support Services - School Administration					23,835
Undistributed Expenditures - Central Services:					
Salaries	11-000-251-100	28,559	2,200	30,759	30,720
Purchased Professional Services	11-000-251-330	15,000	7,500	22,500	22,493
Purchased Technical Services	11-000-251-340	26,090	4,910	31,000	31,000
Supplies and Materials	11-000-251-600	2,000	(1,800)	200	164
Miscellaneous Expenditures	11-000-251-890	250	-	250	225
Total Undistributed Expenditures - Central Services		71,899	12,810	84,709	84,602
Support Services - Central Services					107
Undistributed Expenditures -					
Administrative Information Technology:					
Purchased Technical Services	11-000-252-340	4,000	18,400	22,400	22,320
Supplies and Materials	11-000-252-600	13,000	(7,600)	5,400	3,165
Total Undistributed Expenditures -		17,000	10,800	27,800	25,485
Administrative Information Technology					2,315

SEASIDE HEIGHTS SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -				
Required Maintenance for School Facilities:				
Salaries	30,916	1,000	31,916	46
Cleaning, Repair & Maintenance Services	52,597	(8,710)	43,887	20,155
Lead Testing of Drinking Water	1,000	(1,000)	-	-
General Supplies	12,000	1,000	13,000	404
Other Objects	500	-	500	500
Total Undistributed Expenditures -	97,013	(7,710)	89,303	21,105
Required Maintenance for School Facilities				
Undistributed Expenditures - Custodial Services:				
Salaries	105,845	(8,000)	97,845	1,941
Salaries of Non-Instructional Aides	12,000	-	12,000	6,167
Cleaning, Repair & Maintenance Services	20,000	-	20,000	9,500
Insurance	45,000	2,175	47,175	1
General Supplies	10,000	-	10,000	4,106
Energy (Electricity)	60,000	12,000	72,000	13,023
Total Undistributed Expenditures - Custodial Services	252,845	6,175	259,020	34,738
Undistributed Expenditures -				
Care and Upkeep of Grounds:				
Purchased Professional and Technical Services	12,000	-	12,000	6,341
General Supplies	1,000	-	1,000	582
Total Undistributed Expenditures -	13,000	-	13,000	6,923
Care and Upkeep of Grounds				
Security:				
Purchased Professional and Technical Services	27,000	-	27,000	4,840
Total Security	27,000	-	27,000	4,840

SEASIDE HEIGHTS SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Student Transportation Services:					
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	31,059	2,200	33,259	39
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	3,000	(1,000)	2,000	1,000
Contract Services (Between Home & School) - Vendors	11-000-270-511	-	12,000	12,000	341
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	10,000	(10,000)	-	-
Contract Services (Special Education) - Vendors	11-000-270-514	2,000	(2,000)	-	-
Contract Serv.(Sp Ed Stds)-Joint Agrmnts	11-000-270-515	20,000	(14,000)	6,000	584
Contract Services (Special Education) - ESCs & CTASAs	11-000-270-518	40,000	43,800	83,800	16,983
Miscellaneous Purchased Services - Transportation	11-000-270-593	3,000	(1,000)	2,000	1,656
Total Undistributed Expenditures -		109,059	30,000	139,059	20,603
Student Transportation Services					
Undistributed Expenditures:					
Group Insurance	11-000-291-210	3,000	1,600	4,600	1,004
Social Security Contributions	11-000-291-220	130,000	(7,041)	122,959	19,617
Other Retirement Contributions - PERS	11-000-291-241	95,650	5,441	101,091	-
Pension Contributions	11-000-291-249	5,000	-	5,000	4,433
Unemployment Compensation	11-000-291-250	5,000	-	5,000	5,000
Workmen's Compensation	11-000-291-260	40,600	-	40,600	4,824
Health Benefits	11-000-291-270	820,000	(222,988)	597,012	53,133
Tuition Reimbursement	11-000-291-280	5,000	-	5,000	5,000
Other Employee Benefits	11-000-291-290	50,000	7,700	57,700	549
Unused Sick Payment to Staff	11-000-291-299	24,000	-	24,000	24,000
Total Unallocated Benefits		1,178,250	(215,288)	962,962	117,560
Nonbudgeted:					
TPAF Pension (on-behalf)	N/A	-	-	-	(772,419)
TPAF Social Security (reimbursed)	N/A	-	-	-	(163,819)
TPAF Post Retirements	N/A	-	-	-	(202,913)
TPAF Long-Term Disability Insurance (on behalf)	N/A	-	-	-	(324)
Total Undistributed Expenditures		2,843,699	(29,218)	2,814,481	(832,134)
Total Expenditures - Current Expense		4,659,626	(1,230)	4,658,396	(792,586)
Interest Deposit to Capital Reserves	604-000	25	-	25	25
Interest Deposit to Maintenance Reserves	606-000	25	-	25	25
Interest Deposit to Emergency Reserves	606-000	25	-	25	25

SEASIDE HEIGHTS SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Capital Outlay:				
Equipment:				
Grades 1-5	5,000	1,000	6,000	2,966
Undistributed Expenditures:				
Undist. Expend. - Required Maint for School Fac.	-	230	230	-
Total Equipment	5,000	1,230	6,230	3,034
Facilities Acquisition & Construction Services:				
Architectural/Engineering Services	10,645	-	10,645	515
Assessment for Debt Service on SDA Funding	1,824	-	1,824	1,824
Total Facilities Acquisition & Construction Services	12,469	-	12,469	2,339
Total Capital Outlay	17,469	1,230	18,699	5,535
Total Expenditures	4,677,170	-	4,677,170	5,456,517
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)	(203,242)	-	(203,242)	385,220
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(203,242)	-	(203,242)	385,220
Fund Balances, July 1	542,330	-	542,330	542,330
Fund Balances, June 30	\$ 339,088	\$ -	\$ 339,088	\$ 927,550
				\$ 588,462

SEASIDE HEIGHTS SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	
RECAPITULATION OF FUND BALANCE				
Restricted Fund Balance:				
Capital Reserve				\$ 58,473
Maintenance Reserve				56,966
Emergency Reserve				50,402
Unemployment Reserve				25,306
Excess Surplus				98,455
Assigned Fund Balance:				
Designated for Subsequent Year's Expenditures				240,000
Unassigned Fund Balance				397,948
Subtotal				927,550
Reconciliation to Governmental Funds Statements (GAAP):				
Last State Aid Payments Not Recognized on GAAP Basis				(73,277)
Fund Balance per Governmental Funds (GAAP)				\$ 854,273

SEASIDE HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL (OVER)/ UNDER	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Revenues:					
State Sources	\$ 107,792	\$ 523,588	\$ 631,380	\$ 623,209	\$ 8,171
Federal Sources	244,333	847,031	1,091,364	857,556	233,808
Total Revenues	352,125	1,370,619	1,722,744	1,480,765	241,979
Expenditures:					
Instruction:					
Salaries of Teachers	207,792	187,046	394,838	348,289	46,549
Other Salaries for Instruction	-	171,144	171,144	171,143	1
Other Purchased Services (400-500 Series)	71,524	84,205	155,729	148,133	7,596
General Supplies	-	17,594	17,594	3,550	14,044
Total Instruction	279,316	459,989	739,305	671,115	68,190
Support Services:					
Salaries of Other Professional Staff	-	83,226	83,226	62,373	20,853
Personal Services - Employee Benefits	72,809	202,896	275,705	262,381	13,324
Purchased Educational Services	-	277,233	277,233	213,008	64,225
Other Purchased Services (400-500 Series)	-	58,523	58,523	55,218	3,305
Transportation	-	200,800	200,800	200,539	261
Other Objects	-	1,219	1,219	719	500
Total Support Services	72,809	823,897	896,706	794,238	102,468
Facilities Acquisition & Construction Services:					
Buildings	-	80,618	80,618	15,412	65,206
Instructional Equipment	-	6,115	6,115	-	6,115
Total Facilities Acquisition & Construction Services	-	86,733	86,733	15,412	71,321
Total Expenditures	352,125	1,370,619	1,722,744	1,480,765	241,979
Total Outflows	352,125	1,370,619	1,722,744	1,480,765	241,979
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 5,841,737	\$ 1,480,765
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	369,146
The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		
Current Year	(73,277)	-
Prior Year	85,929	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 5,854,389</u>	<u>\$ 1,849,911</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 5,456,517	\$ 1,480,765
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 5,456,517</u>	<u>\$ 1,480,765</u>

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank

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

This page intentionally left blank

SEASIDE HEIGHTS SCHOOL DISTRICT
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS *

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability:	0.00802%	0.00742%	0.00776%	0.00742%	0.00784%	0.00665%	0.00768%	0.00777%	0.00643%	0.00691%
School District's proportionate share of the net pension liability:	\$ 1,209,789	\$ 879,538	\$ 1,265,252	\$ 1,336,995	\$ 1,544,099	\$ 1,548,462	\$ 2,273,962	\$ 1,744,022	\$ 1,203,191	\$ 1,320,297
School District's covered payroll	\$ 632,874	\$ 592,625	\$ 513,551	\$ 503,644	\$ 536,396	\$ 510,639	\$ 471,277	\$ 457,446	\$ 519,008	\$ 489,580
School District's proportionate share of the net pension liability as a percentage of its covered payroll	191.16%	148.41%	246.37%	265.46%	287.87%	302.24%	482.51%	381.25%	231.83%	269.68%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 101,091	\$ 86,949	\$ 84,877	\$ 72,176	\$ 78,005	\$ 61,623	\$ 68,209	\$ 66,794	\$ 52,978	\$ 52,052
Contributions in relation to the contractually required contribution	(101,091)	(86,949)	(84,877)	(72,176)	(78,005)	(61,623)	(68,209)	(66,794)	(52,978)	(52,052)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 688,725	\$ 632,874	\$ 592,625	\$ 513,551	\$ 503,644	\$ 536,396	\$ 510,639	\$ 471,277	\$ 457,446	\$ 519,008
Contributions as a percentage of covered payroll	14.68%	13.74%	14.32%	14.05%	15.49%	11.49%	13.36%	14.17%	11.58%	10.03%

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	8,855,868	7,927,339	11,111,296	10,008,436	10,647,675	10,409,627	11,034,003	9,001,264	7,632,847	7,062,221
School District's covered payroll	\$ 2,278,152	\$ 2,187,028	\$ 2,084,208	\$ 1,972,100	\$ 1,884,311	\$ 1,762,862	\$ 1,696,488	\$ 1,627,986	\$ 1,423,982	\$ 1,385,387
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

This page intentionally left blank

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

This page intentionally left blank

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 534,700	\$ 611,451	\$ 354,160	\$ 369,196	\$ 400,899	\$ 482,641
Interest Cost	233,905	268,114	270,320	327,047	348,046	296,466
Changes in Benefit Terms	-	(11,001)	-	-	-	-
Difference Between Expected and Actual Experiences	314,108	(2,382,659)	1,952,551	(1,306,892)	(831,466)	-
Changes of Assumptions	(2,367,716)	10,197	2,199,977	111,379	(940,053)	(1,167,022)
Contributions: Member	7,433	6,854	6,355	6,797	7,571	8,039
Gross Benefit Payments	(231,690)	(211,198)	(209,672)	(229,308)	(219,047)	(218,323)
Net Change in Total OPEB Liability	(1,509,260)	(1,708,242)	4,573,691	(721,781)	(1,234,050)	(598,199)
Total OPEB Liability (Beginning)	10,335,494	12,043,736	7,470,045	8,191,826	9,425,876	10,024,075
Total OPEB Liability (Ending)	\$ 8,826,234	\$ 10,335,494	\$ 12,043,736	\$ 7,470,045	\$ 8,191,826	\$ 9,425,876
State's Covered Employee Payroll	\$ 2,911,026	\$ 2,779,653	\$ 2,700,579	\$ 2,475,744	\$ 2,420,707	\$ 2,273,501
Net OPEB Liability as a Percentage of Payroll	303.20%	371.83%	445.97%	301.73%	338.41%	415%

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

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

This page intentionally left blank

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2023**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None.

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	5.60%	2016	3.22%
2021	7.00%	2018	4.86%	2015	4.13%
2020	5.40%	2017	4.25%	2014	4.68%

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.30%	2017	7.00%	2014	7.90%

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

The June 30, 2022 measurement date includes three changes to the plan provisions, only one of which had an impact on the Total Pension Liability. Chapter 226, P.L. 2021 reopened the prosecutors part of PERS and made membership in the prosecutors part of PERS mandatory for all prosecutors.

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	6.28%	2016	3.98%
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

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

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms

None.

Changes of Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%	2016	2.85%
2021	2.16%	2018	3.87%		
2020	2.21%	2017	3.58%		

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

This page intentionally left blank

OTHER SUPPLEMENTARY INFORMATION

This page intentionally left blank

D. School Based Budget Schedules

Not Applicable

This page intentionally left blank

E. Special Revenue Fund

This page intentionally left blank

SEASIDE HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	Title I	Title I, S/A	Title II A	I.D.E.A. - Basic
Revenues:				
State Sources	\$ 332,207	\$ 33,200	\$ 23,232	\$ 87,374
Federal Sources				
Total Revenues	332,207	33,200	23,232	87,374
Expenditures:				
Instruction:				
Salaries of Teachers	90,206	21,987	13,000	-
Other Salaries for Instruction	85,719	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	87,374
General Supplies	-	-	-	-
Total Instruction	175,925	21,987	13,000	87,374
Support Services:				
Salaries of Other Professional Staff	-	-	-	-
Personal Services - Employee Benefits	105,459	11,213	8,867	-
Purchased Educational Services	-	-	1,365	-
Other Purchased Services (400-500 Series)	50,823	-	-	-
Transportation	-	-	-	-
Other Objects	-	-	-	-
Total Support Services	156,282	11,213	10,232	-
Facilities Acquisition & Construction Services:				
Buildings	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-
Total Expenditures	332,207	33,200	23,232	87,374
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	-	-	-	-

SEASIDE HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	I.D.E.A. - Preschool	Preschool Education	ESSER II	Coronavirus Response and Relief Supplemental Appropriations (CRRSA) - Learning Acceleration Grant
Revenues:				
State Sources	-	618,071	\$ -	-
Federal Sources	2,603	-	64,563	851
Total Revenues	2,603	618,071	64,563	851
Expenditures:				
Instruction:				
Salaries of Teachers	-	155,078	33,537	800
Other Salaries for Instruction	-	85,424	-	-
Other Purchased Services (400-500 Series)	2,603	-	-	-
General Supplies	-	3,550	-	-
Total Instruction	2,603	244,052	33,537	800
Support Services:				
Salaries of Other Professional Staff	-	62,373	-	-
Personal Services - Employee Benefits	-	109,314	24,895	51
Purchased Educational Services	-	196,485	-	-
Other Purchased Services (400-500 Series)	-	4,395	-	-
Transportation	-	1,452	-	-
Other Objects	-	-	719	-
Total Support Services	-	374,019	25,614	51
Facilities Acquisition & Construction Services:				
Buildings	-	-	5,412	-
Total Facilities Acquisition & Construction Services	-	-	5,412	-
Total Expenditures	2,603	618,071	64,563	851
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	-	-	\$ -	\$ -

SEASIDE HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	Coronavirus Response and Relief Supplemental Appropriations (CRRSA) - Mental Health Grant	ESSER III	American Rescue Plan (ARP) - Accelerated Learning Coach	American Rescue Plan (ARP) - Evidence Based Summer Learning
Revenues:				
State Sources	\$ -	\$ -	\$ -	\$ -
Federal Sources	24,843	267,243	10,020	11,420
Total Revenues	24,843	267,243	10,020	11,420
Expenditures:				
Instruction:				
Salaries of Teachers	23,073	-	-	10,608
Other Salaries for Instruction	-	-	-	-
Other Purchased Services (400-500 Series)	-	58,156	-	-
General Supplies	-	-	-	-
Total Instruction	23,073	58,156	-	10,608
Support Services:				
Salaries of Other Professional Staff	-	-	-	-
Personal Services - Employee Benefits	1,770	-	-	812
Purchased Educational Services	-	-	10,020	-
Other Purchased Services (400-500 Series)	-	-	-	-
Transportation	-	199,087	-	-
Other Objects	-	-	-	-
Total Support Services	1,770	199,087	10,020	812
Facilities Acquisition & Construction Services:				
Buildings	-	10,000	-	-
Total Facilities Acquisition & Construction Services	-	10,000	-	-
Total Expenditures	24,843	267,243	10,020	11,420
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	-	-	-	-

SEASIDE HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	SDA Emergent Needs and Capital Maintenance	Totals
Revenues:		
State Sources	\$ 5,138	\$ 623,209
Federal Sources	-	857,556
Total Revenues	5,138	1,480,765
Expenditures:		
Instruction:		
Salaries of Teachers	-	348,289
Other Salaries for Instruction	-	171,143
Other Purchased Services (400-500 Series)	-	148,133
General Supplies	-	3,550
Total Instruction	-	671,115
Support Services:		
Salaries of Other Professional Staff	-	62,373
Personal Services - Employee Benefits	-	262,381
Purchased Educational Services	5,138	213,008
Other Purchased Services (400-500 Series)	-	55,218
Transportation	-	200,539
Other Objects	-	719
Total Support Services	5,138	794,238
Facilities Acquisition & Construction Services:		
Buildings	-	15,412
Total Facilities Acquisition & Construction Services	-	15,412
Total Expenditures	5,138	1,480,765
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-
Fund Balance, July 1	-	-
Fund Balance, June 30	\$ -	\$ -

**SEASIDE HEIGHTS SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 155,078	\$ 155,078	\$ -
Other Salaries of Instruction	85,425	85,424	1
General Supplies	4,999	3,550	1,449
Total Instruction	245,502	244,052	1,450
Support Services:			
Salaries of Other Professional Staff	63,226	62,373	853
Employee Benefits	109,377	109,314	63
Purchased Professional – Educational Services	197,260	196,485	775
Other Purchased Professional - Services	7,700	4,395	3,305
Transportation	1,700	1,452	248
Supplies & Materials	500	-	500
Total Support Services	379,763	374,019	5,744
Facilities Acquisition and Const. Services:			
Instructional Equipment	6,115	-	6,115
Total Facilities Acquisition and Const. Services	6,115	-	6,115
Total Expenditures	\$ 631,380	\$ 618,071	\$ 13,309

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2022-2023 Preschool Education Aid Allocation	<u>\$ 631,380</u>
Total Preschool Education Aid Funds Available for 2022-2023 Budget	631,380
Less: 2022-2023 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(631,380)</u>
Add: June 30, 2023 Unexpended Preschool Education Aid Funds	<u>13,309</u>
2022-2023 Carryover - Preschool Education Aid Funds	<u>13,309</u>
2022-2023 Preschool Education Aid Funds Carryover Budgeted in 2023-2024	<u>\$ -</u>

This page intentionally left blank

F. Capital Projects Fund

Not Applicable

This page intentionally left blank

H. Fiduciary Fund

Not Applicable

This page intentionally left blank

I. Long-Term Debt

This page intentionally left blank

EXHIBIT I-2

SEASIDE HEIGHTS SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF LEASE OBLIGATIONS
 YEAR ENDED JUNE 30, 2023

DESCRIPTION:	AMOUNT OF ORIGINAL ISSUE	INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2022	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2023
Copier - FY18	\$ 22,564	Variable	\$ 5,509	\$ 5,072	\$ 437
Copier - FY21	18,000	Variable	13,214	3,483	9,731
Total			\$ 18,723	\$ 8,555	\$ 10,168

This page intentionally left blank

STATISTICAL SECTION (Unaudited)

Third Section

This page intentionally left blank

Financial Trends Information

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

This page intentionally left blank

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

	2023	2022	2021 *	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Net Investment in Capital Assets	\$ 3,814,411	\$ 3,702,450	\$ 2,860,085	\$ 3,009,798	\$ 3,169,403	\$ 3,297,778	\$ 3,187,917	\$ 3,204,839	\$ 3,276,528	\$ 2,212,190
Restricted	289,602	282,561	382,376	218,355	168,280	165,391	710,084	411,384	432,616	684,838
Unrestricted (Deficit)	(1,069,802)	(1,575,648)	(1,645,511)	(1,689,091)	(1,663,190)	(1,558,136)	(2,344,807)	(1,695,702)	(2,233,152)	(716,945)
Total Governmental Activities Net Position	\$ 3,034,211	\$ 2,409,363	\$ 1,674,493	\$ 1,905,033	\$ 1,553,194	\$ 1,920,521	\$ 1,475,992	\$ 2,180,083	\$ 3,451,249	\$ 2,438,493
Business-Type Activities:										
Net Investment in Capital Assets	\$ 11,998	\$ 13,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted (Deficit)	48,145	88,553	91,089	44,173	7,586	8,374	5,890	2,689	37	251
Total Business-Type Activities Net Position	\$ 60,143	\$ 102,050	\$ 91,089	\$ 44,173	\$ 7,586	\$ 8,374	\$ 5,890	\$ 2,689	\$ 37	\$ 251
District-Wide:										
Net Investment in Capital Assets	\$ 3,876,409	\$ 3,715,947	\$ 2,860,085	\$ 3,009,798	\$ 3,169,403	\$ 3,297,778	\$ 3,187,917	\$ 3,204,839	\$ 3,276,528	\$ 2,212,190
Restricted	289,602	282,561	382,376	218,355	168,280	165,391	710,084	411,384	432,616	684,838
Unrestricted (Deficit)	(1,021,657)	(1,487,095)	(1,554,422)	(1,644,918)	(1,655,604)	(1,549,762)	(2,338,917)	(1,693,013)	(2,233,115)	(716,694)
Total District Net Position	\$ 3,094,354	\$ 2,511,413	\$ 1,688,039	\$ 1,583,235	\$ 1,682,079	\$ 1,913,407	\$ 1,559,084	\$ 1,923,210	\$ 1,476,029	\$ 2,180,334

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

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

	2023	2022	2021 *	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 3,255,110	\$ 3,256,661	\$ 3,029,818	\$ 2,988,552	\$ 2,768,226	\$ 2,756,466	\$ 1,607,792	\$ 1,349,042	\$ 1,375,775	\$ 1,241,356
Special Education	787,257	609,762	481,596	588,440	944,234	1,042,924	353,173	440,289	332,050	338,961
Other Special Education	-	-	-	-	-	-	60,502	57,204	55,927	90,140
Other Instruction	136,297	146,130	115,481	152,581	185,164	174,796	18,008	25,456	75,587	-
Support Services:										
Tuition	6,194	11,757	40,901	82,803	50,309	27,572	24,747	32,306	159,916	132,077
Student & Instruction Related Services	2,018,121	1,369,942	1,293,767	958,279	1,044,511	1,090,456	676,464	616,765	645,812	599,132
Other Administrative Services	194,302	146,970	118,615	155,110	-	169,445	98,254	110,395	91,023	125,158
Central Services	103,729	94,111	84,255	96,036	141,600	150,243	87,930	92,028	89,677	129,445
Administration Information Technology Services	31,301	18,898	26,928	19,712	79,373	12,144	31,518	37,416	55,995	29,718
School Administrative Services	120,396	112,507	129,582	150,980	12,406	447,651	338,388	305,674	287,790	1,199,796
Plant Operations & Maintenance	380,239	856,511	617,501	388,708	413,737	165,063	62,981	116,039	104,021	62,423
Pupil Transportation	145,299	295,272	124,248	150,259	150,369	-	-	-	-	-
Unallocated Benefits	-	-	-	-	-	-	2,205,772	1,820,944	1,546,013	1,052,905
Interest & Other Charges	10,379	10,035	2,978	3,416	-	3,477	18,486	21,741	22,517	14,099
Reduction of Capital Leases	-	-	-	-	3,584	-	-	-	-	-
Unallocated Adjustment to Fixed Assets	-	-	-	-	-	-	23,886	-	(85,806)	-
Unallocated Depreciation	-	-	-	-	-	-	172,305	199,299	196,340	171,074
Total Governmental Activities Expenses	7,188,624	6,928,556	6,065,670	5,734,876	5,925,255	6,126,018	5,820,763	5,260,702	4,990,750	5,220,198
Business-Type Activities:										
Food Service	259,109	196,858	162,963	188,844	154,416	166,310	162,967	136,294	145,964	129,386
Total Business-Type Activities Expense	259,109	196,858	162,963	188,844	154,416	166,310	162,967	136,294	145,964	129,386
Total District Expenses	7,447,733	7,125,414	6,228,633	5,923,720	6,079,671	6,292,328	5,983,730	5,396,996	5,136,714	5,349,584
Program Revenues:										
Operating Grants & Contributions	\$ 3,098,558	\$ 3,206,823	\$ 1,825,284	\$ 1,377,950	\$ 1,637,562	\$ 1,918,264	\$ 1,674,562	\$ 1,126,360	\$ 1,059,347	\$ 719,951
Total Governmental Activities Program Revenues	3,098,558	3,206,823	1,825,284	1,377,950	1,637,562	1,918,264	1,674,562	1,126,360	1,059,347	719,951
Business-Type Activities:										
Charges for Services:										
Operating Grants & Contributions	217,201	207,818	209,877	225,428	153,625	159,794	156,168	120,374	122,512	108,750
Total Business Type Activities Program Revenues	217,201	207,818	209,877	225,428	153,625	159,794	156,168	120,374	122,512	108,750
Total District Program Revenues	3,315,759	3,414,641	2,035,161	1,603,378	1,791,187	2,078,058	1,830,730	1,246,734	1,181,859	828,701

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021 *	2020	2019	2018	2017	2016	2015	2014
Net (Expense)/Revenue:										
Governmental Activities	\$ (4,090,066)	\$ (3,721,733)	\$ (4,240,386)	\$ (4,356,926)	\$ (4,287,693)	\$ (4,207,754)	\$ (4,146,201)	\$ (4,134,342)	\$ (3,931,403)	\$ (4,500,247)
Business-Type Activities	(41,908)	10,960	46,914	36,584	(791)	(6,516)	(6,799)	(15,920)	(23,452)	(20,636)
Total District-Wide Net Expense	\$ (4,131,974)	\$ (3,710,773)	\$ (4,193,472)	\$ (4,320,342)	\$ (4,288,484)	\$ (4,214,270)	\$ (4,153,000)	\$ (4,150,262)	\$ (3,954,855)	\$ (4,520,883)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 3,748,999	\$ 3,577,480	\$ 3,350,000	\$ 3,025,000	\$ 2,900,000	\$ 2,748,368	\$ 2,748,368	\$ 2,737,431	\$ 2,430,356	\$ 1,919,061
Taxes Levied for Debt Service	-	-	20,000	-	45,000	-	-	-	-	108,326
Grants & Contributions	818,556	878,083	827,881	1,075,481	1,804	1,036,425	1,010,344	1,466,553	1,029,671	963,828
Tuition Received	62,336	71,900	51,707	93,858	1,049,750	3,729	-	2,192	7,883	9,262
Miscellaneous Income	85,023	6,683	23,502	27,156	60,598	35,791	30,162	39,336	96,699	233,605
Transfers In/Out	-	-	-	-	-	(9,000)	(10,000)	(17,000)	(20,900)	(5,000)
Special Items:										
FEMA reimbursements	-	-	-	-	-	-	-	-	32,837	-
Cancellation of Community Disaster Loan	-	-	-	-	-	744,280	-	-	-	-
Capital Asset-Super Storm Sandy	-	-	-	-	-	-	-	34,464	(356,521)	-
Community Block Grant	-	-	-	-	-	-	-	115,895	502,437	-
Total Governmental Activities	4,714,914	4,534,146	4,273,090	4,221,495	4,057,152	4,559,593	3,778,874	4,578,871	3,722,462	3,229,082
Business-Type Activities:										
Transfers In/Out	-	-	-	-	-	9,000	10,000	17,000	20,900	5,000
Investment Earnings	1	1	2	3	3	-	-	1,572	2,338	1,088
Total Business-Type Activities	1	1	2	3	3	9,000	10,000	18,572	23,238	6,088
Total District-Wide	\$ 4,714,915	\$ 4,534,147	\$ 4,273,092	\$ 4,221,498	\$ 4,057,155	\$ 4,568,593	\$ 3,788,874	\$ 4,597,443	\$ 3,745,700	\$ 3,235,170
Change in Net Position:										
Governmental Activities	\$ 624,848	\$ 812,413	\$ 32,704	\$ (135,431)	\$ (230,541)	\$ 351,839	\$ (367,327)	\$ 444,529	\$ (208,941)	\$ (1,271,165)
Business-Type Activities	(41,907)	10,961	46,916	36,587	(788)	2,484	3,201	2,652	(214)	(14,548)
Total District	\$ 582,941	\$ 823,374	\$ 79,620	\$ (98,844)	\$ (231,329)	\$ 354,323	\$ (364,126)	\$ 447,181	\$ (209,155)	\$ (1,285,713)

Source: ACFR Schedule A-2

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021 *	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Restricted	\$ 289,602	\$ 282,561	\$ 382,376	\$ 218,355	\$ 168,280	\$ 165,391	\$ 1,216,598	\$ 1,273,318	\$ 758,929	\$ 798,271
Committed	-	-	-	-	425	-	-	-	-	-
Assigned	240,000	111,701	230,186	250,000	473,870	-	-	-	-	-
Unassigned	324,671	62,139	140,480	118,870	-	59,494	150,556	58,624	130,749	144,059
Total General Fund	\$ 854,273	\$ 456,401	\$ 753,042	\$ 587,225	\$ 642,575	\$ 224,885	\$ 1,367,154	\$ 1,331,942	\$ 889,678	\$ 942,330
All Other Governmental Funds:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ (7,088)	\$ (9,917)	\$ (7,326)	\$ (13,434)	\$ (9,487)	\$ (9,769)	\$ (13,433)
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ (7,088)	\$ (9,917)	\$ (7,326)	\$ (13,434)	\$ (9,487)	\$ (9,769)	\$ (13,433)

Source: ACFR Schedule B-1

*For the year ended June 30, 2021 fund balance was reclassified due to GASB 84.

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Tax Levy	\$ 3,748,999	\$ 3,577,480	\$ 3,370,000	\$ 3,025,000	\$ 2,945,000	\$ 2,748,368	\$ 2,748,368	\$ 2,737,431	\$ 2,430,356	\$ 2,027,387
Tuition Charges	62,336	71,900	51,707	93,858	1,804	3,729	-	2,192	7,883	9,264
Miscellaneous	85,023	6,683	23,502	30,222	37,811	30,162	30,162	39,336	96,699	233,591
State Sources	2,581,240	2,480,123	2,146,413	1,809,954	1,754,829	1,655,166	1,603,227	1,500,819	1,458,805	1,418,991
Federal Sources	1,226,702	1,575,924	506,752	365,995	334,009	328,343	426,727	654,787	296,489	264,788
Total Revenues	7,704,300	7,712,110	6,098,374	5,325,029	5,098,338	4,773,417	4,808,484	4,934,565	4,290,232	3,954,021
Expenditures:										
Instruction:										
Regular Instruction	1,929,905	2,010,026	1,833,920	1,688,809	1,366,826	1,353,410	1,607,792	1,349,042	1,375,775	1,241,356
Special Education Instruction	466,770	376,338	291,467	332,538	466,220	512,070	353,173	440,289	332,050	338,961
Other Special Instruction	-	-	-	-	63,055	61,022	60,502	57,204	55,927	90,140
Other Instruction	80,807	90,233	69,930	86,247	28,371	24,802	18,008	25,456	75,587	-
Support Services:										
Tuition	5,076	9,850	31,709	62,458	35,981	17,227	24,747	32,306	159,916	132,077
Attendance & Social Work Services	86,935	88,642	88,610	63,337	-	-	-	-	-	-
Health Services	96,420	92,289	90,039	87,892	-	-	-	-	-	-
Student & Instruction Related Services	1,461,749	962,636	823,301	571,067	747,037	681,288	676,464	616,765	645,812	599,132
Other Administrative Services	158,399	122,654	91,853	116,904	101,273	105,865	98,254	110,395	91,023	129,445
Central Services	84,602	78,568	65,289	72,378	56,768	53,594	40,557	36,104	38,113	33,914
Administration Information	25,485	15,751	20,877	14,862	8,873	7,587	31,518	37,416	55,995	29,718
Technology Services	98,137	93,913	100,377	113,838	94,222	93,868	87,930	92,028	89,677	125,158
School Administrative Services	320,717	629,297	391,549	297,611	308,196	279,681	338,388	305,674	287,790	1,199,796
Plant Operations & Maintenance	118,456	246,449	96,207	113,235	107,544	103,127	62,981	116,039	104,021	62,423
Pupil Transportation	1,984,877	1,950,032	1,754,012	1,668,624	1,683,472	1,611,217	1,367,408	1,308,635	1,163,537	1,139,036
Unallocated Benefits	386,269	1,162,594	197,732	6,840	44,289	312,521	191,647	133,968	346,920	651,331
Capital Outlay	-	76,613	19,359	17,202	45,000	184,355	-	-	-	131,975
Debt Service:	1,824	2,866	2,465	4,622	-	15,645	-	-	-	2,451
Interest & Other Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	7,306,428	8,008,751	5,968,696	5,318,464	5,157,127	5,417,279	4,959,369	4,661,321	4,822,143	5,906,913
Other Financing Sources/(Uses):										
Community Disaster Loan (FEMA)	-	-	-	-	-	-	-	-	266,255	777,550
Community Block Grant	-	-	-	-	-	-	-	200,000	-	14,914
Transfers in	-	-	-	-	-	-	-	-	-	3,197
Lease Purchase Agreements	-	-	18,043	-	-	22,564	9,156	-	-	-
Capital Asset-Super Storm Sandy	-	-	-	-	-	-	-	115,895	502,437	-
FEMA reimbursements	-	-	-	-	-	-	-	-	32,837	-
Cancellation of Prior Year Payables	-	-	-	-	-	-	-	34,464	(356,521)	-
Transfers Out	-	-	-	-	-	(9,000)	(10,000)	(17,000)	(20,900)	(19,916)
Total Other Financing Sources/(Uses)	-	-	18,043	6,565	(58,789)	(630,298)	(151,729)	606,603	(107,803)	(1,177,147)
Net Change in Fund Balances	\$ 397,872	\$ (296,641)	\$ 147,721	\$ 6,565	\$ (58,789)	\$ (630,298)	\$ (151,729)	\$ 606,603	\$ (107,803)	\$ (1,177,147)
Debt Service as a Percentage of Noncapital Expenditures	0.02%	0.41%	0.88%	3.83%	0.00%	0.00%	0.00%	2.33%	2.68%	3.37%

Source: ACFR Schedule B-2

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION FROM OTHER LEA's	TUITION OTHER	TRANSPORTATION FEES	MISCELLANEOUS	TOTAL
2023	\$ 75	\$ 62,336	\$ -	\$ -	\$ 84,948	\$ 147,359
2022	150	71,900	-	-	714	72,764
2021	110	51,707	-	-	23,392	75,209
2020	75	-	93,858	-	27,081	121,014
2019	75	-	1,804	-	60,324	62,203
2018	150	-	3,729	-	35,641	39,520
2017	150	-	-	-	28,775	28,925
2016	150	-	2,192	-	38,337	40,679
2015	150	-	7,883	-	9,944	17,977
2014	125	-	9,264	-	18,629	28,018

Source: District Records

Revenue Capacity Information

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

This page intentionally left blank

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	COMMERCIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS:		PUBLIC UTILITIES a	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE b	ACTUAL (COUNTY EQUALIZED) VALUE
						TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE				
2023	\$ 34,644,400	\$ 389,582,900	\$ 172,293,800	\$ 27,037,200	\$ 623,558,300	\$ 6,046,240	\$ -	\$ -	629,604,540	1.040	\$ 931,471,403
2022	21,456,000	439,464,500	181,344,100	30,350,900	672,615,500	87,415,800	-	-	760,031,300	0.964	794,021,367
2021	19,095,500	425,464,500	187,187,500	29,806,300	661,553,800	88,147,700	-	-	749,701,500	0.944	694,626,405
2020	19,582,800	410,297,000	187,545,000	28,830,100	646,254,900	97,329,000	-	-	743,583,900	0.964	682,783,835
2019	24,022,500	402,655,000	185,718,300	29,332,200	641,728,000	84,335,200	-	-	726,063,200	0.900	665,907,856
2018	24,205,000	397,426,800	189,130,300	26,644,900	637,407,000	84,865,300	-	-	722,272,300	0.879	647,752,177
2017	23,517,700	395,764,200	184,782,100	28,206,900	632,270,900	83,155,500	-	-	715,426,400	0.866	647,752,177
2016	25,230,100	393,639,500	186,208,200	28,345,200	633,423,000	69,658,800	-	-	703,081,800	0.884	637,374,723
2015	28,267,900	396,077,000	188,074,300	28,414,000	640,833,200	62,720,400	-	-	703,553,600	-	659,157,786
2014	34,644,400	389,582,900	172,293,800	27,037,200	623,558,300	60,462,400	-	-	684,020,700	-	661,881,223

Source: Abstract of Rateables - Ocean County

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

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

b Tax rates are per \$100

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		LOCAL SCHOOL DISTRICT TAX RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	GENERAL OBLIGATION DEBT SERVICE ^b		TOTAL DIRECT	MUNICIPAL RATE	OCEAN COUNTY	MUNICIPAL RATE		
	BASIC RATE ^a							
2023	0.586	-	0.586	0.449	1.095	0.500	2.630	
2022	0.557	-	0.557	0.407	1.089	0.448	2.501	
2021	0.403	-	0.403	0.541	1.054	0.422	2.420	
2020	0.443	-	0.443	0.521	1.025	0.439	2.428	
2019	0.429	-	0.429	0.471	1.021	0.434	2.355	
2018	0.417	-	0.417	0.462	1.002	0.412	2.293	
2017	0.431	-	0.431	0.435	0.967	0.417	2.250	
2016	0.450	-	0.450	0.434	0.930	0.398	2.212	
2015	0.380	-	0.380	0.427	0.901	0.427	2.135	
2014	0.264	-	0.264	0.390	0.866	0.435	1.955	

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

Note: *N.J.S.A. 184:7F-5d* limits the amount that the District can submit for a general fund tax levy. The levy, when added to other components of the District's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

^a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable

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

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

	2023		RANK	2014	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE		TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
Seaside Heights					
AFMV LLC	\$ 31,301,800	4.73%	1	\$ 30,737,700	4.66%
Seaside Ocean Terrace LLC	6,000,000	0.96%	3	7,897,000	1.28%
McGrath Partnership	6,322,000	0.91%	2	23,056,000	2.95%
Shree Atlantic Hospitality LLC	5,228,800	0.79%	4	7,744,000	0.52%
Seaside Heights Imp & Dev Co Inc	4,554,200	0.69%	5	7,644,200	0.45%
Samuel Tilles Inc.	4,295,300	0.65%	6	6,633,000	0.40%
Nini Feldman & Jill Finlay	3,700,000	0.56%	7	6,552,800	0.31%
Saddy Family LLC	3,526,900	0.51%	8	5,978,100	0.28%
Coin Castle Amusements	3,400,000	0.50%	9	5,250,000	0.27%
Beachfront Enterprises LLC	3,274,600	0.43%	10	4,700,000	0.26%
Total	\$ 71,603,600	11.48%		\$ 106,192,800	11.38%

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY ^a		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2023	\$ 3,748,999	\$ 3,748,999	100.00%	\$ -
2022	3,577,480	3,577,480	100.00%	-
2021	3,370,000	3,370,000	100.00%	-
2020	3,025,000	3,025,000	100.00%	-
2019	2,945,000	2,945,000	100.00%	-
2018	2,748,368	2,748,368	100.00%	-
2017	2,748,368	2,748,368	100.00%	-
2016	2,737,431	2,737,431	100.00%	-
2015	2,430,356	2,430,356	100.00%	-
2014	2,027,387	2,027,387	100.00%	-

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

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

Debt Capacity Information

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

This page intentionally left blank

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME ^a	PER CAPITA
	GENERAL OBLIGATION BONDS ^b	CAPITAL LEASES				
2023	\$ -	\$ 10,168	\$ 10,168	N/A	N/A	
2022	-	18,723	18,723	N/A	N/A	
2021	-	26,934	26,934	N/A	N/A	
2020	-	16,990	16,990	N/A	N/A	
2019	-	23,125	23,125	N/A	N/A	
2018	-	28,701	28,701	N/A	N/A	
2017	-	112,868	112,868	N/A	N/A	
2016	-	208,869	208,869	N/A	N/A	
2015	-	309,869	309,869	N/A	N/A	
2014	-	409,599	409,599	N/A	N/A	

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

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

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

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING				
	ESTIMATED SCHOOL DISTRICT POPULATION	NET ASSESSED VALUATION TAXABLE ^a	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PERCENTAGE OF PER CAPITA PER CAPITA ^b
2023	\$ -	\$ 684,390,200	\$ -	0.00%	N/A
2022	-	672,615,500	18,723	0.00%	N/A
2021	-	661,553,800	26,934	0.00%	N/A
2020	-	646,254,900	16,990	0.00%	N/A
2019	-	641,728,000	23,125	0.00%	N/A
2018	-	637,407,000	28,701	0.00%	N/A
2017	-	632,270,900	112,868	0.02%	N/A
2016	-	633,423,000	208,869	0.03%	N/A
2015	-	640,833,200	309,869	0.05%	N/A
2014	-	623,558,300	409,599	0.07%	N/A

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

a Used Estimated County equalized value from J-6

b Population data can be founds in Exhibit J-14

**SEASIDE HEIGHTS SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED JUNE 30, 2023
UNAUDITED**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ^a	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Borough of Seaside Heights	\$ 15,098,483.00	100.00%	\$ 15,098,483
Other Debt:			
Ocean County General Obligation Debt	450,942,968.00	0.66000%	<u>2,976,224</u>
Subtotal, Overlapping Debt			18,074,707
Total Direct & Overlapping Debt			<u><u>\$ 18,074,707</u></u>

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

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

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

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

	FISCAL YEAR ENDED JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 20,167,660	\$ 18,095,263	\$ 17,027,626	\$ 16,637,007	\$ 16,202,423	\$ 16,202,423	\$ 22,575,426	N/A	N/A	N/A
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 20,167,660	\$ 18,095,263	\$ 17,027,626	\$ 16,637,007	\$ 16,202,423	N/A	N/A	N/A	N/A	N/A
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A

EQUALIZED VALUATION BASIS

	Seaside Heights	TOTAL
2023	\$ 931,471,403	\$ 931,471,403
2022	794,021,367	794,021,367
2021	694,626,405	694,626,405
	[A]	2,420,119,175

Average Equalized Valuation of Taxable Property [A/3] 806,706,392

Debt Limit (2.5% of Average Equalization Value) [B] \$ 20,167,660

Legal Debt Margin [B-C] \$ 20,167,660

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

Demographic and Economic Information

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

This page intentionally left blank

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

FOR THE YEAR ENDED JUNE 30,	POPULATION a	PERSONAL INCOME b	PER CAPITA PERSONAL INCOME c	UNEMPLOYMENT RATE d
2023	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2021	2,470	N/A	N/A	N/A
2020	3,024	N/A	57,344	9.10%
2019	2,912	N/A	53,517	7.20%
2018	2,901	N/A	51,725	6.60%
2017	2,887	N/A	50,356	8.00%
2016	2,886	N/A	48,826	7.80%
2015	2,881	N/A	47,267	7.80%
2014	2,883	N/A	45,197	9.40%

Sources:

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

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

2023			2014		
EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT

DATA NOT AVAILABLE

DATA NOT AVAILABLE

0		0.00%	0		0.00%
0			0		

Source: Municipal Tax Collector

N/A - Information was not available at reporting time

Operating Information

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

This page intentionally left blank

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

	FISCAL YEAR ENDED JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Function/Program:										
Instruction:										
Regular	18	18	18	16	16	15	17	17	19	19
Special Education	13	13	13	12	12	12	12	12	4	4
Other Special Education	2	2	1	1	1	1			4	5
Support Services:										
Student & Instruction Related Services	10	10	10	10	10	9	8	8	8	7
School Administrative Services	2	2	2	2	2	2	1	1	1	2
General & Business Administrative Services	1	1	1	1	1	1	1	1	1	1
Plant Operations & Maintenance	3	3	3	3	3	3	3	3	3	4
Total	49	49	48	45	45	43	42	42	40	42

Source: District Personnel Records

SEASIDE HEIGHTS SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 UNAUDITED

FISCAL YEAR Ended June 30,	ENROLLMENT	OPERATING EXPENDITURES ^a	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF ^b	PUPIL/TEACHER RATIO ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADE) ^c	AVERAGE DAILY ATTENDANCE (ADA) ^c	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2023	211	\$ 4,311,507	\$ 20,434	-18.28%	30	7.0	186.80	166.10	0.00%	88.92%
2022	187	4,676,006	25,005	21.17%	30	6.2	186.80	166.10	-13.20%	88.92%
2021	211	4,044,879	20,636	-18.07%	29	7.3	215.20	178.70	2.66%	89.74%
2020	203	4,189,095	20,636	-18.07%	28	7.3	208.92	187.49	2.66%	89.74%
2019	203	5,112,838	25,186	4.60%	28	7.3	203.50	189.30	-10.33%	93.02%
2018	212	5,104,758	24,079	0.51%	27	7.9	226.95	204.40	6.40%	90.06%
2017	199	4,767,722	23,958	4.78%	24	8.3	213.30	196.70	-0.19%	92.22%
2016	198	4,527,353	22,865	7.80%	24	8.3	213.70	196.70	-5.69%	92.04%
2015	211	4,475,223	21,210	-14.27%	24	8.8	226.60	205.90	11.08%	90.86%
2014	207	5,121,156	24,740	18.90%	24	8.6	204.00	184.00	-26.67%	90.20%

Sources: District records

166

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

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

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

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

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

	FISCAL YEAR ENDED JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Square Feet	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040	32,040
Capacity (Students)	313	313	313	313	313	313	313	313	313	313
Enrollment	211	211	211	203	203	212	199	198	211	207

DISTRICT BUILDINGS:

Elementary Schools:

Hugh J Boyd Jr. Elementary (1967):

Square Feet

Capacity (Students)

Enrollment

Number of Schools at June 30, 2023:

Elementary = 1

Middle School = 0

Senior High School = 0

Other = 0

Source: District Facilities Office, District Records

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

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

SCHOOL FACILITIES	PROJECT # (s)	FISCAL YEAR ENDED JUNE 30,									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary Schools: Hugh J. Boyd, Jr.	N/A	\$ 68,198	\$ 378,346	\$ 122,079	\$ 82,045	\$ 113,499	\$ 82,970	\$ 67,358	\$ 95,679	\$ 84,118	\$ 977,095
Grand Total		\$ 68,198	\$ 378,346	\$ 122,079	\$ 82,045	\$ 113,499	\$ 82,970	\$ 67,358	\$ 95,679	\$ 84,118	\$ 977,095

Source: District Records

**SEASIDE HEIGHTS SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
SCHOOL PACKAGE POLICY (1):		
General Liability	\$ 6,000,000	\$ -
Property & Physical Damage	500,000,000	5,000
Worker's Compensation	2,000,000	Per State Law
SCHOOL ACCIDENT INSURANCE (2):	None	None
SURETY BONDS:		
Treasurer (1)	155,000	Per State Law
School Business Administrator (1)	155,000	Per State Law

Source: District Records

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

(2) Bollinger Insurance (Parent Paid Option Only)

(3) NJ Jersey School Insurance Group - MOCCSIF Subfund

This page intentionally left blank

SINGLE AUDIT SECTION

Fourth Section

This page intentionally left blank



Certified Public Accountants + Advisors

1985 Cedar Bridge Ave., Suite 3 • Lakewood, NJ 08701 • 732.797.1333

194 East Bergen Place • Red Bank, NJ 07701 • 732.747.0010

www.hfacpas.com

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Seaside Heights School District (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 17, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
January 17, 2024



EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Seaside Heights School District's compliance with types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The Seaside Heights School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, New Jersey OMB's Circular 15-08 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,
HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
January 17, 2024

This page intentionally left blank

SEASIDE HEIGHTS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

FEDERAL ASSISTANCE LISTING	FEDERAL AWARD IDENTIFICATION NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	UNEARNED REVENUE	BALANCE, JUNE 30, 2023	
									(ACCOMPLISHMENTS RECEIVABLE)	DUE TO GRANTOR
U.S. Department of Agriculture										
Passed Through New Jersey Department of Agriculture:										
Child Nutrition Cluster:										
10.553	21INJ304N099	100-010-3350-028	\$	65,819	(7,253)	7,253	-	-	\$	\$
10.553	22INJ304N099	100-010-3350-028		52,081	(7,253)	52,081	-	-	\$	(3,244)
Subtotal										
10.555	21INJ304N099	100-010-3350-026		99,795	(10,950)	10,950	-	-		
10.555	22INJ304N099	100-010-3350-026		102,347	(10,950)	96,283	-	-		(6,064)
10.555	21INJ304N099	100-010-3350-026		1,883	-	1,771	-	-		(112)
10.555	22INJ304N099	Unavailable		31,046	(9,116)	31,046	-	-		(31,046)
10.555	21INJ344N8903	100-010-3350-118		9,116	-	9,116	-	-		-
10.555	22INJ344N8903	100-010-3350-118		15,413	-	8,731	-	-		(8,731)
10.555	23INJ344N8903	100-010-3350-118		15,413	(20,066)	6,682	-	-		(6,682)
Subtotal										
Total Child Nutrition Cluster										
10.582	21INJ304N099	100-010-3350-006		11,770	(190)	190	-	-		-
10.582	22INJ304N099	100-010-3350-006		10,181	(190)	7,850	-	-		(2,331)
Subtotal										
10.649	202121S900941	100-115-6130-000		653	-	-	(653)	-		(653)
Subtotal										
Total U.S. Department of Agriculture										
U.S. Department of Education										
Passed Through New Jersey Department of Education:										
No Child Left Behind (N.C.L.B.):										
84.010	S010A220030	100-034-5064-194		332,207	-	92,148	(332,207)	-		(240,059)
84.010	S010A220030	100-034-5064-194		33,200	(190)	14,102	(33,200)	-		(19,098)
Subtotal										
84.367	S367A210029	100-034-5063-290		23,232	(27,509)	228,709	(23,232)	-		(653)
Subtotal										
Special Education Cluster:										
84.027	H027A210100	100-034-5065-016		87,374	-	45,056	(87,374)	-		(42,318)
Subtotal										
84.173	H1734210114	100-034-5065-020		2,603	-	2,603	(2,603)	-		-
Subtotal										
Total Special Education Cluster										
Assistance Listing Education Stabilization Fund:										
84.425D	S425D210027	100-034-5120-518		600,355	(185,646)	248,233	(64,563)	-		(1,976)
84.425D	S425D210027	100-034-5120-518		38,528	(13,326)	851	(851)	-		-
84.425D	S425D210027	100-034-5120-518		20,157	(3,590)	37,224	(24,843)	-		(945)
84.425U	S425U210027	100-034-5120-523		1,349,258	-	406,452	(2,672,431)	-		(220,291)
84.425U	S425U210027	100-034-5120-523		50,000	-	6,125	(10,020)	-		(3,895)
84.425U	S425U210027	100-034-5120-523		40,000	-	11,420	(11,420)	-		-
84.425U	S425U210027	100-034-5120-523		40,000	(4,949)	4,949	-	-		-
84.425W	S425W210031	100-034-5064-233		14,983	(578,404)	730,237	(378,940)	-		(227,107)
Subtotal										
Total U.S. Department of Education										
Total Expenditures of Federal Awards										
					\$	\$	\$	\$	\$	\$
					(605,913)	1,124,488	(1,071,160)	-	-	(552,585)

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

SEASIDE HEIGHTS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

STATE GRANTOR/ PROGRAM TITLE	GRANTOR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	UNEARNED REVENUE	BALANCE, JUNE 30, 2023		MEMO	
									RECEIVABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
New Jersey Department of Education:												
General Fund:												
Special Education Categorical Aid	495-034-5120-089	\$ 184,630	7/1/22-6/30/23	\$ -	\$ -	184,630	(184,630)	\$ -	\$ -	\$ -	\$ 20,596	\$ 184,630
Security Aid	495-034-5120-084	92,138	7/1/22-6/30/23	-	-	92,138	(92,138)	-	-	-	10,278	92,138
Equalization Aid	495-034-5120-078	284,890	7/1/22-6/30/23	-	-	284,890	(284,890)	-	-	-	31,781	284,890
Choice Aid	495-034-5120-068	84,015	7/1/22-6/30/23	-	-	84,015	(84,015)	-	-	-	9,372	84,015
Supplemental Stabilization Aid	495-034-5120-148	147,948	7/1/22-6/30/23	-	-	147,948	(147,948)	-	-	-	-	147,948
Total State Aid Public												
Transportation Aid	495-034-5120-014	11,203	7/1/22-6/30/23	-	-	11,203	(11,203)	-	-	-	1,250	11,203
Lead Based Testing	495-034-5120-104	1,080	7/1/22-6/30/23	-	-	1,080	(1,080)	-	-	-	-	1,080
Reimbursed TPAF Social Security Contributions	495-034-5094-003	161,457	7/1/21-6/30/22	(7,892)	-	7,892	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	495-034-5094-003	163,819	7/1/22-6/30/23	-	-	147,797	(163,819)	-	(16,022)	-	-	163,819
TPAF - Post Retirement	495-034-5094-001	202,913	7/1/22-6/30/23	-	-	202,913	(202,913)	-	-	-	-	202,913
Medical (Noncash Assistance)	495-034-5094-001	772,419	7/1/22-6/30/23	-	-	772,419	(772,419)	-	-	-	-	772,419
TPAF - Pension	495-034-5094-002	772,419	7/1/22-6/30/23	-	-	772,419	(772,419)	-	-	-	-	772,419
Contributions (Noncash Assistance)	495-034-5094-002	772,419	7/1/22-6/30/23	-	-	772,419	(772,419)	-	-	-	-	772,419
TPAF - Long-Term Disability	495-034-5094-004	324	7/1/22-6/30/23	-	-	324	(324)	-	-	-	-	324
Insurance (Noncash Assistance)	495-034-5094-004	324	7/1/22-6/30/23	-	-	324	(324)	-	-	-	-	324
Total General Fund												
Special Revenue Fund:				(7,892)	-	1,937,249	(1,945,379)	-	(16,022)	-	73,277	1,945,379
Preschool Education Aid	495-034-5095-007	674,245	7/1/21-6/30/22	198,409	(198,409)	-	-	-	-	-	-	-
Preschool Education Aid	495-034-5095-007	564,010	7/1/22-6/30/23	-	198,409	356,745	(618,071)	-	-	-	-	618,071
SDA, Emergent and Capital Maintenance Needs	100-034-5120-519	5,138	7/1/22-6/30/23	-	-	5,138	(5,138)	-	-	-	-	5,138
Total Special Revenue Fund												
Enterprise Fund:				198,409	-	361,883	(623,209)	-	(62,917)	-	-	623,209
National School Lunch Program	100-010-3360-067	2,365	7/1/21-6/30/22	(252)	-	252	-	-	-	-	-	-
National School Lunch Program	100-010-3360-067	1,647	7/1/22-6/30/23	-	-	1,549	(1,647)	-	(98)	-	-	1,647
Breakfast After the Bell	100-010-3350-021	1,951	7/1/22-6/30/23	-	-	1,829	(1,951)	-	(122)	-	-	1,951
Total Enterprise Fund												
Total State Financial Assistance				\$ 190,265	\$ -	\$ 2,302,762	\$ (2,572,186)	\$ -	\$ (79,159)	\$ -	\$ 73,277	\$ 2,572,186
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:												
TPAF - Post Retirement	495-034-5094-001	\$ 202,913	7/1/22-6/30/23	-	-	\$ -	\$ 202,913	-	-	-	-	-
Medical (Noncash Assistance)	495-034-5094-001	772,419	7/1/22-6/30/23	-	-	772,419	(772,419)	-	-	-	-	-
TPAF - Pension	495-034-5094-002	772,419	7/1/22-6/30/23	-	-	772,419	(772,419)	-	-	-	-	-
Contributions (Noncash Assistance)	495-034-5094-002	772,419	7/1/22-6/30/23	-	-	772,419	(772,419)	-	-	-	-	-
TPAF - Long-Term Disability	495-034-5094-004	324	7/1/22-6/30/23	-	-	324	(324)	-	-	-	-	-
Insurance (Noncash Assistance)	495-034-5094-004	324	7/1/22-6/30/23	-	-	324	(324)	-	-	-	-	-
Total State Financial Assistance Subject to Calculation for Major Program Determination												
Total State Financial Assistance Subject to Calculation for Major Program Determination												
Total State Financial Assistance Subject to Calculation for Major Program Determination												
Total State Financial Assistance Subject to Calculation for Major Program Determination												

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

SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

**SEASIDE HEIGHTS SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$12,652 for the general fund and \$369,146 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

Fund:	Federal	State	Total
General Fund	\$ -	\$ 1,958,031	\$ 1,958,031
Special Revenue Fund	1,226,702	623,209	1,849,911
Food Service Fund	213,603	3,598	217,201
Total Awards & Financial Assistance	<u>\$ 1,440,305</u>	<u>\$ 2,584,838</u>	<u>\$ 4,025,143</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The School District had no loan balances outstanding at June 30, 2023.

**SEASIDE HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A210100</u>	<u>I.D.E.A. Part B</u>
<u>84.173</u>	<u>H1734210114</u>	<u>I.D.E.A. Preschool</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>ESSER II</u>
		Coronavirus Response and Relief Supplemental Appropriations (CRRSA) - Learning Acceleration
<u>84.425D</u>	<u>S425D210027</u>	
		Coronavirus Response and Relief Supplemental Appropriations (CRRSA) - Mental Health
<u>84.425D</u>	<u>S425D210027</u>	<u>ESSER III</u>
<u>84.425U</u>	<u>S425U210027</u>	
		American Rescue Plan (ARP) - Accelerated Learning Coach
<u>84.425U</u>	<u>S425U210025</u>	
		American Rescue Plan (ARP) - Evidence-based Summer
<u>84.425U</u>	<u>S425U210026</u>	

Dollar threshold used to determine Type A programs	\$	<u>750,000.00</u>
Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> X </u> No

**SEASIDE HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings

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

None.

**SEASIDE HEIGHTS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

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

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

Federal Awards

None.

State Financial Assistance

None.

**SEASIDE HEIGHTS SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2023**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.