

SCHOOL DISTRICT
OF
UNION BEACH
OF MONMOUTH COUNTY

Union Beach School District
Union Beach, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Of the

Union Beach School District
of Monmouth County

Union Beach, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

Union Beach Board of Education
Finance Department

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INTRODUCTORY SECTION

**UNION BEACH BOARD OF EDUCATION
1207 FLORENCE AVENUE
UNION BEACH, NJ 07735
732-264-3133**

November 21, 2023

Honorable President and
Members of the Board of Education
Union Beach School District
County of Monmouth, New Jersey

Dear Board Members and Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Union Beach School District (District) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The ACFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Management Discussion and Analysis, the District's organizational chart and a list of principle officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Audit Act and 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.". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Union Beach School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Union Beach Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an enrollment of 638 students, which is 14 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last eight years. It should be noted that it appears as if the former administration overstated the district's enrollment in prior year ACFRs.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-23	638	-2.147%
2021-22	652	+0.0015%
2020-21	651	+0.0140%
2019-20	642	.0000%
2018-19	642	+7.849%
2017-18	637	+7.601%
2016-17	592	-5.721%
2015-16	628	-0.011%
2014-15	635	-3.495%

2) ECONOMIC CONDITION AND OUTLOOK: Union Beach is located in the Bayshore area in Monmouth County which experienced extreme devastation due to October 2012 Hurricane Sandy. Many properties were totally destroyed or severely damaged. This has resulted in an impact on the tax basis in the current and future years to come.

3) MAJOR INITIATIVES: The Union Beach School District continues to act upon the goals and objectives embedded in our Long Range Facilities Plan for health and safety as well as acting upon the goals and objectives listed in our Five (5) Year Curriculum Plan and Three Year Technology Plan and our Three (3) Year Strategic Plan.

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 municipality. Annual appropriated budgets are adopted for the general fund and the special revenue 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 cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

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

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

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

9)OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, L.L.P., 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 the Single Audit Act of 1984 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and fund financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Union Beach 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 staff.

Respectfully submitted,

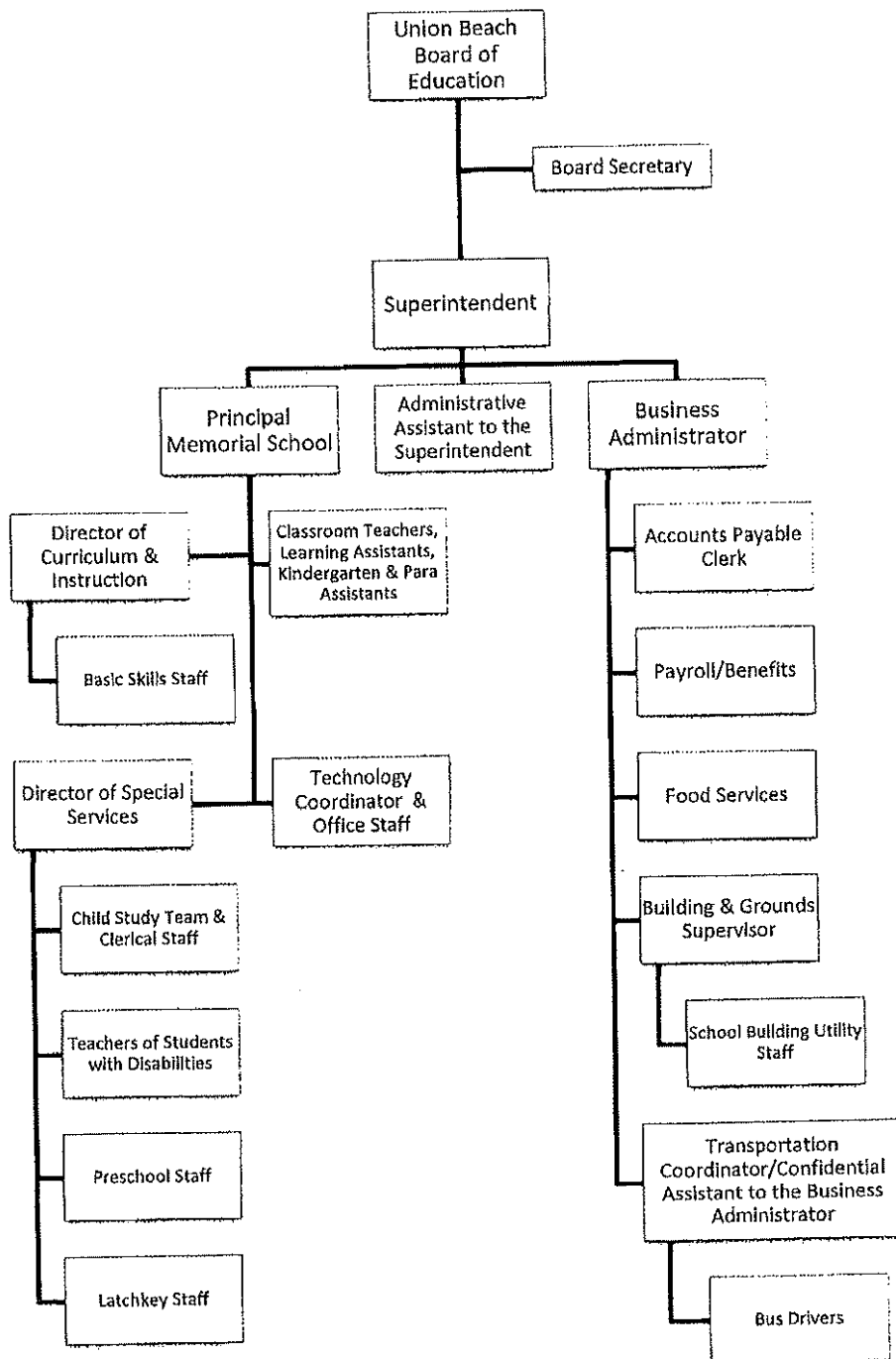


Amanda M. Lewert
Superintendent



George Gahles
Interim School Business
Administrator/Board Secretary

1110 ORGANIZATIONAL CHART



Adopted: 22 May 2018

Union Beach School District
Union Beach, New Jersey

Roster of Officials
June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Angela Cocuzza, President	2023
Adam Sampson, Vice President	2024
Katherine Gilkison	2023
Sarah Boyce	2023
Heidi Lewis	2023
Kenneth McCallum	2023
Jeannette Van Houten	2024
Danielle Riccardi	2023
Virginia Schellato	2024

Other Officials

Amanda M. Lewert, Superintendent

George Gahles, School Business Administrator/Board Secretary

Kenney, Gross, Kovats & Parton, Attorney

Union Beach School District
Consultants and Advisors

Audit Firm

Jump, Perry and Company, L.L.P.
12 Lexington Avenue
Toms River, NJ 08753

Attorney

Kenney, Gross, Kovats & Parton
130 Maple Avenue
Building 8
Red Bank, NJ 07701

Official Depositories

Provident Bank

State of NJ Cash Management Fund

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Union Beach School District:
County of Monmouth
Union Beach, New Jersey

Report on the Audit of the Financial Statements

Opinions

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 Union Beach School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the 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 Union Beach School District in the County of Monmouth, State of New Jersey as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Union Beach 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 opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Union Beach School District's 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 Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Union Beach 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 Union Beach 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, the schedules related to accounting and reporting for pensions and the schedules related to accounting and reporting for postemployment benefits other than pensions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Union Beach School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 November 21, 2023 on our consideration of Union Beach 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Union Beach School District 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 Union Beach School District's internal control over financial reporting and compliance.

Respectfully Submitted,

Jump, Perry & Company L.L.P.
Toms River, New Jersey


Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Union Beach School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

Unaudited

The discussion and analysis of Union Beach School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2023 are as follows:

Net position totaled \$9,772,927, which represents a 13.85 percent increase from June 30, 2022.

General revenues accounted for \$17,253,482 in revenue or 93.17 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,263,929 or 6.83 percent of total revenues of \$18,517,411.

Total assets increased by \$930,854 as current assets increased by \$192,231 and capital assets, net increased by \$738,623.

The School Board had \$17,328,148 in expenses; only \$1,263,929 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$17,253,482 were adequate to provide for these programs.

Among major funds, the General Fund had \$15,063,075 in revenues and \$14,694,455 in expenditures and transfers. The General Fund's balance increased \$368,620 over June 30, 2022. The General Fund's balance is \$5,058,041.

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Union Beach School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

Governmental Activities - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

The School Board's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2023 and 2022.

Table 1

Net Position as of June 30, 2023 and June 30, 2022

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 5,426,670	\$ 295,468	\$ 5,722,138	\$ 5,190,312	\$ 339,595	\$ 5,529,907
Capital assets, net	7,003,941	-	7,003,941	6,265,318	-	6,265,318
Total assets	<u>12,430,611</u>	<u>295,468</u>	<u>12,726,079</u>	<u>11,455,630</u>	<u>339,595</u>	<u>11,795,225</u>
Deferred outflow of resources	<u>422,187</u>	<u>-</u>	<u>422,187</u>	<u>317,575</u>	<u>-</u>	<u>317,575</u>
Liabilities:						
Current liabilities	305,563	6,645	312,208	435,942	13,016	448,958
Long-term liabilities outstanding	<u>2,627,180</u>	<u>-</u>	<u>2,627,180</u>	<u>1,861,660</u>	<u>-</u>	<u>1,861,660</u>
Total liabilities	<u>2,932,743</u>	<u>6,645</u>	<u>2,939,388</u>	<u>2,297,602</u>	<u>13,016</u>	<u>2,310,618</u>
Deferred inflow of resources	<u>435,951</u>	<u>-</u>	<u>435,951</u>	<u>1,218,518</u>	<u>-</u>	<u>1,218,518</u>
Net position:						
Net investment in capital assets	7,003,941	-	7,003,941	6,265,318	-	6,265,318
Restricted	3,546,583	-	3,546,583	3,428,281	-	3,428,281
Unrestricted	<u>(1,066,420)</u>	<u>288,823</u>	<u>(777,597)</u>	<u>(1,436,514)</u>	<u>326,579</u>	<u>(1,109,935)</u>
Total Net Position	<u>\$ 9,484,104</u>	<u>\$ 288,823</u>	<u>\$ 9,772,927</u>	<u>\$ 8,257,085</u>	<u>\$ 326,579</u>	<u>\$ 8,583,664</u>

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$9,772,927 on June 30, 2023. This is a change of 13.85% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2023 and 2022.

Table 2

Changes in Net Position

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 62,847	\$ 254,124	\$ 316,971	\$ 45,170	\$ 124,211	\$ 169,381
Operating and capital grants and contributions	727,092	219,866	946,958	709,394	367,402	1,076,796
General revenues:						
Property taxes	7,500,791	-	7,500,791	7,353,717	-	7,353,717
Federal and state aid	9,713,926	-	9,713,926	9,549,232	-	9,549,232
Investment earnings	13,392	257	13,649	7,355	386	7,741
Miscellaneous	25,116	-	25,116	41,516	-	41,516
Total revenues	18,043,164	474,247	18,517,411	17,706,384	491,999	18,198,383
Expenses						
Instructional services	5,085,659	-	5,085,659	5,162,390	-	5,162,390
Support services	11,730,486	512,003	12,242,489	11,276,882	405,609	11,682,491
Interest on long-term liabilities	-	-	-	-	-	-
Total expenses	16,816,145	512,003	17,328,148	16,439,272	405,609	16,844,881
Change in net position	1,227,019	(37,756)	1,189,263	1,267,112	86,390	1,353,502
Net position - beginning	8,257,085	326,579	8,583,664	6,989,973	240,189	7,230,162
Net position (deficit) - ending	<u>\$ 9,484,104</u>	<u>\$ 288,823</u>	<u>\$ 9,772,927</u>	<u>\$ 8,257,085</u>	<u>\$ 326,579</u>	<u>\$ 8,583,664</u>

The tax levy increase was due in general to cover increased costs in salaries and benefits and utilities. The Federal and State aid-restricted increased due to Stabilization Aid received from the state and Monies received for COVID relief.

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements, partially offset by cost containment strategies.

Other support services increased primarily due to the additional other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year June 30, 2023

Business-Type Activities

Revenues for the District's business-type activities (food service program and child care) were comprised of charges for services and royalties.

Total Enterprise Fund expenses exceeded revenues by \$37,756.

Charges for services represent \$254,124 of revenue. This represents latch key income and the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$219,866.

Governmental Activities

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

Table 3

Governmental Activities

	<u>2023</u>		<u>2022</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 5,085,659	\$ 5,085,659	\$ 5,162,390	\$ 5,162,225
Support Services:				
Pupils and Instructional Staff	7,900,196	7,110,257	7,661,209	6,906,810
General Administration, School Administration, Business Operation and Maintenance of Facilities	2,970,501	2,970,501	2,642,529	2,642,529
Pupil Transportation	859,789	859,789	973,144	973,144
Interest and Fiscal Charges	-	-	-	-
Total Expenses	<u>\$ 16,816,145</u>	<u>\$ 16,026,206</u>	<u>\$ 16,439,272</u>	<u>\$ 15,684,708</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities.

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

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

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

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

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2023, it reported a combined fund balance of \$5,121,107, which is an increase of \$366,737. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2023.

<u>Revenue</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 7,602,146	42.13 %	\$ 154,388	2.07 %
State Sources	9,048,539	50.15	(118,118)	(1.29)
Federal Sources	<u>1,392,479</u>	<u>7.72</u>	<u>300,510</u>	<u>27.52</u>
Total	<u>\$ 18,043,164</u>	<u>100.00 %</u>	<u>\$ 336,780</u>	<u>(1.90)%</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2023.

<u>Expenditures</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 5,085,659	28.76 %	\$ (76,731)	(1.49)%
Undistributed				
Expenditures	11,537,750	65.27	(91,271)	(0.78)
Capital Outlay	<u>1,053,018</u>	<u>5.97</u>	<u>940,814</u>	<u>838.49</u>
Total	<u>\$ 17,676,427</u>	<u>100.00 %</u>	<u>\$ 772,812</u>	<u>4.57 %</u>

General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$1,899,867 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$1,137,389 more than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Capital Reserve	\$ 1,321,090
Maintenance Reserve	543,172
Emergency Reserve	50,307
Tuition Reserve	1,000,000
Unemployment compensation	80,685
Excess Surplus - Current Year	488,263

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases, and the effects of the Corona Pandemic which attributed to decreased cost of support, substitute and transportation service costs in addition to general supplies being purchased at better prices and through the use of Corona Relief Grant funds. The district continues to participate in co-op purchasing and energy consumption agreements. Every effort is made to find jointures with other local districts, and increase students on district owned vehicles so as to lower district transportation costs for special needs students.

The excesses will be carried forward into the beginning fund balance from the 2022-2023 fiscal year and will be used to reduce the local tax levy for the 2024-2025 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2023, the School Board had \$7,003,941 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2023 and June 30, 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 1,381,000	\$ 1,381,000	\$ -	\$ -	\$ 1,381,000	\$ 1,381,000
Building and Improvements	5,343,174	4,564,830	-	-	5,343,174	4,564,830
Machinery and Equipment	279,767	319,488	-	-	279,767	319,488
Total	\$ 7,003,941	\$ 6,265,318	\$ -	\$ -	\$ 7,003,941	\$ 6,265,318

During the current fiscal year, \$1,078,055 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental and business-type activities :

	June 30, 2023	June 30, 2022
Pension liability-PERS	\$ 2,053,414	\$ 1,560,143
Compensated absences payable	<u>573,766</u>	<u>301,517</u>
Total long-term liabilities	<u>\$ 2,627,180</u>	<u>\$ 1,861,660</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2022-2023 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 57.87% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 42.13% of total revenue is from local sources.

The \$(1,066,420) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2022-2023 budget was adopted in March 2022 based in part on the state education aid the School Board anticipated receiving. Any future increases based on the enrollment formula, will be minimal if any. Future anticipated decreases in state education aid will eventually place additional burden on the Borough of Union Beach for increased funding to the school district.

The School Board anticipates a slight increase in enrollment for the 2023-2024 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Union Beach School District, 1207 Florence Avenue, Union Beach, NJ, 07735.

BASIC FINANCIAL STATEMENTS

UNION BEACH SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents			
Unrestricted	\$ 3,186,550	\$ 531,892	\$ 3,718,442
Restricted	317,183	-	317,183
Receivables - other	-	3,965	3,965
Receivables - state	336,619	368	336,987
Receivables - federal	1,335,447	7,912	1,343,359
Inventory	-	2,202	2,202
Due from other funds	250,871	(250,871)	-
Capital assets, non-depreciable	1,381,000	-	1,381,000
Capital assets, depreciable, net	5,622,941	-	5,622,941
Total assets	<u>12,430,611</u>	<u>295,468</u>	<u>12,726,079</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	422,187	-	422,187
	<u>422,187</u>	<u>-</u>	<u>422,187</u>
LIABILITIES			
Accounts payable	7,500	6,645	14,145
Accrued payroll	26,364	-	26,364
Other liabilities	-	-	-
Unearned revenue	271,699	-	271,699
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	2,627,180	-	2,627,180
Total liabilities	<u>2,932,743</u>	<u>6,645</u>	<u>2,939,388</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	435,951	-	435,951
	<u>435,951</u>	<u>-</u>	<u>435,951</u>
NET POSITION			
Investment in capital assets	7,003,941	-	7,003,941
Restricted for:			
Student activities	63,066	-	63,066
Unemployment compensation	80,685	-	80,685
Capital projects	1,321,090	-	1,321,090
Other purposes	2,081,742	-	2,081,742
Unrestricted	(1,066,420)	288,823	(777,597)
Total net position	<u>\$ 9,484,104</u>	<u>\$ 288,823</u>	<u>\$ 9,772,927</u>

UNION BEACH SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 3,802,411	\$ -	\$ -	\$ -	\$ (3,802,411)	\$ -	\$ (3,802,411)
Special schools instruction	1,228,600	-	-	-	(1,228,600)	-	(1,228,600)
Other special instruction	54,648	-	-	-	(54,648)	-	(54,648)
Support services and undistributed costs:							
Instruction	5,547,416	-	-	-	(5,547,416)	-	(5,547,416)
Health services	94,718	-	-	-	(94,718)	-	(94,718)
Other support services	1,502,249	62,847	-	-	(1,439,402)	-	(1,439,402)
Educational media services	22,837	-	-	-	(22,837)	-	(22,837)
Instruction staff training	5,884	-	-	-	(5,884)	-	(5,884)
General administrative services	427,487	-	-	-	(427,487)	-	(427,487)
School administrative services	169,085	-	-	-	(169,085)	-	(169,085)
Central services	193,343	-	-	-	(193,343)	-	(193,343)
Admin info technology	80,657	-	-	-	(80,657)	-	(80,657)
Allowed maintenance for school facilities	29,783	-	-	-	(29,783)	-	(29,783)
Other operation & maintenance of plant	638,873	-	-	-	(638,873)	-	(638,873)
Care and upkeep of grounds	14,243	-	-	-	(14,243)	-	(14,243)
Security	5,511	-	-	-	(5,511)	-	(5,511)
Student transportation services	859,789	-	-	-	(859,789)	-	(859,789)
Unallocated employee benefits	1,411,519	-	-	-	(1,411,519)	-	(1,411,519)
Non-budgeted expenses	727,092	-	727,092	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Total governmental activities	<u>16,816,145</u>	<u>62,847</u>	<u>727,092</u>	<u>-</u>	<u>(16,026,206)</u>	<u>-</u>	<u>(16,026,206)</u>
Business-type activities:							
Food service	411,899	142,767	219,866	-	-	(49,266)	(49,266)
Latchkey Program	100,104	111,357	-	-	-	11,253	11,253
Total business-type activities	<u>512,003</u>	<u>254,124</u>	<u>219,866</u>	<u>-</u>	<u>-</u>	<u>(38,013)</u>	<u>(38,013)</u>
Total primary government	<u>\$ 17,328,148</u>	<u>\$ 316,971</u>	<u>\$ 946,958</u>	<u>\$ -</u>	<u>(16,026,206)</u>	<u>(38,013)</u>	<u>(16,064,219)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					7,500,791	-	7,500,791
Federal and state aid					9,713,926	-	9,713,926
Miscellaneous income					25,116	-	25,116
Investment earnings					13,392	257	13,649
Total general revenues					<u>17,253,225</u>	<u>257</u>	<u>17,253,482</u>
Change in net position					<u>1,227,019</u>	<u>(37,756)</u>	<u>1,189,263</u>
Net position—beginning					<u>8,257,085</u>	<u>326,579</u>	<u>8,583,664</u>
Net position—ending					<u>\$ 9,484,104</u>	<u>\$ 288,823</u>	<u>\$ 9,772,927</u>

UNION BEACH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	4,357,347	(1,000,682)	-	-	3,356,665
Capital reserve	147,068	-	-	-	147,068
Due from other funds	250,871	-	-	-	250,871
Receivables-other	-	-	-	-	-
Receivables - State	336,619	-	-	-	336,619
Receivables - Federal	-	1,335,447	-	-	1,335,447
Total assets	<u>5,091,905</u>	<u>334,765</u>	<u>-</u>	<u>-</u>	<u>5,426,670</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	7,500	-	-	-	7,500
Accrued salaries and benefits	10	-	-	-	10
Payroll deductions and withholding payable	26,354	-	-	-	26,354
Unemployment Compensation Claims Payable	-	-	-	-	-
Interfund payable	-	-	-	-	-
Unearned revenue	-	271,699	-	-	271,699
Other current liabilities	-	-	-	-	-
Total liabilities	<u>33,864</u>	<u>271,699</u>	<u>-</u>	<u>-</u>	<u>305,563</u>
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal	-	-	-	-	-
Capital reserve account	1,321,090	-	-	-	1,321,090
Maintenance reserve account	543,172	-	-	-	543,172
Emergency reserve account	50,307	-	-	-	50,307
Tuition reserve	1,000,000	-	-	-	1,000,000
Unemployment compensation	80,685	-	-	-	80,685
Excess surplus	488,263	-	-	-	488,263
Excess surplus -- designated for Subsequent year's expenditures	-	-	-	-	-
Other - Community Disaster Loan	-	-	-	-	-
Student activities	-	63,066	-	-	63,066
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Other purposes	1,015,857	-	-	-	1,015,857
Designated by the BOE for subsequent year's expenditures	895,630	-	-	-	895,630
Unassigned to:					
General fund	<u>(336,963)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(336,963)</u>
Total fund balances	<u>5,058,041</u>	<u>63,066</u>	<u>-</u>	<u>-</u>	<u>5,121,107</u>
Total liabilities and fund balances	<u>5,091,905</u>	<u>334,765</u>	<u>-</u>	<u>-</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	7,003,941
Deferred outflows related to the PERS pension plan	422,187
Deferred inflows related to the PERS pension plan	(435,951)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(2,627,180)</u>
Net position of governmental activities	<u>9,484,104</u>

UNION BEACH SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	7,500,791	-	-	-	7,500,791
Interest earned on unemployment-restricted	-	-	-	-	-
Interest earned on emergency reserve	110	-	-	-	110
Interest earned on maintenance reserve	1,285	-	-	-	1,285
Interest earned on capital reserve funds	8,053	-	-	-	8,053
Interest income	3,944	-	-	-	3,944
Miscellaneous	25,116	62,847	-	-	87,963
Total - Local Sources	7,539,299	62,847	-	-	7,602,146
State sources	7,517,192	1,531,347	-	-	9,048,539
Federal sources	6,584	1,385,895	-	-	1,392,479
Total revenues	15,063,075	2,980,089	-	-	18,043,164
EXPENDITURES					
Current:					
Regular instruction	2,574,691	1,227,720	-	-	3,802,411
Special education instruction	1,228,600	-	-	-	1,228,600
Other special instruction	54,648	-	-	-	54,648
Undistributed - current:					
Instruction	5,323,730	-	-	-	5,323,730
Health services	94,718	-	-	-	94,718
Other support services	532,645	901,718	-	-	1,434,363
Educational media services	22,837	-	-	-	22,837
Instruction staff training	5,884	-	-	-	5,884
General administrative services	412,891	-	-	-	412,891
School administrative services	169,085	-	-	-	169,085
Allowed maintenance for school facilities	29,783	-	-	-	29,783
Other operation & maintenance of plant	638,792	-	-	-	638,792
Care and upkeep of grounds	14,243	-	-	-	14,243
Security	5,511	-	-	-	5,511
Student transportation services	851,643	-	-	-	851,643
Central services	193,343	-	-	-	193,343
Admin info technology	80,657	-	-	-	80,657
Unallocated employee benefits	1,533,178	-	-	-	1,533,178
Non-budgeted expenditures	727,092	-	-	-	727,092
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	200,484	852,534	-	-	1,053,018
Total expenditures	14,694,455	2,981,972	-	-	17,676,427
Excess (Deficiency) of revenues over expenditures	368,620	(1,883)	-	-	366,737
Net change in fund balances	368,620	(1,883)	-	-	366,737
Fund balance—July 1	4,689,421	64,949	-	-	4,754,370
Fund balance—June 30	5,058,041	63,066	-	-	5,121,107

**UNION BEACH SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2023**

Total net change in fund balances - governmental funds (from B-2) **\$ 366,737**

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

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

Depreciation expense	(339,432)	
Capital outlays	<u>1,078,055</u>	738,623

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey 393,908

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid. (272,249)

Change in net position of governmental activities **\$ 1,227,019**

UNION BEACH SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type-activities- Enterprise Funds		
	Food Service	LatchKey Program	Total Enterprise
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 338,928	\$ 192,964	\$ 531,892
Accounts receivable - State	368	-	368
Accounts receivable - Federal	7,912	-	7,912
Interfund receivable	-	-	-
Other receivables	3,965	-	3,965
Inventories	2,202	-	2,202
Total current assets	<u>353,375</u>	<u>192,964</u>	<u>546,339</u>
Noncurrent assets:			
Furniture, machinery & equipment	338,751	-	338,751
Less accumulated depreciation	<u>(338,751)</u>	<u>-</u>	<u>(338,751)</u>
Total noncurrent assets	-	-	-
Total assets	<u>353,375</u>	<u>192,964</u>	<u>546,339</u>
LIABILITIES			
Current liabilities:			
Due to Fed Gov.	6,645	-	6,645
Unearned revenue	-	-	-
Interfund payable	250,871	-	250,871
Total current liabilities	<u>257,516</u>	<u>-</u>	<u>257,516</u>
NET POSITION			
Investment in capital assets	-	-	-
Contributed capital	-	-	-
Restricted for:			
Capital projects	-	-	-
Unrestricted	95,859	192,964	288,823
Total net position	<u>95,859</u>	<u>192,964</u>	<u>288,823</u>
Total liabilities and net position	<u>\$ 353,375</u>	<u>\$ 192,964</u>	<u>\$ 546,339</u>

UNION BEACH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Fund		
	Food Service	LatchKey Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 108,520	\$ -	\$ 108,520
Daily sales - non-reimbursable programs	34,247	-	34,247
Tuition	-	111,357	111,357
Total operating revenues	<u>142,767</u>	<u>111,357</u>	<u>254,124</u>
Operating expenses:			
Cost of sales - reimbursable programs	161,337	-	161,337
Cost of sales - non-reimbursable programs	14,949	-	14,949
Salaries	146,410	96,248	242,658
Employee benefits	32,055	-	32,055
Purchased property services	20,000	-	20,000
Other purchased professional services	34,162	-	34,162
General supplies	2,986	3,856	6,842
Depreciation	-	-	-
Total Operating Expenses	<u>411,899</u>	<u>100,104</u>	<u>512,003</u>
Operating income (loss)	<u>(269,132)</u>	<u>11,253</u>	<u>(257,879)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,801	-	5,801
State school lunch program breakfast	108	-	108
Federal sources:			
National school lunch program	126,672	-	126,672
National school breakfast program	7,600	-	7,600
Summer Food Service Program for Children	-	-	-
Emergency Operational Costs Program - Schools	-	-	-
Supply Chain Assisatance	42,302	-	42,302
Food distribution program	37,383	-	37,383
Interest and investment revenue	257	-	257
Total nonoperating revenues (expenses)	<u>220,123</u>	<u>-</u>	<u>220,123</u>
Change in net position	<u>(49,009)</u>	<u>11,253</u>	<u>(37,756)</u>
Total net position—beginning	144,868	181,711	326,579
Total net position—ending	<u>\$ 95,859</u>	<u>\$ 192,964</u>	<u>\$ 288,823</u>

UNION BEACH SCHOOL DISTRICT
Statement of Cash Flows
Food Services Enterprise Fund
For the Year Ended June 30, 2023

	<u>Food Service</u>	<u>LatchKey Program</u>	<u>Total Enterprise</u>
Cash Flows from Operating Activities:			
Receipts from customers and other funds	\$ 137,251	\$ 111,357	\$ 248,608
Payments to employees	(146,410)	(96,248)	(242,658)
Payments for employee benefits	(32,055)	-	(32,055)
Payments to suppliers	(147,781)	(3,856)	(151,637)
Net cash provided by (used in) operating activities	<u>(188,995)</u>	<u>11,253</u>	<u>(177,742)</u>
Cash Flows from Noncapital Financing Activities			
State sources	7,611	-	7,611
Federal sources	258,110	-	258,110
Net cash provided by (used in) noncapital financing activities	<u>265,721</u>	<u>-</u>	<u>265,721</u>
Cash Flows from Investing Activities			
Interest income	257	-	257
Net cash provided by (used in) investment activities	<u>257</u>	<u>-</u>	<u>257</u>
Net increase (decrease) in cash and cash equivalents	76,983	11,253	88,236
Balances-beginning of the year	261,945	181,711	443,656
Balances-end of the year	<u>\$ 338,928</u>	<u>\$ 192,964</u>	<u>\$ 531,892</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (269,132)	\$ 11,253	\$ (257,879)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:			
Depreciation	-	-	-
Federal commodities	37,383	-	37,383
Change in assets and liabilities:			
(Increase) decrease in interfund receivable	-	-	-
(Increase) decrease in accounts receivable	(3,965)	-	(3,965)
(Increase) decrease in inventory	(265)	-	(265)
Increase (decrease) in accounts payable	(11,465)	-	(11,465)
Increase (decrease) in unearned revenue	(1,551)	-	(1,551)
Increase (decrease) in interfund payable	60,000	-	60,000
Total adjustments	<u>80,137</u>	<u>-</u>	<u>80,137</u>
Net cash provided by (used in) operating activities	<u>\$ (188,995)</u>	<u>\$ 11,253</u>	<u>\$ (177,742)</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Union Beach School District is a Type II district located in the county of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Union Beach School District had an approximate enrollment of 607 students at June 30, 2023.

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary school located in Union Beach. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation (Cont'd):

The School District has no items which have been classified as a Deferred Outflow and no items that have been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 12.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted by Governmental Accounting Standards. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation (Cont'd):

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the 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 subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this Fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to 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. These resources can be transferred from and to Current Expense by Board resolution.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation (Cont'd):

The District reports the following proprietary funds

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

The District's Enterprise Fund is comprised of the Food Service Fund and Latchkey.

Depreciation of all capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-20 Years
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Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others if applicable.

C. Basis of Accounting

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

C. Basis of Accounting (Cont'd):

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

D. Property Taxes

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

E. 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 and approved by the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue 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:23A-16.2(f). All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

E. Budgets/Budgetary Control: (Cont'd)

Appropriations, except remaining project appropriations, encumbrances, and unexpected grant appropriation, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last 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. At June 30, 2023, there was a reconciling difference of \$(1,451,881) between the budgetary basis and GAAP basis in the General Fund and of \$(250,952) in the Special Revenue Fund.

Exhibit C-3 presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at 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 payment.

F. Encumbrance Accounting:

Under Encumbrance Accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the Balance Sheet as unearned revenues at fiscal year-end.

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

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity:

Interfund Transactions:

Transfers between Governmental and Business-Type activities on the District-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 to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

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.

Capital Assets:

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and Improvements	20-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

G. Assets, Liabilities, and Equity (Cont'd):

Compensated Absences:

The Districts accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by the Governmental Accounting Standards Board. 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 the employee is accrued as the employees earn the rights to the benefits.

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

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

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

Unearned Revenue:

Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlement received before the eligibility requirements are met are also recorded as Unearned Revenue.

Accrued Liabilities and Long-Term Obligations:

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables are 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, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity (Cont'd):

Net Position:

Net Position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Fund Balance Reserves:

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. **Nonspendable** - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. **Restricted** - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. **Committed** - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. **Assigned** - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.
5. **Unassigned** - includes all spendable amounts not contained in the other classifications

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity (Cont'd):

Revenues - Exchange and Nonexchange Transactions:

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District available means within sixty days of the fiscal year-end.

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and latchkey program. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Deferred Outflows/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 future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

G. Assets, Liabilities, and Equity (Cont'd):

Allocation of Indirect Expenses:

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Change in Accounting Principles

On June 30, 2023, the District implemented the Governmental Accounting Standards Boards Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. These changes were reviewed for the District's June 30, 2023 financial statements and had no effect on the beginning net position of the District. The District did not have any subscriptions that rose to an amount that required disclosure. The District will review new subscriptions annually to determine proper disclosure.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

I. GASB Pronouncements:

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 100, *Accounting Changes and Error Corrections - An Amendment GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decision or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

2. **Capital Reserve Account**

A Capital Reserve Account was established by the Union Beach School District in October 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2.

Pursuant to N.J.A.C 6:23A-5.1(d)7, 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	\$ 1,313,037
Add:	
Increase per Resolution	-
Interest Earnings	8,053
Less:	
Withdrawals in budget	<u>-</u>
Ending Balance, June 30, 2023	<u>\$ 1,321,090</u>

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

2. Capital Reserve Account (cont'd)

The June 30, 2023 LRFP balance of local support costs of uncompleted Capital Projects is \$5,381,000.

3. Maintenance Reserve Account

A maintenance Reserve Account was established by the Union Beach School District by inclusion of \$100,000 for the accumulation of funds for use as required maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Maintenance Reserve Account are to provide maintenance for completed projects in the District's approved LRFP.

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	\$	587,789
Add:		
Increase per Board Resolution		-
Interest Earnings		1,285
Less:		
Withdrawals in budget		<u>(45,902)</u>
Ending balance, June 30, 2023	\$	<u>543,172</u>

4. Emergency Reserve Account

An Emergency Reserve Account was established by the Union Beach School District by inclusion of \$200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

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	\$	50,197
Add:		
Increase per Board Resolution		-
Interest Earned		<u>110</u>
Ending balance, June 30, 2023	\$	<u>50,307</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2023

5. Tuition Reserve Account

A Tuition Reserve Account was established by the Union Beach School District for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Tuition Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Tuition Reserve Account are to finance tuition charges required for a thorough and efficient education.

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

Balance, July 1, 2022	\$ 1,000,000
Add:	
Increase per Board Resolution	400,000
Less:	
Budgeted utilization	<u>(400,000)</u>
Balance, June 30, 2023	<u>\$ 1,000,000</u>

6. Deposits and Investments

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that 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 FDIC. Public funds 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, bail funds, or 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.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2023

6. Deposits and Investments (Cont'd)

At June 30, 2023, the Board's bank balances of \$5,006,861 were exposed to Custodial Credit Risk as follows:

	<u>2023</u>
Insured	\$ 397,068
Uninsured and Uncollateralized	<u>4,609,793</u>
	<u>\$ 5,006,861</u>

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

In order to maximize liquidity, the District utilized the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

As of June 30, 2023, the Board had the following investments:

<u>Investment Type</u>	<u>Fair Value Amount</u>	<u>Moody's Rating</u>	<u>S & P Rating</u>
New Jersey Cash Management Fund	\$147,068	AAA	AAA

Interest Rate Risk

The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District has an investment policy that further limits its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2023

7. Receivables

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

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
State Aid	\$ 336,619	\$ 336,987
Federal Aid	1,335,447	1,343,359
Other	-	3,965
Interfunds	<u>250,871</u>	<u>-</u>
	1,922,937	1,684,311
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 1,922,937</u>	<u>\$ 1,684,311</u>

8. Interfund Balances and Transfers

Balances due to/from other funds at June 30, 2023 consist of the following:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 250,871	\$ -
Enterprise Fund	<u>-</u>	<u>250,871</u>
	<u>\$ 250,871</u>	<u>\$ 250,871</u>

The Enterprise Fund owes the General Fund for cash advances.

9. Inventory

As of June 30, 2023, the District had the following inventory:

Food	\$	537
Supplies		<u>1,665</u>
		<u>\$ 2,202</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2023

10. Capital Assets

The District did not have its Fixed Assets appraised by an independent appraiser as of June 30, 2023. The valuation was not properly updated and did not include all the District's Capital Assets. As such, materially accurate asset valuation totals, accumulated depreciation expense and depreciation expense amounts were not ascertainable.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 1,381,000	\$ -	\$ -	\$ 1,381,000
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>1,381,000</u>	<u>-</u>	<u>-</u>	<u>1,381,000</u>
Capital Assets Being Depreciated				
Site Improvements	934,043	-	-	934,043
Building and Building Improvements	9,826,320	1,045,843	-	10,872,163
Machinery and Equipment	<u>1,406,449</u>	<u>32,212</u>	<u>-</u>	<u>1,438,661</u>
Totals at Historical Cost	<u>12,166,812</u>	<u>1,078,055</u>	<u>-</u>	<u>13,244,867</u>
Less Accumulated Depreciation for:				
Site Improvements	(472,402)	(18,681)	-	(491,083)
Building and Building Improvements	(5,723,131)	(248,818)	-	(5,971,949)
Machinery and Equipment	<u>(1,086,961)</u>	<u>(71,933)</u>	<u>-</u>	<u>(1,158,894)</u>
Total Accumulated Depreciation	<u>(7,282,494)</u>	<u>(339,432)</u>	<u>-</u>	<u>(7,621,926)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>4,884,318</u>	<u>738,623</u>	<u>-</u>	<u>5,622,941</u>
Government Activity Capital Assets, Net	<u>\$ 6,265,318</u>	<u>\$ 738,623</u>	<u>\$ -</u>	<u>\$ 7,003,941</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 338,751	\$ -	\$ -	\$ 338,751
Less Accumulated Depreciation	<u>(338,751)</u>	<u>-</u>	<u>-</u>	<u>(338,751)</u>
Enterprise Fund Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

10. Capital Assets (Cont'd)

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 223,687
Student and Instruction Related Services	67,886
General Administration Services	14,596
Plant Operations and Maintenance	25,118
Student Transportation Services	<u>8,146</u>
 Total	 <u>\$ 339,433</u>

11. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2023, are as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated				
Absences Payable	\$ 301,517	\$ 272,249	\$ 573,766	\$ -
Pension liability - PERS	<u>1,560,143</u>	<u>493,271</u>	<u>2,053,414</u>	<u>-</u>
	<u>\$ 1,861,660</u>	<u>\$ 765,520</u>	<u>\$ 2,627,180</u>	<u>\$ -</u>

Compensated absences payable and pension liability - PERS are liquidated from the general fund.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2023

11. Long-Term Obligations (Cont'd)

B. Bonds Authorized But Not Issued

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

C. Capital Leases

As of June 30, 2023, the District had no capital leases.

D. Operating Leases

As of June 30, 2023, the District had no operating leases.

12. Pension Plans

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

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

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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.

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 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 Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$2,053,414 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 procedure 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 .0136065397%, which was an increase of .0004368817% from its proportion measured as of June 30, 2021.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

For the year ended June 30, 2023, the School District recognized full accrual pension expense of \$(33,385) in the government-wide financial statements consisting of employer contributions of \$171,585 and non-employer contributions of \$(204,970). This pension expense 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 14,821	\$ 13,070
Changes of assumptions	6,362	307,477
Net difference between projected and actual earnings on pension plan investments	84,989	-
Changes in proportion and differences between District contributions and proportionate share of contributions	144,430	115,404
District contributions subsequent to the measurement date	<u>171,585</u>	<u>-</u>
Total	<u>\$ 422,187</u>	<u>\$ 435,951</u>

\$171,585 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 contribution rate. 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, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (152,291)
2024	(77,587)
2025	(37,838)
2026	82,548
2027	(181)
Thereafter	-
Total	<u>\$ (185,349)</u>

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	5.00	5.00
June 30, 2021	5.00	5.00
June 30, 2022	5.00	5.00

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

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:	2.75% - 6.55%
	Based on years of service

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	8.12 %
Non-U.S. Developed Markets Equity	13.50 %	8.83 %
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 %

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	2,660,377	2,053,414	1,569,054

Additional Information - The following is a summary of the collective balances of the local group :

	<u>6/30/23</u>	<u>6/30/22</u>
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	.0136065397%	.0131696579%

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit plan with a special-funding situation, by which a 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 Financial Statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by N.J.S.A 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service. 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

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

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation 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.

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. 18A: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 School District.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2022 was \$19,785,234. 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 .0383476264%, which was an decrease of .0012935785% 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 \$1,527,356 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.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

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

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	based on years of service
Investment Rate of Return	7.00%

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

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

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:

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

<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 %	8.83 %
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 will be made based on 100% of the actuarially determined contributions to the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's proportionate share of the net pension liability	23,235,554	19,785,234	16,936,827

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

12. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

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

	<u>6/30/23</u>	<u>6/30/22</u>
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	.0383476264%	.0396412049%

C. Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential not later than the fifth business day after the date on which the employee is paid for that pay period.

The District's contributions to the DCRP for June 30, 2023 were \$14,079. There was no liability for unpaid contributions at June 30, 2023.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the School District.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2023

13. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than 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.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Post-Retirement Benefits (cont'd)

General Information about the OPEB Plan (cont'd)

Plan description and benefits provided

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Post-Retirement Benefits (Cont'd)

Basis of Presentation

The Schedule presents the State of New Jersey’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 of the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey 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.

Employees covered by benefit terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	151,669
Active plan members	<u>213,148</u>
Total	<u><u>364,817</u></u>

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:

Inflation Rate	2.50%
Salary Increases based on years of service:	PERS 2.275%-6.55%
	PFRS 3.25%-16.25%
	TPAF 2.75%-4.25%
Discount Rate	3.54%
Healthcare Cost Trend Rates	4.5%-6.25%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Post-Retirement Benefits (Cont'd)

Total Nonemployer OPEB Liability (Cont'd)

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

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

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at June 30, 2021	\$ 60,007,650,970
Changes for the year:	
Service cost	2,770,618,025
Interest on the total OPEB liability	1,342,187,139
Changes of benefit terms	-
Differences between expected and actual experiences	1,399,200,736
Changes in assumptions	(13,586,368,097)
Gross benefit payments by the state	(1,329,476,059)
Contributions from members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
Balance at June 30, 2022	<u>\$ 50,646,462,966</u>

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.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2023

13. Post-Retirement Benefits (Cont'd)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the June 30, 2022 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability of the State for School Retirees	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995
Total OPEB Liability of the State Associated with the School District for School Retirees	\$35,515,478	\$30,215,786	\$25,968,347

Health Care Trend Assumptions

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

Sensitivity of the total OPEB liability to changes in the health care cost trend rates

The following presents the June 30, 2022 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$41,862,397,291	\$50,646,462,966	\$62,184,866,635
Total OPEB Liability of the State Associated with the School District for School Retirees	\$24,975,193	\$30,215,786	\$37,099,622

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2023

13. Post-Retirement Benefits (Cont'd)

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

For the year ended June 30, 2023, the board of education recognized OPEB expense of \$401,233 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Union Beach School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,042,402,619	\$ 15,462,950,679
Changes of assumptions	8,765,620,577	17,237,289,230
Contributions made in fiscal year ending 2023 after June 30, 2022 measurement date	TBD	-
Total	<u>\$ 17,808,023,196</u>	<u>\$ 32,700,239,909</u>

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

Year ended June 30:	
2023	\$ (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>
Total	<u>\$ (14,892,216,713)</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2023

14. Deferred Compensation

The Board offers its employees a choice of Deferred Compensation Plans created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permit 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:

Lincoln Investment Financial
Franklin Templeton
AXA Equitable

Metropolitan Life Insurance
Oppenheimer Funds
Siracusa

15. Risk Management

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

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

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	\$ -	\$ 18,100	120	\$ (118)	\$ 80,685
2022	-	37,520	93	(1,933)	62,583
2021	-	16,639	74	(3,124)	26,903

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2023

16. Contingent Liabilities

Grant Programs

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

17. Fund Balances

General Fund - of the \$5,058,041 General Fund balance at June 30, 2023, \$1,015,857 of encumbrances is assigned to other purposes, \$1,321,090 is restricted for capital reserve, \$543,172 is restricted for maintenance reserve, \$50,307 is restricted for emergency reserve, \$1,000,000 is restricted for tuition reserve, \$80,685 is restricted for unemployment compensation \$488,263 is restricted for excess surplus, \$- is restricted for excess surplus for subsequent year expenditures, \$895,630 has been classified as assigned fund balance designated for subsequent year expenditures, and \$(336,963) is unassigned.

Special Revenue Fund - of the \$63,066 Special Revenue Fund balance at June 30, 2023, \$63,066 is restricted for student activities.

18. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$488,263.

19. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2023. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2020.

20. Subsequent Events

Management has evaluated subsequent events through November 21, 2023, the date the financial statements were available to be issued.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2023

21. Tax Abatement

As defined by the Governmental Accounting Standards Board (GASB), a 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.

22. 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.

23. Deficit Fund Balance

The District has a deficit fund balance of \$336,963 in the General Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal June 30, 2024 year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$336,963 is less than the last state aid payment.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 7,500,791	\$ -	7,500,791	\$ 7,500,791	\$ -
Tuition	4,500	-	4,500	-	(4,500)
Interest	-	-	-	3,944	3,944
Interest earned on unemployment-restricted	-	-	-	-	-
Interest earned on emergency reserve	250	(250)	-	110	110
Interest earned on maintenance reserve	2,500	(2,500)	-	1,285	1,285
Interest earned on capital reserve funds	5,000	(5,000)	-	8,053	8,053
Transportation fees	-	-	-	-	-
Rents and Royalties	-	-	-	6,400	6,400
Prior year refunds	-	-	-	-	-
Miscellaneous	5,000	18,950	23,950	18,716	(5,234)
Total - local sources	<u>7,518,041</u>	<u>11,200</u>	<u>7,529,241</u>	<u>7,539,299</u>	<u>10,058</u>
State sources:					
Transportation aid	12,799	-	12,799	12,799	-
Special education aid	658,640	-	658,640	658,640	-
Equalization aid	4,526,818	-	4,526,818	4,526,818	-
Extraordinary aid	325,000	-	325,000	326,743	1,743
Security aid	28,312	-	28,312	28,312	-
Other state aid	-	-	-	-	-
Securing our Children's Future Bond Act	-	29,995	29,995	28,078	(1,917)
Stabilization aid	-	-	-	1,124,800	1,124,800
Non-public transportation	-	-	-	8,435	8,435
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	592	592
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	401,233	401,233
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	1,527,356	1,527,356
TPAF social security (reimbursed - Non-budgeted)	-	-	-	325,267	325,267
Total state sources	<u>5,551,569</u>	<u>29,995</u>	<u>5,581,564</u>	<u>8,969,073</u>	<u>3,387,509</u>
Federal sources:					
Medicaid reimbursement	12,314	-	12,314	6,584	(5,730)
Total federal sources	<u>12,314</u>	<u>-</u>	<u>12,314</u>	<u>6,584</u>	<u>(5,730)</u>
Total revenues	<u>13,081,924</u>	<u>41,195</u>	<u>13,123,119</u>	<u>16,514,956</u>	<u>3,391,837</u>
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	279,998	49,691	329,689	328,993	696
Grades 1-5 - Salaries of teachers	1,115,260	13,387	1,128,647	1,126,926	1,721
Grades 6-8 - Salaries of teachers	774,784	17,284	792,068	792,068	-
Local Contrib-tfr to Spc Rev-Regular	-	-	-	-	-
Regular Programs - Home Instruction:					
Salaries of teachers	-	3,623	3,623	611	3,012
Regular Programs - Undistributed Instruction					
Salaries of Teachers	5,000	(4,967)	33	33	-
Other salaries for instruction	56,841	24,316	81,157	81,157	-
Other purchased services (400-500 series)	16,500	-	16,500	14,837	1,663
General supplies	210,209	10,116	220,325	168,927	51,398
Textbooks	8,000	-	8,000	7,578	422
Other objects	71,450	-	71,450	53,561	17,889
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>2,538,042</u>	<u>113,450</u>	<u>2,651,492</u>	<u>2,574,691</u>	<u>76,801</u>

UNION BEACH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of teachers	\$ 839,261	\$ (36,211)	803,050	\$ 793,819	\$ 9,231
Other salaries for instruction	226,120	9,974	236,094	229,469	6,625
Other purchased services (400-500 series)	1,000	-	1,000	-	1,000
Total Resource Room/Resource Center	1,066,381	(26,237)	1,040,144	1,023,288	16,856
Preschool Disabilities Part Time					
Salaries of teachers	69,936	8,166	78,102	78,102	-
Other salaries for instruction	106,073	21,137	127,210	127,210	-
Total Preschool Disabilities Full Time:	176,009	29,303	205,312	205,312	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,242,390	3,066	1,245,456	1,228,600	16,856
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	11,980	-	11,980	8,685	3,295
Purchased services (300-500 series)	1,800	-	1,800	70	1,730
Supplies and materials	6,200	(1,678)	4,522	3,708	814
Total School-Spon. Cocurric. Actvts. - Instruction	19,980	(1,678)	18,302	12,463	5,839
School-Spon. Athletics - Instruction					
Salaries	43,857	(8,260)	35,597	31,063	4,534
Other purchased services (300-500 series)	-	8,260	8,260	4,046	4,214
Supplies and materials	4,000	1,678	5,678	5,678	-
Other objects	2,050	-	2,050	1,398	652
Total School-Spon. Athletics - Instruction	49,907	1,678	51,585	42,185	9,400
Total Instruction	3,850,319	116,516	3,966,835	3,857,939	108,896
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	3,779,467	12,839	3,792,306	3,771,952	20,354
Tuition to other LEAs within the state - special	114,493	-	114,493	106,016	8,477
Tuition to Co. Voc. School Dist. - reg.	170,929	(74,573)	96,356	85,367	10,989
Tuition to Co. Voc. School Dist. - special	53,450	-	53,450	37,452	15,998
Tuition to private schools for the handicapped - Within state	1,202,838	133,781	1,336,619	1,322,943	13,676
Tuition to Private Schools Disbl & Other LEA o/s State	-	-	-	-	-
Tuition - state facilities	-	-	-	-	-
Total Undistributed Expenditures - Instruction:	5,321,177	72,047	5,393,224	5,323,730	69,494
Undistributed Expenditures - Attend. & Social Work					
Salaries	500	660	1,160	924	236
Total Undistributed Expenditures - Attend. & Social Work	500	660	1,160	924	236
Undist. Expend. - Health Services					
Salaries	87,588	(61)	87,527	84,996	2,531
Purchased professional and technical services	6,650	-	6,650	5,565	1,085
Supplies and materials	6,600	63	6,663	3,652	3,011
Other objects	1,000	-	1,000	505	495
Total Undistributed Expenditures - Health Services	101,838	2	101,840	94,718	7,122
Undist. Expend. - Other Supp.Service - Stud. - Related Service					
Salaries of other professional staff	155,937	4,742	160,679	160,679	-
Purchased professional - educational services	108,724	13,585	122,309	121,534	775
General supplies	10,200	(288)	9,912	7,752	2,160
Total Undist. Expend. - Other Supp. Serv - Stud. - Rel. Ser.	274,861	18,039	292,900	289,965	2,935

**UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.					
Other objects	\$ 500	\$ (99)	401	\$ -	\$ 401
Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser.	<u>500</u>	<u>(99)</u>	<u>401</u>	<u>-</u>	<u>401</u>
Guidance					
Salaries of other professional staff	-	-	-	-	-
Purchased professional - educational services	1,500	-	1,500	1,176	324
Other purchased services (400-500 series)	-	-	-	-	-
Supplies and materials	1,500	-	1,500	116	1,384
Other purchased professional and technical services	-	-	-	-	-
Total Guidance	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>1,292</u>	<u>1,708</u>
Child Study Teams					
Salaries of other professional staff	177,491	-	177,491	144,081	33,410
Salaries of secretarial and clerical assistants	40,873	-	40,873	31,741	9,132
Other purchased professional & tech services	10,000	617	10,617	10,617	-
Other purchased services (400-500 series)	2,500	(617)	1,883	-	1,883
Supplies and materials	2,600	-	2,600	1,244	1,356
Other objects	1,800	-	1,800	145	1,655
Total Child Study Teams	<u>235,264</u>	<u>-</u>	<u>235,264</u>	<u>187,828</u>	<u>47,436</u>
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	52,636	-	52,636	52,636	-
Total Undist. Expend. - Improvement of Instruction Services	<u>52,636</u>	<u>-</u>	<u>52,636</u>	<u>52,636</u>	<u>-</u>
Undist. Expend. - Educational Media Services/School Library					
Salaries	20,295	-	20,295	19,063	1,232
Salaries of Technology Coordinators	-	-	-	-	-
Purchased professional and technical services	1,000	-	1,000	991	9
Other purchased services (400-500 series)	500	-	500	325	175
Supplies and materials	3,050	-	3,050	2,458	592
Other objects	-	-	-	-	-
Total Undist. Expend. - Ed. Media Services/School Library	<u>24,845</u>	<u>-</u>	<u>24,845</u>	<u>22,837</u>	<u>2,008</u>
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	4,000	-	4,000	2,600	1,400
Other purchased services (400-500 series)	5,100	-	5,100	3,284	1,816
Supplies and materials	100	-	100	-	100
Total Undist. Expend. - Instruction Staff Training Services	<u>9,200</u>	<u>-</u>	<u>9,200</u>	<u>5,884</u>	<u>3,316</u>
Undist. Expend. - Support Service - General Administration					
Salaries	201,622	1,020	202,642	202,642	-
Legal services	41,180	3,137	44,317	44,317	-
Audit fees	22,250	1,150	23,400	23,400	-
Architectural/Engineering Services	5,000	(3,759)	1,241	1,149	92
Purchased technical services	8,802	3,065	11,867	11,867	-
Communications/Telephone	61,500	6,763	68,263	67,055	1,208
Other Purchased Services	6,500	(2,266)	4,234	251	3,983
Other purchased services (400-500 series)	33,000	1,650	34,650	34,575	75
General supplies	6,000	4,772	10,772	10,770	2
In-House Training/Meeting Supplies	500	(348)	152	-	152
Miscellaneous expenditures	8,430	722	9,152	9,152	-
Membership Dues and Fees	8,000	(264)	7,736	7,713	23
Total Undist. Expend. - Support Service - Gen. Admin.	<u>402,784</u>	<u>15,642</u>	<u>418,426</u>	<u>412,891</u>	<u>5,535</u>

UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	\$ 83,516	\$ 164	83,680	\$ 83,680	\$ -
Salaries of secretarial and clerical assistants	97,972	(164)	97,808	78,595	19,213
Other purchased services (400-500 series)	5,520	-	5,520	479	5,041
Supplies and materials	10,125	-	10,125	4,341	5,784
Other objects	2,000	-	2,000	1,990	10
Total Undist. Expend. - Support Service - School Admin.	<u>199,133</u>	<u>-</u>	<u>199,133</u>	<u>169,085</u>	<u>30,048</u>
Undist. Expend. - Support Service - Central Services					
Salaries	181,920	1,250	183,170	163,170	20,000
Other purchased professional services	-	-	-	-	-
Purchased technical services	21,069	3,102	24,171	24,171	-
Miscellaneous purchased services	2,200	(1,522)	678	675	3
Supplies and materials	4,000	290	4,290	4,112	178
Miscellaneous expenditures	1,900	(550)	1,350	1,215	135
Total Undist. Expend. - Support Service - Central Services	<u>211,089</u>	<u>2,570</u>	<u>213,659</u>	<u>193,343</u>	<u>20,316</u>
Undist. Expend. - Support Service - Admin. Information Tech.					
Salaries	78,645	-	78,645	76,667	1,978
Purchased professional	4,000	-	4,000	3,990	10
Total Undist. Expend. - Support Service - Admin. Info. Tech.	<u>82,645</u>	<u>-</u>	<u>82,645</u>	<u>80,657</u>	<u>1,988</u>
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	34,902	2,792	37,694	20,881	16,813
General supplies	10,000	(849)	9,151	8,710	441
Other objects	1,000	(290)	710	192	518
Total Undist. Expend. - Required Maint. for School Facilities	<u>45,902</u>	<u>1,653</u>	<u>47,555</u>	<u>29,783</u>	<u>17,772</u>
Undist. Expend. - Custodial Services					
Salaries	313,580	(5,317)	308,263	297,307	10,956
Salaries of Non-Instructional Aids	41,134	28,547	69,681	69,681	-
Purchased professional and technical services	4,300	(3,261)	1,039	811	228
Cleaning, repair and maintenance services	8,000	(177)	7,823	7,015	808
Other purchased property services	33,000	1,760	34,760	34,514	246
Insurance	151,000	(6,450)	144,550	112,746	31,804
Miscellaneous purchased services	-	-	-	-	-
General supplies	25,000	3,848	28,848	27,715	1,133
Energy (Electricity)	65,940	2,288	68,228	8,487	59,741
Energy (Natural Gas)	96,940	480	97,420	74,095	23,325
Energy (Gasoline)	1,500	3,241	4,741	4,741	-
Other objects	4,800	(1,660)	3,140	1,680	1,460
Total Undist. Expend. - Custodial Services	<u>745,194</u>	<u>23,299</u>	<u>768,493</u>	<u>638,792</u>	<u>129,701</u>
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning, repair and maintenance services	16,366	3,280	19,646	10,473	9,173
General supplies	5,000	-	5,000	3,770	1,230
Other Objects	-	-	-	-	-
Total Undist. Expend. - Care and Upkeep of Grounds	<u>21,366</u>	<u>3,280</u>	<u>24,646</u>	<u>14,243</u>	<u>10,403</u>
Undist. Expend. - Security					
Salaries	1,852	-	1,852	-	1,852
Cleaning, repair and maintenance services	4,700	10,203	14,903	-	14,903
General supplies	7,720	(1,272)	6,448	5,511	937
Total Undist. Expend. - Security	<u>14,272</u>	<u>8,931</u>	<u>23,203</u>	<u>5,511</u>	<u>17,692</u>

**UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Student Transportation Services					
Salaries of Non-Instructional Aids	\$ 40,914	\$ 368	41,282	\$ 41,282	\$ -
Salaries for pupil transportation (between home and school) - Regular	72,276	11,034	83,310	83,310	-
Salaries for pupil transportation (between home and school) - Special	20,919	2,129	23,048	22,798	250
Other purchased professional & tech services	-	38,647	38,647	33,469	5,178
Cleaning, repair and maintenance services	25,000	8,020	33,020	32,920	100
Rental payments - School buses	-	-	-	-	-
Lease purchase payments - School buses	20,000	(1,351)	18,649	18,613	36
Contract. Serv. - Aid in Lieu Pymts-NonPub Sch	7,000	4,400	11,400	11,400	-
Contract services (between home & school) - Vendors	20,000	21,450	41,450	40,733	717
Contract services (other than between home & school) - Vendors	3,500	(3,105)	395	132	263
Contract services (between home & school) - joint agreements	35,000	(23,511)	11,489	-	11,489
Contract services - (Sp Ed) - vendors	9,450	(5,886)	3,564	2,992	572
Contract services - (regular education students) - ESCs & CTASs	155,225	94,281	249,506	235,884	13,622
Contract services - (special education students) - ESCs & CTASs	224,000	121,050	345,050	305,769	39,281
Miscellaneous purchased services - Transportation	15,600	(2,324)	13,276	(1,407)	14,683
Transportation Supplies	17,000	4,730	21,730	21,548	182
Other Objects	1,200	1,000	2,200	2,200	-
Total Undist. Expend. - Student Transportation Services	<u>667,084</u>	<u>270,932</u>	<u>938,016</u>	<u>851,643</u>	<u>86,373</u>
Interest Earned on Current Expense Emergency Reserve					
Interest earned on current expense emergency reserve	-	-	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interest Earned on Current Expense Maintenance Reserve					
Interest earned on current expense maintenance reserve	-	-	-	-	-
Total Interest Earned on Current Expense Maintenance Reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	400	-	400	-	400
Social security contributions	150,000	14,431	164,431	164,431	-
Other Retirement Contributions - PERS	160,000	11,585	171,585	171,585	-
Other Retirement Contributions - ERIP	13,200	-	13,200	5,088	8,112
Other Retirement Contributions - Regular	24,377	-	24,377	19,010	5,367
Unemployment compensation	20,000	-	20,000	123	19,877
Workmen's compensation	110,500	-	110,500	89,708	20,792
Health benefits	1,485,882	(115,550)	1,370,332	1,039,149	331,183
Tuition reimbursement	15,000	-	15,000	589	14,411
Other employee benefits	77,000	(26,016)	50,984	43,495	7,489
TOTAL UNALLOCATED EMPLOYEE BENEFITS	<u>2,056,359</u>	<u>(115,550)</u>	<u>1,940,809</u>	<u>1,533,178</u>	<u>407,631</u>
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	592	(592)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	401,233	(401,233)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,527,356	(1,527,356)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	325,267	(325,267)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,254,448</u>	<u>(2,254,448)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>2,056,359</u>	<u>(115,550)</u>	<u>1,940,809</u>	<u>3,787,626</u>	<u>(1,846,817)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>10,469,649</u>	<u>301,406</u>	<u>10,771,055</u>	<u>12,163,388</u>	<u>(1,392,333)</u>
TOTAL GENERAL CURRENT EXPENDITURES	<u>14,319,968</u>	<u>417,922</u>	<u>14,737,890</u>	<u>16,021,327</u>	<u>(1,283,437)</u>

UNION BEACH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:	\$ -	\$ -	-	\$ -	\$ -
Preschool					
Special Education - Instruction:					
Undistributed expenditures - Support services - Special	-	27,546	27,546	16,227	11,319
Undistributed expenditures - Admin Info Tech.	114,800	2,294	117,094	104,326	12,768
Total Equipment	114,800	29,840	144,640	120,553	24,087
Undistributed Expenses - Non instructional Services					
School buses - regular	885,000	-	885,000	35,231	849,769
Total Undistributed Expenses - Non instructional Services	885,000	-	885,000	35,231	849,769
Facilities Acquisition and Construction Services					
Construction services	67,350	-	67,350	12,350	55,000
Assessment for Debt Service on SDA Funding	32,350	-	32,350	32,350	-
Total Facilities Acquisition and Construction Services	99,700	-	99,700	44,700	55,000
Interest Deposit to Capital Reserve	-	-	-	-	-
TOTAL CAPITAL OUTLAY	1,099,500	29,840	1,129,340	200,484	928,856
Transfer of Funds to Charter Schools	-	-	-	-	-
TOTAL EXPENDITURES	15,419,468	447,762	15,867,230	16,221,811	(354,581)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,337,544)	(406,567)	(2,744,111)	293,145	3,037,256
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(2,337,544)	(406,567)	(2,744,111)	293,145	3,037,256
Fund Balance, July 1	5,391,384	-	5,391,384	5,391,384	-
Fund Balance, June 30	\$ 3,053,840	\$ (406,567)	2,647,273	\$ 5,684,529	\$ 3,037,256
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				1,321,090	
Emergency reserve				50,307	
Maintenance reserve				543,172	
Tuition reserve				1,000,000	
Excess surplus - current year				488,263	
Excess surplus - designated for subsequent year's expenditures				-	
Unemployment compensation				80,685	
Assigned Fund Balance:					
Year-end encumbrances				1,015,857	
Designated for subsequent year's expenditures				895,630	
Unassigned fund balance				289,525	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				5,684,529	
Last state aid payment not recognized on GAAP basis				(626,488)	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 5,058,041</u>	

UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ 5,000	\$ (5,000)	\$ -	\$ 62,847	\$ 62,847
State sources	1,625,306	(6,660)	1,618,646	1,510,600	(108,046)
Federal sources	2,576,600	-	2,576,600	1,657,594	(919,006)
Total Revenues	4,206,906	(11,660)	4,195,246	3,231,041	(964,205)
EXPENDITURES					
Instruction:					
Salaries of teachers	870,425	(6,000)	864,425	738,425	126,000
Other salaries for instruction	121,784	-	121,784	121,784	-
Purchased professional services	298,119	-	298,119	105,514	192,605
Tuition	270,603	-	270,603	270,603	-
Textbooks	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
General supplies	54,157	8,000	62,157	59,665	2,492
Total Instruction	1,615,088	2,000	1,617,088	1,295,991	321,097
Support services:					
Other professional staff salaries	527,244	(62,172)	465,072	399,233	65,839
Secretarial/clerical salaries	-	-	-	-	-
Personal services - employee benefits	285,077	-	285,077	274,979	10,098
Purchased professional - educational services	5,739	6,000	11,739	-	11,739
Other purchased professional services	318,250	220	318,470	143,570	174,900
Purchased technical services	-	2,449	2,449	2,449	-
Travel	-	-	-	-	-
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	183,939	11,608	195,547	86,896	108,651
Student Activities	-	-	-	64,730	(64,730) Note 1
Total support services	1,320,249	(41,895)	1,278,354	971,857	306,497
Facilities acquisition and const. serv.:					
Noninstructional Equipment	750,000	-	750,000	662,141	87,859
Instructional equipment	571,862	(22,058)	549,804	302,935	246,869
Total facilities acquisition and const. serv.	1,321,862	(22,058)	1,299,804	965,076	334,728
Total expenditures	4,257,199	(61,953)	4,195,246	3,232,924	962,322
Other financing sources (uses)					
Transfer in from general fund	96,999	(96,999)	-	-	-
Contribution to whole school reform	-	-	-	-	-
	96,999	(96,999)	-	-	-
Total outflows	4,160,200	35,046	4,195,246	3,232,924	962,322
Excess (deficiency) of revenues Over (under) expenditures	\$ 46,706	\$ (46,706)	\$ -	(1,883)	\$ (1,883)
Fund Balance, July 1				64,949	
Fund Balance, June 30				\$ 63,066	
Recapitulation:					
Restricted:					
Student Activities				63,066	
Total Fund Balance				\$ 63,066	

Note 1 - Not required to budget for these funds.

UNION BEACH SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to Required Supplementary Information
 For the Year Ended June 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 16,514,956	[C-2] \$ 3,231,041
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(250,952)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(1,527,356)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	701,963	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(626,488)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] <u>\$ 15,063,075</u>	[B-2] <u>\$ 2,980,089</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	[C-1] \$ 16,221,811	[C-2] \$ 3,232,924
Differences - budget to GAAP		
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(1,527,356)	
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	(250,952)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$ 14,694,455</u>	[B-2] <u>\$ 2,981,972</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Year Ended June 30, 2023
(Unaudited)

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0178010150%	0.0173962391%	0.0156900316%	0.0141010318%	0.0146919062%	0.0125048134%	0.0131722709%	0.0131696579%	0.0136065397%
District's proportionate share of the net pension liability	\$ 3,332,837	\$ 4,044,495	\$ 4,646,937	\$ 3,282,495	\$ 2,892,763	\$ 2,253,178	\$ 2,148,053	\$ 1,560,143	\$ 2,053,414
District's covered-employee payroll	-	277,585	226,561	273,887	948,062	946,328	897,119	977,269	957,631
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	1457.03%	2051.08%	1198.49%	305.12%	238.10%	239.44%	159.64%	214.43%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements 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.

**UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions-PERS
For the Year Ended June 30, 2023
(Unaudited)**

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contributions	\$ 146,749	\$ 149,561	\$ 135,545	\$ 132,468	\$ 146,496	\$ 122,157	\$ 144,098	\$ 154,232	\$ 171,585
Contributions in relation to the contractually required contribution	<u>146,635</u>	<u>149,561</u>	<u>135,545</u>	<u>132,468</u>	<u>139,286</u>	<u>115,416</u>	<u>144,098</u>	<u>152,746</u>	<u>171,585</u>
Contribution deficiency (excess)	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,210</u>	<u>\$ 6,741</u>	<u>\$ -</u>	<u>\$ 1,486</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 277,585	\$ 226,561	\$ 273,887	\$ 948,062	\$ 946,328	\$ 897,119	\$ 977,269	\$ 957,631	\$ 865,910
Contributions as a percentage of covered employee payroll	0.00%	66.01%	49.49%	48.37%	15.48%	13.62%	14.74%	16.11%	19.82%

* The schedule is presented to illustrate the requirements 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.

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Year Ended June 30, 2023
(Unaudited)

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability associated with the District	0.0447031709%	0.0429608354%	0.0399501732%	0.0385521044%	0.0392111685%	0.0394820776%	0.0402197142%	0.0396412049%	0.0383476264%
State's proportionate share of the net pension liability associated with the District	\$ 23,892,390	\$ 27,153,083	\$ 31,427,350	\$ 25,993,219	\$ 24,945,303	\$ 24,230,524	\$ 26,484,198	\$ 19,057,584	\$ 19,785,234
District's covered-employee payroll	1,155,506	966,280	1,247,572	4,235,878	4,314,959	4,355,476	4,219,087	4,443,442	4,393,191
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	2067.70%	2810.06%	2519.08%	613.64%	578.11%	556.32%	627.72%	428.89%	450.36%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the ACFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements 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.

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2023
(Unaudited)

Last 10 Fiscal Years*

	2018	2019	2020	2021	2022	2023
State's proportion of the OPEB liability associated with the District						
Service cost	\$ 1,212,660	\$ 1,003,918	\$ 886,871	\$ 923,826	\$ 1,628,952	\$ 1,395,762
Interest cost	1,095,179	1,262,191	1,170,528	934,958	946,246	800,752
Changes of benefit terms	-	-	-	-	(38,825)	-
Differences between expected and actual experiences	-	(2,973,218)	(5,269,559)	7,351,668	(7,754,751)	415,876
Changes in assumptions	(4,500,100)	(3,413,389)	389,808	7,741,434	35,987	(8,105,656)
Member contributions	29,538	27,489	23,790	22,363	24,191	25,445
Gross benefit payments	(802,183)	(795,371)	(802,540)	(737,807)	(745,377)	(793,168)
Net change in total OPEB liability	(2,964,906)	(4,888,380)	(3,601,102)	16,236,442	(5,903,577)	(6,260,989)
Total state's OPEB liability - beginning	37,598,298	34,633,392	29,745,012	26,143,910	42,380,352	36,476,775
Total state's OPEB liability - ending	<u>\$ 34,633,392</u>	<u>\$ 29,745,012</u>	<u>\$ 26,143,910</u>	<u>\$ 42,380,352</u>	<u>\$ 36,476,775</u>	<u>\$ 30,215,786</u>
District's covered employee payroll	\$ 6,242,521	\$ 6,381,614	\$ 6,339,122	\$ 6,109,729	\$ 6,661,142	\$ 6,634,210
Total State's OPEB liability as a percentage of covered employee payroll	555%	466%	412%	694%	548%	455%

* The schedule is presented to illustrate the requirements 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.

Union Beach School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2023

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2021, to 7.00% as of June 30, 2022.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2021, to 7.00% as of June 30, 2022.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 2.16% as of June 30, 2021, to 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

UNION BEACH SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2023

	Student Activity 22/23	Title I Part A 22/23	Title II Part A 22/23	IDEA-Part B-Basic Reg Prog 22/23	IDEA-Part B-Preschool Part A 22/23	Title IV 22/23	ARP ESSER 22/23
Revenues:							
Local sources	\$ 62,847	\$ -	\$ -	\$ -	\$ -	\$ -	-
State sources	-	-	-	-	-	-	-
Federal sources	-	181,032	29,325	255,435	15,168	11,400	910,816
Total revenues	<u>62,847</u>	<u>181,032</u>	<u>29,325</u>	<u>255,435</u>	<u>15,168</u>	<u>11,400</u>	<u>910,816</u>
Expenditures:							
Instruction:							
Salaries of teachers	-	158,731	29,325	-	-	-	-
Other salaries/instruction	-	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	11,400	94,114
General supplies	-	1,048	-	-	-	-	-
Tuition	-	-	-	255,435	15,168	-	-
Textbooks	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-
Total instruction	<u>-</u>	<u>159,779</u>	<u>29,325</u>	<u>255,435</u>	<u>15,168</u>	<u>11,400</u>	<u>94,114</u>
Support services:							
Other support services - students - special:							
Other professional staff salaries	-	1,500	-	-	-	-	12,844
Secretarial/Clerical salaries	-	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	-	138,795
Purchased technical services	-	-	-	-	-	-	-
Employee benefits	-	19,753	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-	-	-
General supplies	-	-	-	-	-	-	2,922
Miscellaneous expenses	-	-	-	-	-	-	-
Student Activities	64,730	-	-	-	-	-	-
Total other support services - students - special	<u>64,730</u>	<u>21,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,561</u>
Total support services	<u>64,730</u>	<u>21,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,561</u>
Equipment:							
Regular programs instruction	-	-	-	-	-	-	662,141
Non-instructional equipment	-	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>662,141</u>
Total expenditures	<u>64,730</u>	<u>181,032</u>	<u>29,325</u>	<u>255,435</u>	<u>15,168</u>	<u>11,400</u>	<u>910,816</u>
Excess (deficiency) of revenue over expenses	(1,883)	-	-	-	-	-	-
Fund Balance, July 1	<u>64,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 63,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UNION BEACH SCHOOL DISTRICT
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
Special Revenue Fund
For the Year Ended June 30, 2023

(continued from previous page)

	ARP MENTAL HEALTH 22/23	Climate Change 22/23	CRRSA ESSER II 22/23	CRRSA ESSER II LA 22/23	CRRSA ESSER II MH 22/23	Pre-school Aid 22/23	Total 2023
Revenues:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,847
State sources	-	6,660	-	-	-	1,503,940	1,510,600
Federal sources	4,305	-	246,819	2,424	870	-	1,657,594
Total revenues	<u>4,305</u>	<u>6,660</u>	<u>246,819</u>	<u>2,424</u>	<u>870</u>	<u>1,503,940</u>	<u>3,231,041</u>
Expenditures:							
Instruction:							
Salaries of teachers	-	-	86,826	-	-	463,543	738,425
Other salaries/instruction	-	-	-	-	-	121,784	121,784
Purchased professional services	-	-	-	-	-	-	105,514
General supplies	-	6,660	11,318	2,424	-	38,215	59,665
Tuition	-	-	-	-	-	-	270,603
Textbooks	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-
Total instruction	<u>-</u>	<u>6,660</u>	<u>98,144</u>	<u>2,424</u>	<u>-</u>	<u>623,542</u>	<u>1,295,991</u>
Support services:							
Other support services - students - special:							
Other professional staff salaries	-	-	24,874	-	-	360,015	399,233
Secretarial/Clerical salaries	-	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-	-
Other purchased professional services	4,305	-	-	-	470	-	143,570
Purchased technical services	-	-	2,449	-	-	-	2,449
Employee benefits	-	-	45,265	-	-	209,961	274,979
Travel	-	-	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-	-	-
General supplies	-	-	40,875	-	400	42,699	86,896
Miscellaneous expenses	-	-	-	-	-	-	-
Student Activities	-	-	-	-	-	-	64,730
Total other support services - students - special	<u>4,305</u>	<u>-</u>	<u>113,463</u>	<u>-</u>	<u>870</u>	<u>612,675</u>	<u>971,857</u>
Total support services	<u>4,305</u>	<u>-</u>	<u>113,463</u>	<u>-</u>	<u>870</u>	<u>612,675</u>	<u>971,857</u>
Equipment:							
Regular programs instruction	-	-	-	-	-	-	662,141
Non-instructional equipment	-	-	35,212	-	-	267,723	302,935
Total equipment	<u>-</u>	<u>-</u>	<u>35,212</u>	<u>-</u>	<u>-</u>	<u>267,723</u>	<u>965,076</u>
Total expenditures	<u>4,305</u>	<u>6,660</u>	<u>246,819</u>	<u>2,424</u>	<u>870</u>	<u>1,503,940</u>	<u>3,232,924</u>
Excess (deficiency) of revenue over expenses	-	-	-	-	-	-	(1,883)
Fund Balance, July 1	-	-	-	-	-	-	64,949
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,066</u>

UNION BEACH SCHOOL DISTRICT
Special Revenue Fund
Schedule of Expenditures of Preschool Education Aid
Preschool - All Programs
Budgetary Basis
For the Year Ended June 30, 2023

	Budget	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 463,543	\$ 463,543	\$ -
Other Salaries for Instruction	121,784	121,784	-
Purchased Professional & Technical Services	-	-	-
Other Purchased Services (400-500 series)	-	-	-
Tuition to Other LEAs Within the State - Regular	-	-	-
General Supplies	38,215	38,215	-
Other Objects	-	-	-
Total instruction	623,542	623,542	-
Support services:			
Salaries of Program Directors	-	-	-
Salaries of Supervisors of Instruction	-	-	-
Salaries of Other Professional Staff	360,015	360,015	-
Salaries of Secr. And Clerical Assistants	-	-	-
Other Salaries	-	-	-
Salaries of Community Parent Involvement Spec.	-	-	-
Salaries of Master Teachers	-	-	-
Personal Services - Employee Benefits	209,961	209,961	-
Purchased Educational Services - Contracted Pre-K	-	-	-
Purchased Professional - Educational Services	-	-	-
Other Purchased Professional Services	-	-	-
Cleaning, Repair, and Maintenance Services	-	-	-
Purchased Technical Services	-	-	-
Rentals	-	-	-
Contr. Serv.-Trans. (Bet. Home & Sch.)	-	-	-
Contr. Serv.-Trans. (Wrap Around Services)	-	-	-
Contr. Serv.-Trans. (Field Trips)	-	-	-
Travel	-	-	-
Other Purchased Services (400-500 series)	-	-	-
Supplies & Materials	42,699	42,699	-
Other Objects	-	-	-
Total support services	612,675	612,675	-
Facilities acquisition and cont. serv:			
Instructional equipment	-	-	-
Noninstructional Equipment	267,723	267,723	-
Total Facilities acquisition and cont. serv.	267,723	267,723	-
Contribution to Charter Schools			
	-	-	-
Transfer to General Fund	-	-	-
Total Expenditures	\$ 1,503,940	\$ 1,503,940	\$ -

CALCULATION OF BUDGET & CARRYOVER

Total 2022-23 PreK/ECPA Aid Allocation	\$ 1,122,417
Add: Actual PreK/ECPA Aid Carryover June 30, 2022	381,523
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2022-23 Budget	1,503,940
Less: 2021-22 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(1,503,940)
Available & Unbudgeted Funds as of June 30, 2023	-
Add: June 30, 2023 Unexpended PreK Aid	-
2023- Actual Carryover - PreK Aid	-
2022-23 PreK Aid Carryover Budgeted in 2023-FY	\$ -

F. Capital Projects Fund
Not Applicable

G. Proprietary Funds
See B-4 through B-6

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt
Not Applicable

STATISTICAL SECTION

**Union Beach School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	98-102
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	103-106
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	107-110
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	111-112
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	113-117

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.

UNION BEACH SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 6,914,516	\$ 6,722,949	\$ 6,634,060	\$ 6,536,144	\$ 6,549,305	\$ 6,618,619	\$ 6,752,148	\$ 6,469,822	\$ 6,265,318	\$ 7,003,941
Restricted	1,260,194	1,314,193	1,945,724	3,819,235	2,973,343	3,369,514	4,214,870	3,633,079	3,428,281	3,546,583
Unrestricted	(1,023,207)	(4,279,408)	(4,373,730)	(5,314,043)	(3,942,086)	(3,219,701)	(3,979,781)	(3,112,928)	(1,436,514)	(1,066,420)
Total governmental activities net position	<u>\$ 7,151,503</u>	<u>\$ 3,757,734</u>	<u>\$ 4,206,054</u>	<u>\$ 5,041,336</u>	<u>\$ 5,580,562</u>	<u>\$ 6,768,432</u>	<u>\$ 6,987,237</u>	<u>\$ 6,989,973</u>	<u>\$ 8,257,085</u>	<u>\$ 9,484,104</u>
Business-type activities										
Net investment in capital assets	\$ 105,332	\$ 88,394	\$ 71,456	\$ 54,518	\$ 37,580	\$ 20,642	\$ 3,704	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	264,310	290,707	334,366	353,565	318,439	295,647	268,535	240,189	326,579	288,823
Total business-type activities net position	<u>\$ 369,642</u>	<u>\$ 379,101</u>	<u>\$ 405,822</u>	<u>\$ 408,083</u>	<u>\$ 356,019</u>	<u>\$ 316,289</u>	<u>\$ 272,239</u>	<u>\$ 240,189</u>	<u>\$ 326,579</u>	<u>\$ 288,823</u>
District-wide										
Net investment in capital assets	\$ 7,019,848	\$ 6,811,343	\$ 6,705,516	\$ 6,590,662	\$ 6,586,885	\$ 6,639,261	\$ 6,755,852	\$ 6,469,822	\$ 6,265,318	\$ 7,003,941
Restricted	1,260,194	1,314,193	1,945,724	3,819,235	2,973,343	3,369,514	4,214,870	3,633,079	3,428,281	3,546,583
Unrestricted	(758,897)	(3,988,701)	(4,039,364)	(4,960,478)	(3,623,647)	(2,924,054)	(3,711,246)	(2,872,739)	(1,109,935)	(777,597)
Total district net position	<u>\$ 7,521,145</u>	<u>\$ 4,136,835</u>	<u>\$ 4,611,876</u>	<u>\$ 5,449,419</u>	<u>\$ 5,936,581</u>	<u>\$ 7,084,721</u>	<u>\$ 7,259,476</u>	<u>\$ 7,230,162</u>	<u>\$ 8,583,664</u>	<u>\$ 9,772,927</u>

Source: ACFR Schedule A-1 and District records.

UNION BEACH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,450,528	\$ 3,027,074	\$ 3,122,538	\$ 3,247,016	\$ 3,509,848	\$ 3,463,079	\$ 3,521,447	\$ 3,679,540	\$ 3,916,047	\$ 3,802,411
Special education	914,164	1,038,462	1,087,527	1,214,808	1,229,124	1,364,312	1,349,154	1,199,736	1,186,433	1,228,600
Other special education	53,540	49,083	58,027	71,241	67,579	77,471	71,465	59,538	59,910	54,648
Other instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Instruction	5,547,840	5,479,405	4,997,825	4,806,689	4,768,900	4,705,161	5,362,124	5,854,261	5,242,418	5,547,416
Student and Instruction Services	201,964	208,988	202,977	237,744	226,880	237,911	225,442	188,383	228,704	123,439
Other support services	1,089,669	945,836	904,391	1,049,160	1,057,656	1,008,915	1,120,708	1,293,665	1,480,693	1,502,249
General Business and Administrative	306,298	297,047	330,980	326,446	318,255	338,929	407,491	414,579	389,986	427,487
School administrative services	220,908	220,470	199,165	207,752	219,510	216,155	238,651	222,769	203,401	249,742
Central services	159,839	180,681	179,429	192,899	196,134	204,650	192,062	163,940	217,891	193,343
Plant operations and maintenance	1,093,614	932,596	951,957	1,048,580	928,292	848,849	1,104,513	893,645	988,080	674,167
Care & upkeep of grounds	10,724	19,260	19,925	14,618	40,834	6,946	31,948	26,683	23,072	14,243
Pupil transportation	626,931	778,304	742,462	781,576	710,674	766,113	940,115	703,733	973,144	859,789
Attendance and social work	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Special schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	1,030	12,363	12,363	12,717	9,963	-	-	-	-	-
Unallocated employee benefits	2,001,405	1,655,501	1,749,579	1,701,127	2,044,652	1,998,742	1,517,637	1,595,449	820,099	1,411,519
Non-budgeted expenditures	802,704	654,395	673,775	665,776	689,961	670,706	651,485	673,584	709,394	727,092
Total governmental activities expenses	<u>16,481,158</u>	<u>15,499,465</u>	<u>15,232,920</u>	<u>15,578,149</u>	<u>16,018,262</u>	<u>15,907,939</u>	<u>16,734,242</u>	<u>16,969,505</u>	<u>16,439,272</u>	<u>16,816,145</u>
Business-type activities:										
Food service/LatchKey Program	279,113	266,350	272,792	298,544	380,860	398,461	309,151	195,277	405,609	512,003
Total business-type activities expense	<u>279,113</u>	<u>266,350</u>	<u>272,792</u>	<u>298,544</u>	<u>380,860</u>	<u>398,461</u>	<u>309,151</u>	<u>195,277</u>	<u>405,609</u>	<u>512,003</u>
Total district expenses	<u>\$ 16,760,271</u>	<u>\$ 15,765,815</u>	<u>\$ 15,505,712</u>	<u>\$ 15,876,693</u>	<u>\$ 16,399,122</u>	<u>\$ 16,306,400</u>	<u>\$ 17,043,393</u>	<u>\$ 17,164,782</u>	<u>\$ 16,844,881</u>	<u>\$ 17,328,148</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ 23,314	\$ 1,740	\$ 4,618	\$ 945	\$ 8,075	\$ 21,722	\$ 25,075	\$ 45,170	\$ 62,847
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	802,704	654,395	673,775	665,776	689,961	670,706	651,485	673,584	709,394	727,092
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>802,704</u>	<u>677,709</u>	<u>675,515</u>	<u>670,394</u>	<u>690,906</u>	<u>678,781</u>	<u>673,207</u>	<u>698,659</u>	<u>754,564</u>	<u>789,939</u>
Business-type activities:										
Charges for services										
Food service	100,739	101,745	103,843	107,635	120,697	126,679	78,651	362	37,045	142,767
Child care	44,440	46,035	61,587	73,530	77,865	90,485	55,710	19,276	87,166	111,357
Operating grants and contributions	145,920	127,995	134,083	119,263	129,862	141,148	130,309	143,224	367,402	219,866
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>291,099</u>	<u>275,775</u>	<u>299,513</u>	<u>300,428</u>	<u>328,424</u>	<u>358,312</u>	<u>264,670</u>	<u>162,862</u>	<u>491,613</u>	<u>473,990</u>
Total district program revenues	<u>\$ 1,093,803</u>	<u>\$ 953,484</u>	<u>\$ 975,028</u>	<u>\$ 970,822</u>	<u>\$ 1,019,330</u>	<u>\$ 1,037,093</u>	<u>\$ 937,877</u>	<u>\$ 861,521</u>	<u>\$ 1,246,177</u>	<u>\$ 1,263,929</u>
Net (Expense)/Revenue										
Governmental activities	\$ (15,678,454)	\$ (14,821,756)	\$ (14,557,405)	\$ (14,907,755)	\$ (15,327,356)	\$ (15,229,158)	\$ (16,061,035)	\$ (16,270,846)	\$ (15,684,708)	\$ (16,026,206)
Business-type activities	11,986	9,425	26,721	1,884	(52,436)	(40,149)	(44,481)	(32,415)	86,004	(38,013)
Total district-wide net expense	<u>\$ (15,666,468)</u>	<u>\$ (14,812,331)</u>	<u>\$ (14,530,684)</u>	<u>\$ (14,905,871)</u>	<u>\$ (15,379,792)</u>	<u>\$ (15,269,307)</u>	<u>\$ (16,105,516)</u>	<u>\$ (16,303,261)</u>	<u>\$ (15,598,704)</u>	<u>\$ (16,064,219)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 5,599,563	\$ 5,756,058	\$ 5,871,180	\$ 6,498,711	\$ 6,628,685	\$ 6,628,685	\$ 6,761,259	\$ 6,986,014	\$ 7,353,717	\$ 7,500,791
Unrestricted grants and contributions	9,549,813	9,172,519	9,125,886	9,235,229	9,216,067	9,314,934	9,270,554	9,144,610	9,549,232	9,713,926
Investment earnings	3,330	4,992	-	8,107	9,960	3,066	9,893	7,836	7,355	13,392
Miscellaneous income	217,599	101,396	8,659	990	11,870	470,343	238,134	49,350	41,516	25,116
Loss on disposal of asset	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>15,370,305</u>	<u>15,034,965</u>	<u>15,005,725</u>	<u>15,743,037</u>	<u>15,866,582</u>	<u>16,417,028</u>	<u>16,279,840</u>	<u>16,187,810</u>	<u>16,951,820</u>	<u>17,253,225</u>
Business-type activities:										
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Investment earnings	110	34	-	377	372	419	431	365	386	257
Total business-type activities	<u>110</u>	<u>34</u>	<u>-</u>	<u>377</u>	<u>372</u>	<u>419</u>	<u>431</u>	<u>365</u>	<u>386</u>	<u>257</u>
Total district-wide	<u>\$ 15,370,415</u>	<u>\$ 15,034,999</u>	<u>\$ 15,005,725</u>	<u>\$ 15,743,414</u>	<u>\$ 15,866,954</u>	<u>\$ 16,417,447</u>	<u>\$ 16,280,271</u>	<u>\$ 16,188,175</u>	<u>\$ 16,952,206</u>	<u>\$ 17,253,482</u>
Change in Net Position										
Governmental activities	\$ (308,149)	\$ 213,209	\$ 448,320	\$ 835,282	\$ 539,226	\$ 1,187,870	\$ 218,805	\$ (83,036)	\$ 1,267,112	\$ 1,227,019
Business-type activities	12,096	9,459	26,721	2,261	(52,064)	(39,730)	(44,050)	(32,050)	86,390	(37,756)
Total district	<u>\$ (296,053)</u>	<u>\$ 222,668</u>	<u>\$ 475,041</u>	<u>\$ 837,543</u>	<u>\$ 487,162</u>	<u>\$ 1,148,140</u>	<u>\$ 174,755</u>	<u>\$ (115,086)</u>	<u>\$ 1,353,502</u>	<u>\$ 1,189,263</u>

Source: ACFR Schedule A-2 and District records.

UNION BEACH SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ 3,076,309	\$ 3,715,786	\$ 3,912,334	\$ 3,882,461	\$ 3,563,762	\$ 3,363,332	\$ 3,483,517
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	761,269	160,568	577,810	332,409	204,127	446,888	1,911,487
Unassigned	-	-	-	(396,782)	(381,652)	(385,869)	(340,816)	114,395	879,201	(336,963)
Reserved	2,182,930	2,682,507	3,006,219	-	-	-	-	-	-	-
Unreserved	(477,956)	(469,633)	(497,515)	-	-	-	-	-	-	-
Total general fund	\$ 1,704,974	\$ 2,212,874	\$ 2,508,704	\$ 3,440,796	\$ 3,494,702	\$ 4,104,275	\$ 3,874,054	\$ 3,882,284	\$ 4,689,421	\$ 5,058,041
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special revenue fund	(23,589)	(14,850)	(10,415)	(18,343)	(45,926)	(69,122)	-	-	-	-
Student Activities	-	-	-	-	-	-	-	69,317	64,949	63,066
Total all other governmental funds	\$ (23,589)	\$ (14,850)	\$ (10,415)	\$ (18,343)	\$ (45,926)	\$ (69,122)	\$ -	\$ 69,317	\$ 64,949	\$ 63,066

Source: ACFR Schedule B-1 and District records.

UNION BEACH SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 5,599,563	\$ 5,756,058	\$ 5,871,180	\$ 6,498,711	\$ 6,628,685	\$ 6,628,685	\$ 6,761,259	\$ 6,986,014	\$ 7,353,717	\$ 7,500,791
Tuition charges	-	23,314	1,740	4,618	945	8,075	21,722	4,256	165	-
Interest earnings	3,330	4,992	-	8,107	9,960	3,066	9,893	7,836	7,355	13,392
Miscellaneous	142,751	101,396	8,659	990	11,870	149,222	238,134	70,169	86,521	87,963
State sources	9,410,906	9,259,437	9,233,312	9,364,016	9,386,034	9,288,416	9,367,400	9,013,980	9,166,657	9,048,539
Federal sources	941,611	567,477	566,349	536,989	519,994	697,224	554,639	804,214	1,091,969	1,392,479
Total revenue	16,098,161	15,712,674	15,681,240	16,413,431	16,557,488	16,774,688	16,953,047	16,886,469	17,706,384	18,043,164
Expenditures										
Instruction										
Regular Instruction	3,450,528	3,027,074	3,122,538	3,247,016	3,509,848	3,463,079	3,521,447	3,679,540	3,916,047	3,802,411
Special education instruction	914,164	1,038,462	1,087,527	1,214,808	1,229,124	1,364,312	1,349,154	1,199,736	1,186,433	1,228,600
Other special instruction	53,540	49,083	58,027	71,241	67,579	77,471	71,465	59,538	59,910	54,648
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	5,327,103	5,252,152	4,771,396	4,572,594	4,564,452	4,480,711	5,166,110	5,668,208	5,053,665	5,323,730
Student & inst. related services	201,964	208,988	202,977	237,744	226,880	237,911	225,442	188,383	228,704	123,439
General administration	295,011	285,427	319,402	314,476	307,912	327,574	394,701	402,439	377,670	412,891
School administrative services	220,908	220,470	199,165	207,752	219,510	216,155	238,651	222,769	203,401	249,742
Central services	159,839	180,681	179,429	192,899	196,134	204,650	192,062	163,940	217,891	193,343
Security	16,092	5,998	17,811	48,508	74,257	68,535	62,692	74,933	80,585	5,511
Plant operations and maintenance	897,607	839,033	854,149	919,143	803,887	798,693	874,336	744,636	856,014	668,575
Pupil transportation	617,939	769,047	733,239	772,040	702,496	757,135	932,976	696,957	966,270	851,643
Other Support Services	1,089,096	945,246	903,803	1,048,552	1,009,551	956,103	1,061,219	1,237,200	1,423,409	1,434,363
Care & upkeep of grounds	10,724	19,260	19,925	14,618	40,834	6,946	31,948	26,683	23,072	14,243
Employee benefits	1,924,555	1,712,495	1,843,333	1,721,937	2,058,243	2,079,452	1,764,012	1,802,964	1,488,946	1,533,178
Non-budgeted expenditures	802,704	654,395	673,775	665,776	689,961	670,706	651,485	673,584	709,394	727,092
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	586,715	144,718	238,926	239,222	334,383	348,529	576,446	53,184	112,204	1,053,018
Debt service:										
Principal	-	-	-	-	449,642	449,505	-	-	-	-
Interest and other charges	-	-	-	-	46,472	1,965	-	-	-	-
Total expenditures	16,568,489	15,352,529	15,225,422	15,488,326	16,531,165	16,509,432	17,114,146	16,894,694	16,903,615	17,676,427
Excess (Deficiency) of revenues over (under) expenditures	(470,328)	360,145	455,818	925,105	26,323	265,256	(161,099)	(8,225)	802,769	366,737
Other Financing sources (uses)										
Proceeds from borrowing	-	156,494	-	-	-	-	-	-	-	-
Repayment of CDL	-	-	(156,494)	-	-	-	-	-	-	-
Insurance proceeds for storm expense reimbursements	-	-	-	-	-	321,121	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	156,494	(156,494)	-	-	321,121	-	-	-	-
Net change in fund balances	(470,328)	516,639	299,324	925,105	26,323	586,377	(161,099)	(8,225)	802,769	366,737
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	3.06%	2.79%	0.00%	0.00%	0.00%	0.00%

Source: ACFR Schedule B-2 and District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

UNION BEACH SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Sale of Capital Assets	Donations	Rentals	Prior Year Refunds	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2014	-	-	-	-	-	14,942	14,942
2015	-	-	8,625	-	-	85,600	94,225
2016	-	-	-	-	-	8,659	8,659
2017	-	-	-	-	-	990	990
2018	-	-	-	-	-	11,870	11,870
2019	-	-	-	-	-	149,222	149,222
2020	-	-	-	-	-	5,000	5,000
2021	-	-	4,250	-	-	45,100	49,350
2022	-	-	-	-	-	41,516	41,516
2023	-	-	-	-	-	18,716	18,716

Source: District records

UNION BEACH SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qform	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2015	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2016	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2017	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2018	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2019	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2020	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2021	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2022	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	NA
2023	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	NA

Source: Municipal Tax Assessor

UNION BEACH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Union Beach School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct J-7	Borough of Union Beach	Monmouth County	
2014	N/A	0.000	N/A	N/A	N/A	N/A
2015	N/A	0.000	N/A	N/A	N/A	N/A
2016	N/A	0.000	N/A	N/A	N/A	N/A
2017	N/A	0.000	N/A	N/A	N/A	N/A
2018	N/A	0.000	N/A	N/A	N/A	N/A
2019	N/A	0.000	N/A	N/A	N/A	N/A
2020	N/A	0.000	N/A	N/A	N/A	N/A
2021	N/A	0.000	N/A	N/A	N/A	N/A
2022	N/A	0.000	N/A	N/A	N/A	N/A
2023	N/A	0.000	N/A	N/A	N/A	N/A

Source: Municipal Tax Collector

**UNION BEACH SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
UNAUDITED**

	2023				2014		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Not Available							
Total	\$ -		0.00%	Total	\$ -		0.00%

Source: Municipal Tax Assessor

**UNION BEACH 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		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A

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

**UNION BEACH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities					Compensated Absences Payable	Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases					
2014	-	-	-	-	301,517	-	301,517	0.00%	-	
2015	-	-	-	-	484,415	-	484,415	0.00%	-	
2016	-	-	-	-	314,008	-	314,008	0.00%	-	
2017	-	-	-	-	340,747	-	340,747	0.00%	-	
2018	-	-	-	-	379,682	-	379,682	0.00%	-	
2019	-	-	-	-	397,621	-	397,621	0.00%	-	
2020	-	-	-	-	334,543	-	334,543	0.00%	-	
2021	-	-	-	-	308,543	-	308,543	0.00%	-	
2022	-	-	-	-	301,517	-	301,517	0.00%	-	
2023	-	-	-	-	573,766	-	573,766	0.00%	-	

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

UNION BEACH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2014	-	-	-	N/A	N/A
2015	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2021	-	-	-	N/A	N/A
2022	-	-	-	N/A	N/A
2023	-	-	-	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-6 for property tax data.

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

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

UNION BEACH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Union Beach	0	0.000%	0
Monmouth County General Obligation Debt	0	0.000%	0
Other debt			
Subtotal, overlapping debt			0
Union Beach School District Direct Debt			<u>N/A</u>
Total direct and overlapping debt			<u>\$ -</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation

**UNION BEACH SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years
UNAUDITED**

	Equalized valuation basis									
	2023	\$	-							
	2022	\$	-							
	2021	\$	-							
	[A]	\$	-							
	[A/3]	\$	-							
(3 % of average equalization value)	[B]	\$	-	a						
Net bonded school debt	[C]	\$	-							
Legal debt margin	[B-C]	\$	-							

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

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

**UNION BEACH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	5,460	N/A	N/A	10.9%
2015	5,461	N/A	N/A	10.9%
2016	5,439	N/A	N/A	10.9%
2017	5,402	N/A	N/A	10.9%
2018	5,359	N/A	N/A	10.9%
2019	5,315	N/A	N/A	N/A
2020	5,296	N/A	N/A	N/A
2021	5,723	N/A	N/A	N/A
2022	5,705	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A

Source:

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

^b Personal income not available by municipality.

^c Per Capita Income not available by municipality

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

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

UNION BEACH SCHOOL DISTRICT
Principal Employers
Current Year and Ten Years Ago
UNAUDITED

Employer	2023			2014		
	Employees	Rank (Optional)	Percentage of Total Employment ^b	Employees	Rank (Optional)	Percentage of Total Employment ^b
		Not Available				
	-		0.00%			

Source: Borough of Union Beach Official Bond Statement

^b Total labor force provided by U.S. Department of Labor, Bureau of Labor Statistics

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

UNION BEACH SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
UNAUDITED

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	62	62	62	62	52	52	52	52	50	44
Special education	23	23	23	23	26	26	26	26	26	21
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	16	16	16	16	33	33	33	28	27	21
General administrative services	1	1	1	1	2	2	2	2	2	2
School administrative services	2	2	2	2	2	2	2	2	2	2
Other Administrative Services	5	5	5	5	6	6	6	6	6	6
Business administrative services	-	-	-	-	2	2	2	2	2	2
Plant operations and maintenance	10	10	10	10	7	7	7	7	7	7
Pupil transportation	4	4	4	4	5	5	5	3	3	5
Food Service	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Total	123	123	123	123	135	135	135	128	125	110

Source: District Personnel Records

**UNION BEACH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2014	658	16,481,158	25,047	6.35%	83	7.9	0.0	0.0	658.0	658.0	-24.80%	100.00%
2015	635	14,869,096	23,416	-6.51%	85	7.5	0.0	0.0	658.0	658.0	-43.18%	100.00%
2016	628	15,232,920	24,256	3.59%	85	7.4	0.0	0.0	628.0	628.0	-45.77%	100.00%
2017	592	15,203,041	25,681	5.87%	85	7.0	0.0	0.0	628.0	628.0	-45.77%	100.00%
2018	637	16,018,262	25,146	-2.08%	78	8.2	0.0	0.0	637.0	637.0	-44.99%	100.00%
2019	642	15,709,433	24,470	-4.72%	78	8.2	0.0	0.0	642.0	642.0	-44.56%	100.00%
2020	648	15,838,227	24,442	-4.83%	78	8.3	0.0	0.0	648.0	648.0	-44.04%	100.00%
2021	648	16,484,969	25,440	-0.94%	78	8.3	0.0	0.0	648.0	648.0	0.00%	100.00%
2022	639	16,449,756	25,743	0.24%	78	8.2	0.0	0.0	639.0	639.0	-1.39%	100.00%
2023	607	16,221,811	26,725	3.81%	78	7.8	0.0	0.0	607.0	607.0	-5.01%	100.00%

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

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS)

UNION BEACH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
UNAUDITED

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
District Building^a										
Elementary										
Memorial School										
Square Feet	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009
Capacity (students)	826	826	826	826	826	826	826	826	826	\$ 826
Enrollment	794	794	628	628	628	642	648	585	639	607
Other										
Central Administration										
Square Feet	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818
Number of Schools at June 30, 2022										
Elementary = 1										
Middle School = 0										
Other = 1										

Source: District Facilities Office

^a Increases in square footage and capacity are the result of additions

Enrollment is based on the annual October District count

^b At the time of ACFR completion, this data was not yet available

UNION BEACH SCHOOL DISTRICT
Schedule of Required Maintenance By School
Last Ten Fiscal Years
UNAUDITED

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

* School Facilities Project # (s)	Memorial School	Florence Avenue	Total
	<u> </u>	<u> </u>	<u> </u>
2014	71,169	36,500	107,669
2015	126,772	13,000	139,772
2016	138,160	-	138,160
2017	190,965	-	190,965
2018	183,203	-	183,203
2019	127,259	-	127,259
2020	270,643	-	270,643
2021	192	-	192
2022	54,319	-	54,319
2023	29,783	-	29,783
Total School Facilities	<u><u>\$ 1,192,465</u></u>	<u><u>\$ 49,500</u></u>	<u><u>\$ 1,241,965</u></u>

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**UNION BEACH SCHOOL DISTRICT
Insurance Schedule
For the Year Ended June 30, 2023
UNAUDITED**

Company	Type of Coverage	Coverage	Deductible
Arthur J Gallagher Broker	Property Blanket Building & Contents Business Income & Extra Exp.	33,355,426	5,000
New Jersey School Boards	Flood	500,000	5,000
Insurance Group	Equipment Breakdown (Blanket) Per Breakdown	33,355,426	5,000
	Commercial Liability Bodily Injury & Property Damage Each Occurrence General Aggregate Damage to Premises Rented Medical Payments Personal & Advertising Injury Employee Benefits Liability		
	Crime Employee Theft Forgery or Alteration Computer Fraud	100,000	1,000
	Business Auto Combined Single Limit Personal Injury Protection Medical Payments Uninsured & Underinsured Comprehensive Deductible Collision Deductible	31,000,000	1,000
	School Board Legal Limit of Liability	31,000,000	5,000
	Worker's Compensation Each accident Each employee	3,000,000 3,000,000	-
	Student Accident Maximum Benefit	100,000	
	Bonds Business Adm./Board Sec'y.	250,000	1,000
	Environmental Policy Each Incident Aggregate	500,000	25,000
	CAP Program Each Occurrence Aggregate	25,000,000	

Source: District Records

SINGLE AUDIT SECTION



K-1

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

Honorable President and
Members of the Board of Education
Union Beach School District
County of Monmouth
Union Beach, New Jersey 07760

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 Union Beach School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise of the Union Beach School District basic financial statements, and have issued our report thereon dated November 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Union Beach 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 Union Beach School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Union Beach 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 School District'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 Union Beach 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 Division of 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 in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Jump, Perry & Company L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 21, 2023



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
Union Beach School District
County of Monmouth
Union Beach, New Jersey 07760

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

We have audited Union Beach School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Union Beach School District's major federal and state programs for the year ended June 30, 2023. Union Beach 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, Union Beach 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 and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the New Jersey OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Union Beach 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 program. Our audit does not provide a legal determination of Union Beach 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 or grant agreements applicable to Union Beach 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 Union Beach 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 and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Union Beach School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Union Beach School District's, compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Union Beach 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 Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Union Beach 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 and state program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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 Circular 15-08,. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Jump, Perry, & Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 21, 2023

UNION BEACH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal FAIN Number	Grant Period	Award Amount	Balance at June 30, 2022	Adjustment Amount	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2023	(Accounts Receivable) at June 30, 2023	Due to Grantor at June 30, 2023
U.S. Department of Health & Human Services												
Passed-through State Department of Health:												
General Fund:												
Medical Assistance Program	93.778	2305NJ5MAP	7/1/22-6/30/23	\$ 6,584	\$ -	\$ -	\$ 6,584	\$ (6,584)	\$ -	\$ -	\$ -	\$ -
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Food Distribution Program	10.555	231NJ304N1099	7/1/22-6/30/23	37,383	-	-	37,383	(37,383)	-	-	-	-
Supply Chain Assistance Funding	10.555	231NJ304N1099	7/1/22-6/30/23	42,302	-	-	42,302	(42,302)	-	-	-	-
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	7,600	-	-	7,600	(7,600)	-	-	-	-
National School Lunch Program	10.555	231NJ304N1099	7/1/22-6/30/23	126,672	-	-	118,760	(126,672)	-	-	(7,912)	-
Summer Food Service Program for Children	10.559	231NJ304N1099	7/1/21-6/30/22	329,847	(82,803)	-	82,803	-	-	-	-	-
Subtotal of Child Nutrition Cluster					(82,803)	-	288,848	(213,957)	-	-	(7,912)	-
Total U.S. Department of Agriculture					(82,803)	-	326,231	(213,957)	-	-	(7,912)	-
U.S. Department of Education												
Passed-through State Department of Education:												
Title I	84.010	S010A210030	9/1/21-8/31/22	203,918	(75,136)	-	75,136	-	-	-	-	-
Title I	84.010	S010A220030	9/1/22-8/31/23	181,032	-	-	-	(181,032)	-	-	(181,032)	-
Title II Part A	84.367	S367A210029	9/1/21-8/31/22	26,290	(15,755)	-	15,755	-	-	-	-	-
Title II Part A	84.367	S367A220029	9/1/22-8/31/23	29,325	-	-	-	(29,325)	-	-	(29,325)	-
Title IV	84.424	S424A220031	7/1/22-9/30/23	15,619	-	-	-	(11,400)	-	-	(11,400)	-
Elementary and Secondary Education Cluster:												
ESSER II - CRRSA	84.425D	S425D210027	3/13/20-9/30/23	727,308	(311,813)	-	-	(246,819)	-	-	(558,632)	-
ESSER II - CR Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	46,675	(35,794)	-	35,794	(2,424)	-	-	(2,424)	-
ESSER II - CR Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(39,131)	-	39,131	(870)	-	-	(870)	-
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/23	1,634,579	-	-	518,771	(910,816)	-	-	(392,045)	-
ARP ESSER III-NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	-	-	-	(4,305)	-	-	(4,305)	-
Total Elementary and Secondary Education Cluster					(386,738)	-	593,696	(1,165,234)	-	-	(958,276)	-
Special Education Cluster:												
I.D.E.A. Part B Basic Regular	84.027	H027A210100	9/1/21-8/31/22	247,498	(247,498)	-	247,498	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	H027A220100	9/1/22-8/31/23	255,435	-	-	115,189	(255,435)	-	-	(140,246)	-
I.D.E.A. Part B Preschool	84.173	H173A220114	9/1/22-8/31/23	15,168	-	-	-	(15,168)	-	-	(15,168)	-
I.D.E.A. Part B Preschool	84.173	H173A210114	9/1/21-8/31/22	14,472	(14,472)	-	14,472	-	-	-	-	-
ARP I.D.E.A. Part B Basic Regular	84.027X	H027X210100	9/1/22-8/31/23	28,654	(28,654)	-	28,654	-	-	-	-	-
ARP I.D.E.A. Part B Preschool	84.173X	H173X210114	9/1/22-8/31/23	2,438	(2,438)	-	2,438	-	-	-	-	-
Subtotal of Special Education Cluster					(293,062)	-	408,251	(270,603)	-	-	(155,414)	-
Total U.S. Department of Education					(770,691)	-	574,067	(1,657,594)	-	-	(1,335,447)	-
Total Expenditures of Federal Awards					\$ (853,494)	\$ -	\$ 906,882	\$ (1,878,135)	\$ -	\$ -	\$ (1,343,359)	\$ -

UNION BEACH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2023

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022	Adjustment Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2023	(Accounts Receivable) at June 30, 2023	Due to Grantor at June 30, 2023	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	\$ 12,799	\$ -	\$ -	11,511	(12,799)	\$ -	\$ -	\$ -	\$ -	1,288	12,799
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	4,526,818	-	-	3,970,761	(4,526,818)	-	-	-	-	556,057	4,526,818
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	658,640	-	-	592,347	(658,640)	-	-	-	-	66,293	658,640
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	28,312	-	-	25,462	(28,312)	-	-	-	-	2,850	28,312
Stabilization Aid	23-495-034-5120-078	7/1/22-6/30/23	1,124,800	-	-	1,124,800	(1,124,800)	-	-	-	-	-	1,124,800
Maintenance of Equity State Aid	22-495-034-5120-128	7/1/21-6/30/22	951,568	(951,568)	-	951,568	-	-	-	-	-	-	-
Securing our Children's Future Bond Act	22E00131	9/1/21-8/31/22	30,507	-	-	28,078	(28,078)	-	-	-	-	-	28,078
Extraordinary Aid	22-100-034-5120-473	7/1/21-6/30/22	255,727	(255,727)	-	255,727	-	-	-	-	-	-	-
Extraordinary Aid	23-100-034-5120-473	7/1/22-6/30/23	326,743	-	-	-	(326,743)	-	-	(326,743)	-	-	326,743
Nonpublic Transportation Aid	23-100-034-5120-068	7/1/22-6/30/23	8,435	-	-	-	(8,435)	-	-	(8,435)	-	-	8,435
Nonpublic Transportation Aid	22-100-034-5120-068	7/1/21-6/30/22	10,511	(10,511)	-	10,511	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	7/1/22-6/30/23	1,527,356	-	-	1,527,356	(1,527,356)	-	-	-	-	-	1,527,356
On-Behalf TPAF Post-Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	401,233	-	-	401,233	(401,233)	-	-	-	-	-	401,233
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	592	-	-	592	(592)	-	-	-	-	-	592
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	7/1/21-6/30/22	334,697	(16,826)	-	16,826	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	7/1/22-6/30/23	325,267	-	-	323,826	(325,267)	-	-	(1,441)	-	-	325,267
Total General Fund				<u>(1,234,632)</u>	<u>-</u>	<u>9,240,598</u>	<u>(8,969,073)</u>	<u>-</u>	<u>-</u>	<u>(336,619)</u>	<u>-</u>	<u>626,488</u>	<u>8,969,073</u>
Special Revenue Fund:													
Climate Awareness grant	23-100-034-5063-359	7/1/22-6/30/23	6,660	-	-	6,660	(6,660)	-	-	-	-	-	-
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	924,596	381,523	(381,523)	-	-	-	-	-	-	-	-
Preschool Education Aid	23-495-034-5120-086	7/1/22-6/30/23	1,122,417	-	381,523	1,122,417	(1,503,940)	-	-	-	-	-	1,503,940
Total Special Revenue Fund				<u>381,523</u>	<u>-</u>	<u>1,129,077</u>	<u>(1,510,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,503,940</u>
State Department of Agriculture													
Enterprise Fund													
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	7,387	(2,070)	-	2,070	-	-	-	-	-	-	-
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	5,909	-	-	5,541	(5,909)	-	-	(368)	-	-	5,909
Total Special Revenue Fund				<u>(2,070)</u>	<u>-</u>	<u>7,611</u>	<u>(5,909)</u>	<u>-</u>	<u>-</u>	<u>(368)</u>	<u>-</u>	<u>-</u>	<u>5,909</u>
Total Expenditures of State Awards				<u>(855,179)</u>	<u>-</u>	<u>10,377,286</u>	<u>(10,485,582)</u>	<u>-</u>	<u>-</u>	<u>(336,987)</u>	<u>-</u>	<u>626,488</u>	<u>10,478,922</u>
State Financial Assistance Not Subject to Single Audit Determination													
General Fund:													
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	7/1/22-6/30/23	1,527,356	-	-	1,527,356	(1,527,356)	-	-	-	-	-	1,527,356
On-Behalf TPAF Post-Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	401,233	-	-	401,233	(401,233)	-	-	-	-	-	401,233
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	592	-	-	592	(592)	-	-	-	-	-	592
Total State Financial Assistance Not Subject to Single Audit Determination				<u>-</u>	<u>-</u>	<u>1,929,181</u>	<u>(1,929,181)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,929,181</u>
Total Expenditures of State Awards Subject to Single Audit Determination				<u>\$ (855,179)</u>	<u>\$ -</u>	<u>\$ 8,448,105</u>	<u>\$ (8,556,401)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (336,987)</u>	<u>\$ -</u>	<u>\$ 626,488</u>	<u>\$ 8,549,741</u>

See accompanying notes to schedules of expenditures.

Union Beach School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2023

1. General

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

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

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.

Union Beach School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2023

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,451,881) for the general fund and \$(250,952) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 6,584	\$ 7,517,192	\$ 7,523,776
Special Revenue Fund	1,385,895	1,531,347	2,917,242
Debt Service Fund	-	-	-
Food Service Fund	<u>213,957</u>	<u>5,801</u>	<u>219,758</u>
Total awards and financial assistance	<u>\$ 1,606,436</u>	<u>\$ 9,054,340</u>	<u>\$ 10,660,776</u>

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.

5. Other

TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of Social Security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2023.

The TPAF Post Retirement/Medical Benefits expenditures are not subject to New Jersey OMB Circular 15-08 and are not included in the above schedule.

6. Indirect Costs

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

Union Beach School District
Schedule of Findings and Questioned Costs
June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified? yes none reported

Noncompliance material to basic financial statements noted? yes no

Federal Awards:

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified? yes none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Elementary and Secondary Education Cluster	
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)

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

Auditee qualified as low-risk auditee? yes no

Union Beach School District

Schedule of Findings and Questioned Costs (continued)

June 30, 2023

Section I - Summary of Auditor's Results (continued)

State Awards

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

Auditee qualified as low-risk auditee? yes no

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

Internal Control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08? yes no

Identification of major programs:

<u>State grant/Project Number(s)</u>	<u>Name of State Program</u>
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State Aid-Cluster

495-034-5094-003

Reimbursed TPAF Social Security Contributions

Union Beach School District

Summary of Findings and Questioned Costs (continued)

June 30, 2023

Section II - Financial Statement Findings - N/A

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

Union Beach School District
Summary Schedule of Prior Year Audit Findings

June 30, 2023

Summary Schedule of Prior Year Audit Findings - N/A