

SCHOOL DISTRICT  
OF  
BEACH HAVEN  
OF OCEAN COUNTY

BEACH HAVEN, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2021

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Of

Beach Haven School District  
of Ocean County

Beach Haven, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Beach Haven School District  
of Ocean County  
Board of Education Finance Department

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## INTRODUCTORY SECTION

# BEACH HAVEN BOARD OF EDUCATION

Eighth and Beach Avenue  
Beach Haven, New Jersey 08008

January 25, 2022

Mrs. Irene Hughes, President  
Members of the Board of Education  
Beach Haven School District  
Beach Haven, New Jersey 08008

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Beach Haven School District for the fiscal year ended June 30, 2021, 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 Beach Haven School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.



Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

The Beach Haven School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 6<sup>th</sup> grades. These include regular as well as special education for children with special needs. The School District’s enrollment, as of October 15<sup>th</sup>, for the current and past six fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020/2021	68	8%
2019/2020	63	-6%
2018/2019	67	-1%
2017/2018	68	-1%
2016/2017	69	6%
2015/2016	65	0%
2014/2015	65	-8%

**ECONOMIC CONDITION AND OUTLOOK**

The Beach Haven School District has a stable year-round population. The primary industry is tourism which significantly increases the population during the summer.

**MAJOR INITIATIVES**

All who comprise the PK-6 Beach Haven School District continue to work to maintain high levels of academic and social achievements, value the importance of technology as educational tool vs, an educational requirement in isolation, and comply with all of the current educational rules and regulations governing schools in New Jersey.

The Board of Education recognizes that the teacher is the most important staff member for the delivery of a high quality education to allow continued success at the Southern Regional High School grades 7-12. Appropriate professional development will be provided to allow teachers to be current and proficient.

Sufficient funds will continue to be committed for building improvements and upgrades to maintain a safe, secure, and compliant building for the students and the community.

## **INTERNAL ACCOUNTING CONTROLS**

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general 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 delivered; and (2) the valuation of costs and benefits require 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 evaluations by the district management.

As part of the School 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.

## **BUDGETARY CONTROLS**

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

## **ACCOUNTING SYSTEM AND REPORTS**

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

## **DEBT ADMINISTRATION**

The District has no outstanding debt as of June 30, 2021.

## **RISK MANAGEMENT**

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

**OTHER INFORMATION**

*INDEPENDENT AUDIT*

State statutes require an annual audit by independent certified public accountants. The accounting firm of Jump, Perry & Company, LLP was appointed by the Beach Haven Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting 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.

**ACKNOWLEDGEMENTS**

We would like to express our appreciation to the members of the 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 accomplished without the efficient and dedicated services of our business office staff.

Respectfully Submitted,

*Christopher Meyrick*

Dr. Christopher Meyrick  
Superintendent

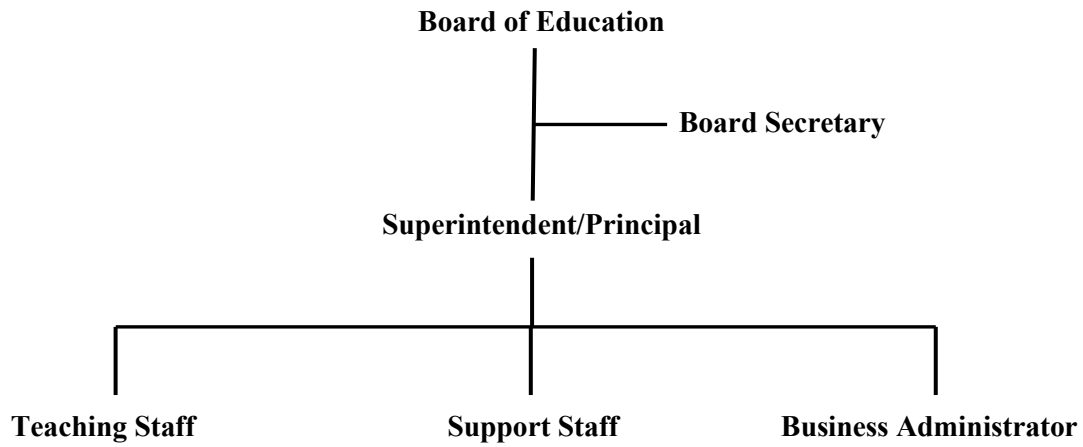
*Steven Terhune*

Mr. Steven Terhune  
School Business Administrator/  
Board Secretary

**BEACH HAVEN SCHOOL DISTRICT**  
**Beach Haven, New Jersey 08008**

**Organizational Chart**

**JUNE 30, 2021**



Beach Haven School District  
Beach Haven, New Jersey

Roster of Officials  
June 30, 2021

Members of the Board of Education

Term Expires

Irene Hughes, President

2022

Jen Tomlinson, Vice President

2023

Jean Frazier

2022

Carol Labin

2021

Meredith O'Donnell

2023

Other Officials

Dr. Christopher Meyrick, Superintendent of Schools

Steven Terhune, School Business Administrator/Board Secretary

Beach Haven School District  
Consultants and Advisors

Attorney

Isabel Machado, Esq.  
Machado Law Group  
136 Central Avenue 2nd Floor  
Clark, New Jersey 07066

Audit Firm

Kathryn Perry, CPA  
Jump, Perry and Company, L.L.P.  
12 Lexington Avenue  
Toms River, New Jersey 08753

Official Depositories

TD Bank  
13100 Long Beach Boulevard  
Beach Haven, New Jersey 08008

## FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

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

### Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beach Haven School District in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2021, 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.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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



## *Opinion*

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 Beach Haven School District in the County of Ocean, State of New Jersey as of June 30, 2021 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.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2022 on our consideration of the Beach Haven School District in the County of Ocean, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beach Haven School District in the County of Ocean, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,

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



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

January 25, 2022

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Beach Haven School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
Unaudited

The discussion and analysis of Beach Haven School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2021. 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, 2021 are as follows:

Net position totaled \$4,029,187, which represents a 9.35 percent increase from June 30, 2020.

General revenues accounted for \$2,338,431 in revenue or 95.25 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 \$116,680 or 4.75 percent of total revenues of \$2,455,111.

Total assets increased by \$391,497 as current assets increased by \$302,955 and capital assets, net increased by \$88,542.

The School Board had \$2,187,279 in expenses; only \$116,680 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$2,338,431 were adequate to provide for these programs.

Among major funds, the General Fund had \$2,365,288 in revenues and \$2,227,116 in expenditures and transfers. The General Fund's balance increased \$138,172 over June 30, 2020. The General Fund's balance is \$2,003,973.

**Using this Comprehensive Annual Financial Report (CAFR)**

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Beach Haven 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 Beach Haven 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. There are no activities 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 fund is the General 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 Beach Haven School District does not have any enterprise funds.

## 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, 2021 and 2020.

Table 1

Net Position as of June 30, 2021 and June 30, 2020

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 2,098,038	\$ -	\$ 2,098,038	\$ 1,795,083	\$ -	\$ 1,795,083
Capital assets, net	<u>2,352,489</u>	<u>-</u>	<u>2,352,489</u>	<u>2,263,947</u>	<u>-</u>	<u>2,263,947</u>
Total assets	4,450,527	-	4,450,527	4,059,030	-	4,059,030
Deferred outflow of resources	<u>69,275</u>	<u>-</u>	<u>69,275</u>	<u>101,678</u>	<u>-</u>	<u>101,678</u>
<b>Liabilities:</b>						
Current liabilities	94,065	-	94,065	6,055	-	6,055
Long-term liabilities outstanding	<u>190,517</u>	<u>-</u>	<u>190,517</u>	<u>339,534</u>	<u>-</u>	<u>339,534</u>
Total liabilities	284,582	-	284,582	345,589	-	345,589
Deferred inflow of resources	<u>206,033</u>	<u>-</u>	<u>206,033</u>	<u>130,527</u>	<u>-</u>	<u>130,527</u>
<b>Net position:</b>						
Net investment in capital assets	2,352,489	-	2,352,489	2,263,947	-	2,263,947
Restricted	1,892,701	-	1,892,701	1,589,318	-	1,589,318
Unrestricted	<u>(216,003)</u>	<u>-</u>	<u>(216,003)</u>	<u>(168,673)</u>	<u>-</u>	<u>(168,673)</u>
Total Net Position	<u>\$ 4,029,187</u>	<u>\$ -</u>	<u>\$ 4,029,187</u>	<u>\$ 3,684,592</u>	<u>\$ -</u>	<u>\$ 3,684,592</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 \$4,029,187 on June 30, 2021. This is a change of 9.35% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2021 and 2020.

Table 2

Changes in Net Position

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 6,664	\$ -	\$ 6,664	\$ 2,550	\$ -	\$ 2,550
Operating and capital grants and contributions	110,016	-	110,016	117,681	-	117,681
General revenues:						
Property taxes	2,038,691	-	2,038,691	2,038,913	-	2,038,913
Federal and state aid	292,880	-	292,880	258,965	-	258,965
Investment earnings	1,794	-	1,794	7,220	-	7,220
Miscellaneous	<u>5,066</u>	<u>-</u>	<u>5,066</u>	<u>31,050</u>	<u>-</u>	<u>31,050</u>
Total revenues	2,455,111	-	2,455,111	2,456,379	-	2,456,379
<b>Expenses</b>						
Instructional services	855,329	-	855,329	802,977	-	802,977
Support services	<u>1,331,950</u>	<u>-</u>	<u>1,331,950</u>	<u>1,384,008</u>	<u>-</u>	<u>1,384,008</u>
Total expenses	<u>2,187,279</u>	<u>-</u>	<u>2,187,279</u>	<u>2,186,985</u>	<u>-</u>	<u>2,186,985</u>
Change in net position	267,832	-	267,832	269,394	-	269,394
Net position - beginning	3,684,592	-	3,684,592	3,415,198	-	3,415,198
Prior period adjustment	<u>76,763</u>	<u>-</u>	<u>76,763</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position - beginning restated	<u>3,761,355</u>	<u>-</u>	<u>3,761,355</u>	<u>3,415,198</u>	<u>-</u>	<u>3,415,198</u>
Net position (deficit) - ending	<u>\$ 4,029,187</u>	<u>\$ -</u>	<u>\$ 4,029,187</u>	<u>\$ 3,684,592</u>	<u>\$ -</u>	<u>\$ 3,684,592</u>

The State aid-restricted decreased due to the reduction in qualifying funds tied to student enrollment. The Federal aid-restricted increased due to additional Federal grants related to the COVID-19 Pandemic.

Regular instructional costs increased due to salary and benefit cost increases.

Other support services decreased due to the phase in of operational changes that result in cost savings to the school district and the impact of COVID-19.

## Expenses for Fiscal Year June 30, 2021

### 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>2021</u>		<u>2020</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	\$ 855,329	\$ 850,279	\$ 802,977	\$ 800,427
Support Services:				
Pupils and Instructional Staff	391,994	280,364	439,620	321,939
General Administration, School Administration, Business Operation and Maintenance of Facilities	875,387	875,387	872,881	872,881
Pupil Transportation	<u>64,569</u>	<u>64,569</u>	<u>71,507</u>	<u>71,507</u>
Total Expenses	<u>\$ 2,187,279</u>	<u>\$ 2,070,599</u>	<u>\$ 2,186,985</u>	<u>\$ 2,066,754</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 field trips as provided by state law.

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

## 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 Beach Haven, 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, 2021, it reported a combined fund balance of \$2,003,973, which is a increase of \$214,945. 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, 2021.

<u>Revenue</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 2,052,215	83.59 %	\$ (27,518)	(1.32)%
State Sources	314,687	12.82	(20,848)	(6.21)
Federal Sources	<u>88,209</u>	<u>3.59</u>	<u>47,098</u>	<u>114.56</u>
Total	<u>\$ 2,455,111</u>	<u>100.00 %</u>	<u>\$ (1,268)</u>	<u>(0.05)%</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, 2021.

<u>Expenditures</u>	<u>2021 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 855,329	36.92 %	\$ 52,352	6.52 %
Undistributed				
Expenditures	1,284,781	55.45	(30,948)	(2.35)
Capital Outlay	<u>176,819</u>	<u>7.63</u>	<u>176,743</u>	<u>232,556.58</u>
Total	<u>\$ 2,316,929</u>	<u>100.00 %</u>	<u>\$ 198,147</u>	<u>9.35 %</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 CAFR, 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 \$319,917 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$487 better 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	\$ 1,727,367
Maintenance Reserve	79,277
Unemployment Compensation	75,000

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. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increased students on district owned vehicles the district transportation costs were lowered for special needs students. In addition, COVID-19 related closures had a positive impact on the one time reduction of expenditures for utilities, substitute employees, field trips and supplies.

The revenue situation arose primarily because of tuition received from out of district students.

Any excesses will be carried forward into the beginning fund balance from the 2020-2021 fiscal year and will be used to reduce the local tax levy for the 2022-2023 fiscal year.

## Capital Assets and Debt Administration

*Capital Assets.* At the end of the fiscal year June 30, 2021, the School Board had \$2,352,489 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2021 and June 30, 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 99,516	\$ 99,516	\$ -	\$ -	\$ 99,516	\$ 99,516
Construction in Progress	-	-	-	-	-	-
Building and Improvements	2,081,139	2,136,783	-	-	2,081,139	2,136,783
Machinery and Equipment	171,834	27,648	-	-	171,834	27,648
<b>Total</b>	<b>\$ 2,352,489</b>	<b>\$ 2,263,947</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,352,489</b>	<b>\$ 2,263,947</b>

During the current fiscal year, \$176,743 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, 2021	June 30, 2020
Pension Liability-PERS	\$ 172,562	\$ 310,353
Compensated Absences payable	<u>17,955</u>	<u>29,181</u>
<b>Total long-term liabilities</b>	<b><u>\$ 190,517</u></b>	<b><u>\$ 339,534</u></b>

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 2020-2021 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 16.41% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 83.59% of total revenue is from local sources.

The \$(216,003) 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 2020-2021 budget was adopted in March 2020 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Beach Haven for increased aid.

The School Board anticipates a level enrollment for the 2021-2022 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. The district believes that it has prepared financially for the 2021-2022 and near term future fiscal years to allow for the continuation of existing programs and services.

### **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 Beach Haven School District, 700 N. Beach Ave, Beach Haven, NJ, 08008.

## BASIC FINANCIAL STATEMENTS

**BEACH HAVEN SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,008,644	\$ -	\$ 2,008,644
Restricted cash-capital reserve	18,607	-	18,607
Receivables - state	-	-	-
Receivables - federal	70,787	-	70,787
Capital assets, non-depreciable	99,516	-	99,516
Capital assets, depreciable, net	2,252,973	-	2,252,973
Total assets	<u>4,450,527</u>	<u>-</u>	<u>4,450,527</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - PERS	69,275	-	69,275
Total deferred outflows of resources	<u>69,275</u>	<u>-</u>	<u>69,275</u>
<b>LIABILITIES</b>			
Accounts payable	4,994	-	4,994
Other liabilities	44,784	-	44,784
Unearned revenue	44,287	-	44,287
Noncurrent liabilities:			
Due within one year	-	-	-
Due beyond one year	190,517	-	190,517
Total liabilities	<u>284,582</u>	<u>-</u>	<u>284,582</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	206,033	-	206,033
Total deferred inflows of resources	<u>206,033</u>	<u>-</u>	<u>206,033</u>
<b>NET POSITION</b>			
Investment in capital assets	2,352,489	-	2,352,489
Restricted for:			
Capital projects	1,727,367	-	1,727,367
Unemployment compensation	75,000	-	75,000
Other purposes	90,334	-	90,334
Unrestricted	(216,003)	-	(216,003)
Total net position	<u>\$ 4,029,187</u>	<u>\$ -</u>	<u>\$ 4,029,187</u>

BEACH HAVEN SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 753,258	\$ 5,050	\$ -	\$ -	\$ (748,208)	\$ -	\$ (748,208)
Special schools instruction	101,321	-	-	-	(101,321)	-	(101,321)
Other special instruction	750	-	-	-	(750)	-	(750)
Support services and undistributed costs:							
Instruction	7,134	-	-	-	(7,134)	-	(7,134)
Attendance	912	-	-	-	(912)	-	(912)
Health services	61,988	-	-	-	(61,988)	-	(61,988)
Other support services	208,408	1,614 *	-	-	(206,794)	-	(206,794)
Educational media services	-	-	-	-	-	-	-
Instruction staff training	3,536	-	-	-	(3,536)	-	(3,536)
General administrative services	40,726	-	-	-	(40,726)	-	(40,726)
School administrative services	22,332	-	-	-	(22,332)	-	(22,332)
Central services	30,529	-	-	-	(30,529)	-	(30,529)
Allowed maintenance for school facilities	164,899	-	-	-	(164,899)	-	(164,899)
Other operation & maintenance of plant	207,375	-	-	-	(207,375)	-	(207,375)
Student transportation services	64,569	-	-	-	(64,569)	-	(64,569)
Unallocated employee benefits	409,526	-	-	-	(409,526)	-	(409,526)
Non-budgeted expenses	110,016	-	110,016	-	-	-	-
Total governmental activities	<u>2,187,279</u>	<u>6,664</u>	<u>110,016</u>	<u>-</u>	<u>(2,070,599)</u>	<u>-</u>	<u>(2,070,599)</u>
Business-type activities:							
N/A	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 2,187,279</u>	<u>\$ 6,664</u>	<u>\$ 110,016</u>	<u>\$ -</u>	<u>\$ (2,070,599)</u>	<u>\$ -</u>	<u>\$ (2,070,599)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					2,038,691	-	2,038,691
Federal and state aid - not restricted					204,671	-	204,671
Federal and state aid -restricted					88,209	-	88,209
Miscellaneous income					5,066	-	5,066
Investment earnings - restricted					1,794	-	1,794
Total general revenues					<u>2,338,431</u>	<u>-</u>	<u>2,338,431</u>
<b>Change in net position</b>					267,832	-	267,832
<b>Net position, July 1</b>					3,684,592	-	3,684,592
<b>Prior period adjustment</b>					76,763	-	76,763
<b>Net position, July 1 (Restated)</b>					<u>3,761,355</u>	<u>-</u>	<u>3,761,355</u>
<b>Net position, June 30</b>					<u>\$ 4,029,187</u>	<u>-</u>	<u>\$ 4,029,187</u>

\* Student activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"



**BEACH HAVEN SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,026,362 *	\$ (17,718) *	\$ 2,008,644
Capital reserve	18,607	-	18,607
Receivables - State	-	-	-
Receivables - Federal	-	70,787	70,787
Total assets	<u>\$ 2,044,969</u>	<u>\$ 53,069</u>	<u>\$ 2,098,038</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 292	\$ 4,702	\$ 4,994
Payable deductions and withholdings payable	42,477 **	-	42,477
Interfund payable	-	-	-
Payable to federal government	-	-	-
Payable to state government	-	-	-
Unearned revenue	-	44,287	44,287
Due to grantor	-	2,307	2,307
Total liabilities	<u>42,769</u>	<u>51,296</u>	<u>94,065</u>
Fund Balances:			
Restricted for:			
Capital reserve account	1,727,367	-	1,727,367
Maintenance reserve account	79,277	-	79,277
Excess surplus	-	-	-
Excess surplus -- designated for subsequent year's expenditures	-	-	-
Unemployment compensation	75,000	-	75,000
Student activities	-	1,773	1,773
Assigned to:			
Designated by the BOE for subsequent year's expenditures	-	-	-
Other purposes	11,057	-	11,057
Unassigned to:			
General fund	109,499	-	109,499
Total Fund balances	<u>2,002,200</u>	<u>1,773</u>	<u>2,003,973</u>
Total liabilities and fund balances	<u>\$ 2,044,969</u>	<u>\$ 53,069</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$3,778,032 and the accumulated depreciation is \$1,425,543.	2,352,489
Deferred outflows related to the PERS pension plan	69,275
Deferred inflows related to the PERS pension plan	(206,033)
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>(190,517)</u>
Net position of governmental activities	<u>\$ 4,029,187</u>

\* Include former fiduciary fund cash and cash equivalents

\*\* Include payroll deductions payable

**BEACH HAVEN SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Local sources:			
Local tax levy	\$ 2,038,691	\$ -	\$ 2,038,691
Tuition charges	5,050	-	5,050
Interest on investments	-	-	-
Interest earned on capital reserve funds	1,345	-	1,345
Interest earned on maintenance reserve funds	449	-	449
Other Local Revenue	5,066	1,614 *	6,680
Total - Local Sources	2,050,601	1,614	2,052,215
State sources	314,687	-	314,687
Federal sources	-	88,209	88,209
Total revenues	<u>\$ 2,365,288</u>	<u>\$ 89,823</u>	<u>\$ 2,455,111</u>
<b>EXPENDITURES</b>			
Current:			
Regular instruction	\$ 676,209	\$ 77,049	\$ 753,258
Special education instruction	101,321	-	101,321
Other special instruction	750	-	750
Undistributed - current:			
Instruction	7,134	-	7,134
Attendance	912	-	912
Health services	61,988	-	61,988
Other support services	195,644	12,764 **	208,408
Educational media services	-	-	-
Instruction staff training	3,536	-	3,536
General administrative services	40,726	-	40,726
School administrative services	22,332	-	22,332
Allowed maintenance for school facilities	164,899	-	164,899
Other operation & maintenance of plant	119,098	-	119,098
Student transportation services	64,569	-	64,569
Central services	30,529	-	30,529
Unallocated employee benefits	450,634	-	450,634
Non-budgeted expenditures	110,016	-	110,016
Special schools	-	-	-
Transfer to charter school	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	176,819	-	176,819
Total expenditures	<u>2,227,116</u>	<u>89,813</u>	<u>2,316,929</u>
Net change in fund balances	138,172	10	138,182
Fund balance—July 1	1,789,028	-	1,789,028
Prior period adjustment	75,000 ***	1,763 ****	76,763
Fund balance—July 1, restated	1,864,028	1,763	1,865,791
Fund balance—June 30	<u>\$ 2,002,200</u>	<u>\$ 1,773</u>	<u>\$ 2,003,973</u>

\* Special revenue fund now includes revenues from student activities

\*\* Special revenue fund now includes expenditures from student activities

\*\*\* Unemployment fund net position as of June 30, 2020

\*\*\*\* Student activity fund net position as of June 30, 2020

**BEACH HAVEN 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, 2021**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$</b>	<b>138,182</b>
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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	(88,201)	
	Capital outlays	<u>176,743</u>	88,542

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			29,882
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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.			<u>11,226</u>
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<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>267,832</u></b>
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Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

**1. Summary of Significant Accounting Policies**

The financial statements of the Board of Education (the "Board") of Beach Haven 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 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 a preschool, elementary schools, and middle schools located in Beach Haven. 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, Basis of Accounting**

**Government-Wide Financial Statements**

The focus of government-wide financial statements is on the overall financial position and activities of the government as a whole. These financial statements are constructed around the concept of a primary government as defined by GASB-14 (The Financial Reporting Entity) and therefore encompass the primary government and its component units except for fiduciary funds of the primary government and component units that are fiduciary in nature. Financial statements of fiduciary funds are not presented in the government-wide financial statements but are included in the fund financial statements.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

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

**B. Basis of Presentation, Basis of Accounting (Cont'd)**

**Fund Financial Statements**

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

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

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

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

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

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

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

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

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

**D. Fund Accounting**

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

**Governmental Fund Types**

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

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

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

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

**Proprietary Fund Type**

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

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others.

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

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

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23A-16.2(f). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2021 were insignificant.

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

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

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

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 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.

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2021

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

**F. Encumbrances**

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

Open encumbrances in the special revenue fund, for which the 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.

**G. Short-Term Interfund Receivables/Payables**

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

**H. Inventories and Prepaid Expenses**

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.

**I. Capital Assets and Depreciation**

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

The District contracted with an outside service company during the 2012 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased with a historical cost of \$2,000 or more. Accumulated fiscal year 2012 depreciation expense, total accumulated depreciation and book values were also provided, and have been updated annually through 2020-2021. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized.



Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

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

**I. Capital Assets and Depreciation (Cont'd)**

Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

**J. Compensated Absences**

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

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

**K. Unearned Revenue**

Unearned revenue in the special revenue funds represent cash which has been received but not yet earned. Unearned revenue in the general fund represents monies received for fiscal year 2022. See Note 1(F) regarding the special revenue fund.

**L. 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, represent 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.

**M. Fund Equity**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net position relating to capital reserve (See Note 3).

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

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

**N. GASB Pronouncements**

**Recently Issued Accounting Pronouncements to be implemented in future years**

Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

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

**N. GASB Pronouncements (Cont'd)**

Statement No. 92, *Omnibus 2020*, The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Statement No. 92 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of Statement No. 95 are effective immediately.

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. Management has not yet determined the potential impact on the School District's financial statements.

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

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

**N. GASB Pronouncements (Cont'd)**

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Objectives 1 and 2 above are effective immediately. Objective 3 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

**2. Cash, Cash Equivalents and Investments**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

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

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

2. **Cash, Cash Equivalents and Investments (Cont'd)**

**Deposits**

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

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

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

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

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

**Investments**

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

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

As of June 30, 2021, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash Equivalents</b>
Checking, Money Market Accounts and Certificate of Deposit	\$2,027,251

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

**2. Cash, Cash Equivalents and Investments (Cont'd)**

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2021, was \$2,027,251 and the bank balance was \$2,073,970. Of the bank balance, \$250,000 was covered by federal depository insurance and 2,552 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Credit Risk Categories**

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

Insured under FDIC and GUDPA	\$ 1,950,977
Uninsured	122,993

As of June 30, 2021, the District did not hold any long-term investments.

**Custodial Credit Risk - Deposits**

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

**3. Capital Reserve Account**

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

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan (LRFP) and updated in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department, a District may deposit funds into the capital reserve at any time upon Board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C 6A:23A-14.1(g), the balance in the account cannot exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2021

**3. Capital Reserve Account (cont'd)**

The activity of the Capital Reserve for the July 01, 2020 to June 30, 2021 fiscal year is as follows:

Balance, July 01, 2020	\$ 1,326,022
Add:	
Interest Earned	1,345
Approved at June 2021 Meeting	<u>400,000</u>
Balance, June 30, 2021	<u>\$ 1,727,367</u>

**4. Maintenance Reserve Account**

A Maintenance Reserve Account was established by the Beach Haven School District for the accumulation of funds for use as 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 restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2021.

The activity of the Maintenance Reserve for the July 01, 2020 to June 30, 2021 fiscal year is as follows:

Balance, July 01, 2020	\$ 145,878
Add:	
Approved at June 2021 Meeting	-
Interest Earned	449
Less:	
Used in budget	<u>(67,050)</u>
Balance, June 30, 2021	<u>\$ 79,277</u>

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2021

**5. Receivables**

Receivables at June 30, 2021, consisted of intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
Federal Aid	<u>70,787</u>	<u>70,787</u>
Total Receivables, Net	<u>\$ 70,787</u>	<u>\$ 70,787</u>

**6. Capital Assets**

Capital Assets consisted of the following at June 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES:				
Capital Assets Not Being Depreciated:				
Site and Site Improvements	\$ 99,516	\$ -	\$ -	\$ 99,516
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>99,516</u>	<u>-</u>	<u>-</u>	<u>99,516</u>
Capital Assets Being Depreciated:				
Building and Building Improvements	3,269,139	11,300	-	3,280,439
Machinery and Equipment	<u>232,634</u>	<u>165,443</u>	<u>-</u>	<u>398,077</u>
Total Capital Assets Being Depreciated	<u>3,501,773</u>	<u>176,743</u>	<u>-</u>	<u>3,678,516</u>
Less Accumulated Depreciation for:				
Building and Building Improvements	(1,132,356)	(66,944)	-	(1,199,300)
Machinery and Equipment	<u>(204,986)</u>	<u>(21,257)</u>	<u>-</u>	<u>(226,243)</u>
Total Accumulated Depreciation	<u>(1,337,342)</u>	<u>(88,201)</u>	<u>-</u>	<u>(1,425,543)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>2,164,431</u>	<u>88,542</u>	<u>-</u>	<u>2,252,973</u>
Government Activity Capital Assets, Net	<u>\$ 2,263,947</u>	<u>88,542</u>	<u>-</u>	<u>\$ 2,352,489</u>

Depreciation expense was charged to governmental functions as follows:

	June 30, 2021
Operations and Maintenance	
Total depreciation expense	\$88,201



Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

**7. General Long-Term Debt**

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Short-Term Portion
Pension Liability	\$ 310,353	\$ -	\$ (137,791)	\$ 172,562	\$ -
Compensated Absences Payable	<u>29,181</u>	<u>-</u>	<u>(11,226)</u>	<u>17,955</u>	<u>-</u>
Total	<u>\$ 339,534</u>	<u>\$ -</u>	<u>\$ (149,017)</u>	<u>\$ 190,517</u>	<u>\$ -</u>

For governmental activities, the pension liability and compensated absences payable are liquidated by the general fund.

**8. 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 Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://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

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

8. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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 2020, 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, 2021 the School District reported a liability of \$172,562 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020. The School District's proportion measured as of June 30, 2020, was .0010581841%, which was a decrease of .0006642284% from its proportion measured as of June 30, 2019.

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

8. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$88,201 in the government-wide financial statements consisting of employer contributions of \$11,576 and non-employer contributions of \$(7,034). This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021, 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	\$ 3,142	\$ 610
Changes of assumptions	5,598	72,253
Net difference between projected and actual earnings on pension plan investments	5,898	-
Changes in proportion and differences between District contributions and proportionate share of contributions	24,594	133,170
District contributions subsequent to the measurement date	<u>30,043</u>	<u>-</u>
Total	<u>\$ 69,275</u>	<u>\$ 206,033</u>

\$30,043 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2020-2021 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:	
2021	\$ (62,031)
2022	(56,554)
2023	(32,320)
2024	(13,069)
2025	(2,827)
Thereafter	-
Total	<u>\$ (166,801)</u>

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

**8. 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, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
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

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 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for the 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

8. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

**Actuarial Assumptions** - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:

Through 2026	2.00% - 6.00% Based on years of service
Thereafter	3.00% -7.00% Based on years of service

Investment Rate of Return	7.00%
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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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

8. 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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	3.40 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Investment Grade Credit	8.00 %	2.67 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
U.S. Equity	27.00 %	7.71 %
Non-U.S. Developed Markets Equity	13.50 %	8.57 %
Emerging Markets Equity	5.50 %	10.23 %
Private Equity	13.00 %	11.42 %

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

8. 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, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's proportionate share of the net pension liability	218,935	172,562	135,722

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

	<u>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	2,347,583,337	3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
School District's Portion	.0010581841%	.0017224125%

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

8. 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 Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://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.



Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

8. 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 2020, 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, 2020 was \$4,668,505. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was .0070897342%, which was an increase of .0009985718% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized a pension expense in the amount of \$167,051 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, 2020 measurement date.

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

8. Pension Plans (cont'd)

**B. Teachers' Pension and Annuity (TPAF) (cont'd)**

**Actuarial Assumptions** - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% based on years of service
Thereafter	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

8. 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>
Risk Mitigation Strategies	3.00 %	3.40 %
Cash Equivalents	4.00 %	0.50 %
U.S. Treasuries	5.00 %	1.94 %
Investment Grade Credit	8.00 %	2.67 %
High Yield	2.00 %	5.95 %
Private Credit	8.00 %	7.59 %
Real Assets	3.00 %	9.73 %
Real Estate	8.00 %	9.56 %
U.S. Equity	27.00 %	7.71 %
Non-U.S. Developed Markets Equity	13.50 %	8.57 %
Emerging Markets Equity	5.50 %	10.23 %
Private Equity	13.00 %	11.42 %

**Discount Rate** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date 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, 2020 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's proportionate share of the net pension liability	5,495,756	4,668,505	4,000,389

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

**8. 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>6/30/21</u>	<u>6/30/20</u>
Collective Deferred Outflows of Resources	9,626,548,228	10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
School District's Portion	.0070897342%	.0060911624%

**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, 2021 were \$1,870. There was no liability for unpaid contributions at June 30, 2021.

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2021

**8. Pension Plans (Cont'd)**

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

**9. 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.

**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 or 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.

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

**9. Post-Retirement Benefits (cont'd)**

**Employees covered by benefit terms**

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	149,304
Active plan members	<u>216,804</u>
Total	<u><u>366,108</u></u>

**Total Nonemployer OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

**Actuarial assumptions and other imputes**

The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.00%-6.00%
	PFRS 3.25%-15.25%
	TPAF 1.55%-3.05%
Salary Increases after 2026	PERS 3.00%-7.00%
	PFRS 3.25%-15.25%
	TPAF 1.55%-3.05%
Discount Rate	3.50%
Healthcare Cost Trend Rates	4.5%-5.6%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2021

9. Post-Retirement Benefits (cont'd)

Actuarial assumptions and other inputs (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-2020. 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-2020. 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-2020

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

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

Balance at June 30, 2019	\$ 41,729,081,045
Changes for the year:	
Service cost	1,790,973,822
Interest on the total OPEB liability	1,503,341,357
Differences between expected and actual experiences	11,544,750,637
Changes in assumptions	12,386,549,981
Gross benefit payments by the state	(1,180,515,618)
Contributions from members	<u>35,781,384</u>
Net changes	<u>26,080,881,563</u>
Balance at June 30, 2020	<u>\$ 67,809,962,608</u>

Discount rate

The discount rate for June 30, 2020 was 2.21%. 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.

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2021

9. Post-Retirement Benefits (cont'd)

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

The following presents the June 30, 2020 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 (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability of the State for School Retirees	\$54,738,488,540	\$67,809,962,608	\$83,375,182,975
Total OPEB Liability of the State Associated with the School District for School Retirees	\$6,534,372	\$5,420,234	\$4,549,085

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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

The following presents the June 30, 2020 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	\$54,738,488,540	\$67,809,962,608	\$83,375,182,975
Total OPEB Liability of the State Associated with the School District for School Retirees	\$4,375,396	\$5,420,234	\$6,664,404



Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2021

9. 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, 2021, the board of education recognized OPEB expense of \$52,351 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 Beach Haven 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, 2020, 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	\$ 10,295,318,750	\$ (9,170,703,615)
Changes of assumptions	11,534,251,250	(7,737,500,827)
Contributions made in fiscal year ending 2020 after June 30, 2019 measurement date	-	-
Total	<u>\$ 21,829,570,000</u>	<u>\$ (16,908,204,442)</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:	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	<u>4,704,163,473</u>
Total	<u>\$ 4,921,365,558</u>

Beach Haven School District

Notes to Financial Statements

For the Year Ended June 30, 2021

**10. Compensated Absences**

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

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

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.

**11. Risk Management**

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

**Property and Liability Insurance**

The District maintains 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 Comprehensive Annual 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 following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current year and previous year:

District Financial Year	Employee Contributions	District Contributions	Disbursed	Balance
2020-2021	\$ -	-	-	\$ 75,000
2019-2020	-	-	-	75,000
2018-2019	\$ -	-	-	\$ 75,000

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

**12. Economic Dependency**

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

**13. Contingent Liabilities**

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

**14. Fund Balance Appropriated**

**General Fund**

Of the \$2,003,973 General Fund fund balance at June 30, 2021, \$1,727,367 is restricted for the capital reserve account; \$79,277 is restricted for the maintenance reserve; \$75,000 is restricted for unemployment compensation \$- is restricted for excess surplus, \$- is restricted for excess surplus designated for subsequent year's expenditures, \$- has been classified as assigned fund balance designated for subsequent year expenditures, \$11,057 of encumbrances is assigned to other purposes, and \$109,499 is unassigned.

**Special Revenue Fund**

Of the \$1,773 Special Revenue Fund balance at June 30, 2021, \$1,773 is restricted for student activities.

**15. Calculation of Excess Surplus**

In accordance with *N.J.S.A.* 18A:7F-7, as amended, the designation for Reserved Fund Balance Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was \$- calculated as excess surplus at June 30, 2021.

**16. Uncertain Tax Positions**

The school district had no unrecognized tax benefits at June 30, 2021. The school district files tax returns in the U.S. federal jurisdiction and the State of New Jersey. The school district has no open year prior to June 30, 2018.

Beach Haven School District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

**17. Subsequent Events**

Management has evaluated subsequent events through January 25, 2022, the date the financial statements were available to be issued.

The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the School District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the School District's customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the School District's financial condition or results of operations is uncertain.

**18. 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.

**19. Prior Period Adjustment**

GASB Statement No. 84 established criteria for identifying funds to be included as Fiduciary Funds. The implementation of GASB 84 created new accounting and reporting requirements for funds previously included in Fiduciary Funds as follows:

- Unemployment Compensation Fund is included in the General Fund
- Student Activity Fund is included in the Special Revenue Fund
- Payroll Agency is included in the General Fund

The Unemployment Compensation Fund had a fund balance of \$75,000 at June 30, 2020. This balance is shown as a prior period adjustment to the General Fund's beginning fund balance. The restated beginning fund balance is \$1,885,597.

The Student Activity Fund had a fund balance of \$1,763 at June 30, 2020. The combined balance of \$1,763 is shown as a prior period adjustment to the Special Revenue Fund's beginning fund balance. The restated beginning fund balance is \$1,763.

The adoption of GASB 84 and the inclusion of the activity of the above referenced funds in the General Fund and Special Revenue Fund that were previously included in the Fiduciary Funds also created non-comparability in the MD&A and has been acknowledged and allowed by the GASB.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**BEACH HAVEN SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 2,038,691	\$ -	\$ 2,038,691	\$ 2,038,691	\$ -
Tuition	-	-	-	5,050	5,050
Interest earned on maintenance reserve	250	-	250	449	199
Interest earned on capital reserve funds	750	-	750	1,345	595
Miscellaneous	8,000	-	8,000	5,066	(2,934)
<b>Total - local sources</b>	<u>2,047,691</u>	<u>-</u>	<u>2,047,691</u>	<u>2,050,601</u>	<u>2,910</u>
State sources:					
Transportation aid	588	-	588	588	-
Special education aid	45,580	-	45,580	43,157	(2,423)
School choice aid	156,371	-	156,371	156,371	-
Categorical security aid	3,321	-	3,321	3,321	-
TPAF LTDI (on-behalf - Non-budgeted)	-	-	-	106	106
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	52,351	52,351
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	167,051	167,051
TPAF social security (reimbursed - Non-budgeted)	-	-	-	57,559	57,559
<b>Total state sources</b>	<u>205,860</u>	<u>-</u>	<u>205,860</u>	<u>480,504</u>	<u>274,644</u>
<b>Total revenues</b>	<u>2,253,551</u>	<u>-</u>	<u>2,253,551</u>	<u>2,531,105</u>	<u>277,554</u>
<b>EXPENDITURES:</b>					
<b>Current Expenditures:</b>					
<b>Regular Programs - Instruction:</b>					
Preschool - Salaries of teachers	85,830	-	85,830	85,809	21
Kindergarten - Salaries of teachers	51,825	-	51,825	51,825	-
Grades 1-5 - Salaries of teachers	389,074	31,105	420,179	420,179	-
Grades 6-8 - Salaries of teachers	68,249	-	68,249	68,248	1
<b>Regular Programs - Undistributed Instruction:</b>					
Other purchased services (400-500 series)	11,351	(3,234)	8,117	4,808	3,309
General supplies	50,000	(4,235)	45,765	36,619	9,146
Textbooks	2,500	7,061	9,561	8,721	840
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>658,829</u>	<u>30,697</u>	<u>689,526</u>	<u>676,209</u>	<u>13,317</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	139,463	(19,023)	120,440	101,321	19,119
<b>Total Resource Room/Resource Center</b>	<u>139,463</u>	<u>(19,023)</u>	<u>120,440</u>	<u>101,321</u>	<u>19,119</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>139,463</u>	<u>(19,023)</u>	<u>120,440</u>	<u>101,321</u>	<u>19,119</u>

BEACH HAVEN SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	\$ 500	\$ -	\$ 500	\$ -	\$ 500
<b>Total Basic Skills/Remedial - Instruction</b>	500	-	500	-	500
<b>School-Spon. Athletics - Instruction</b>					
Salaries	750	-	750	750	-
Other Objects	-	-	-	-	-
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	750	-	750	750	-
<b>Total Instruction</b>	799,542	11,674	811,216	778,280	32,936
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state - special	57,000	(4,030)	52,970	7,134	45,836
<b>Total Undistributed Expenditures - Instruction:</b>	57,000	(4,030)	52,970	7,134	45,836
<b>Undist. Expend. - Attendance and Social Work</b>					
Salaries	5,800	(2,884)	2,916	912	2,004
<b>Total Undistributed Expenditures - Attendance</b>	5,800	(2,884)	2,916	912	2,004
<b>Undist. Expend. - Health Services</b>					
Salaries	59,460	1,141	60,601	60,601	-
Purchased professional and technical services	-	643	643	643	-
Supplies and materials	1,000	-	1,000	744	256
<b>Total Undistributed Expenditures - Health Services</b>	60,460	1,784	62,244	61,988	256
<b>Undist. Expend. - Speech, OT,PT &amp; Related Svcs.</b>					
Salaries	27,220	1,236	28,456	25,734	2,722
Purchased professional - educational services	8,000	2,731	10,731	10,461	270
Supplies and materials	500	-	500	245	255
<b>Total Undist. Expend. - Speech, OT,PT &amp; Related</b>	35,720	3,967	39,687	36,440	3,247
<b>Undist. Expend. - Child Study Teams</b>					
Purchased Prof. Ed. Services	24,000	-	24,000	18,493	5,507
<b>Total Undist. Expend. - Child Study Teams</b>	24,000	-	24,000	18,493	5,507
<b>Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr</b>					
Salaries of supervisor of instruction	81,700	14,963	96,663	96,663	-
Salaries of secretarial and clerical assistants	41,600	863	42,463	42,463	-
Other Salaries	2,500	(2,500)	-	-	-
Supplies and materials	3,500	(1,915)	1,585	1,585	-
Other objects	600	(600)	-	-	-
<b>Total Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr</b>	129,900	10,811	140,711	140,711	-
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Purchased professional and technical services	1,500	(729)	771	-	771
<b>Total Undist. Expend. - Educational Media Services/School Library</b>	1,500	(729)	771	-	771
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Salaries of other professional staff	-	-	-	-	-
Purchased professional - educational services	7,000	729	7,729	3,536	4,193
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	7,000	729	7,729	3,536	4,193
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	22,800	2,699	25,499	25,499	-
Legal services	9,000	(5,271)	3,729	3,320	409
Audit Fees	9,000	-	9,000	7,400	1,600
BOE Other purchased services	4,500	-	4,500	4,023	477
Other purchased services (400-500 series)	600	-	600	55	545
General supplies	775	-	775	429	346
<b>Total Undist. Expend. - Support Service - General Administration</b>	46,675	(2,572)	44,103	40,726	3,377

BEACH HAVEN SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of principals/Assistant principals	\$ 21,500	\$ 2,145	\$ 23,645	\$ 22,332	\$ 1,313
<b>Total Undist. Expend. - Support Service - School Administration</b>	<u>21,500</u>	<u>2,145</u>	<u>23,645</u>	<u>22,332</u>	<u>1,313</u>
<b>Undistributed Expenditures - Central Services</b>					
Purchased professional services	41,000	4,075	45,075	30,529	14,546
<b>Total Undist. Expend. - Central Services</b>	<u>41,000</u>	<u>4,075</u>	<u>45,075</u>	<u>30,529</u>	<u>14,546</u>
<b>Undist. Expend. - Allowed Maintenance for School Facilities</b>					
Salaries	76,500	10,687	87,187	87,187	-
Cleaning, repair and maintenance services	97,600	(716)	96,884	72,404	24,480
General supplies	7,500	16,540	24,040	5,308	18,732
<b>Total Undist. Expend. - Allowed Maintenance for School Facilities</b>	<u>181,600</u>	<u>26,511</u>	<u>208,111</u>	<u>164,899</u>	<u>43,212</u>
<b>Undist. Expend. - Other Operation &amp; Maintenance of Plant</b>					
Purchased professional and technical services	20,000	(2,660)	17,340	1,500	15,840
Cleaning, repair and maintenance services	20,000	(1,538)	18,462	3,737	14,725
Insurance	58,150	18,146	76,296	54,401	21,895
General supplies	5,700	-	5,700	1,637	4,063
Energy (electricity)	45,000	(35,575)	9,425	8,625	800
Energy (natural gas)	15,000	34,198	49,198	49,198	-
<b>Total Undist Expend-Other Operation &amp; Maint Of Plant</b>	<u>163,850</u>	<u>12,571</u>	<u>176,421</u>	<u>119,098</u>	<u>57,323</u>
<b>Security</b>					
Salaries	3,000	-	3,000	-	3,000
<b>Total Security</b>	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries-pupil transport(between home & school)-Regular	20,115	-	20,115	17,453	2,662
Other purchased professional and technical services	-	-	-	-	-
Cleaning, repair and maintenance services	10,000	-	10,000	3,724	6,276
Contract Svc (Spl. Ed. Students) - Joint Agrmnts	60,000	12,817	72,817	42,366	30,451
General supplies	3,250	-	3,250	1,026	2,224
Other objects	150	-	150	-	150
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>93,515</u>	<u>12,817</u>	<u>106,332</u>	<u>64,569</u>	<u>41,763</u>



**BEACH HAVEN SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Social security contributions	\$ 25,000	\$ -	\$ 25,000	\$ 23,990	\$ 1,010
Other retirement contributions - PERS	25,000	5,043	30,043	30,043	-
Other retirement contributions - Deferred PERS Pymt	-	4,945	4,945	1,870	3,075
Other retirement contributions - Regular	5,000	(4,944)	56	56	-
Health benefits	469,913	(32,790)	437,123	393,675	43,448
Other employee benefits	2,100	12,000	14,100	1,000	13,100
Unused sick payment to terminated/retired staff	12,000	(12,000)	-	-	-
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<u>539,013</u>	<u>(27,746)</u>	<u>511,267</u>	<u>450,634</u>	<u>60,633</u>
<b>ON-BEHALF CONTRIBUTIONS</b>					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	106	(106)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	52,351	(52,351)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	167,051	(167,051)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	57,559	(57,559)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,067</u>	<u>(277,067)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>539,013</u>	<u>(27,746)</u>	<u>511,267</u>	<u>727,701</u>	<u>(216,434)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>1,411,533</u>	<u>37,449</u>	<u>1,448,982</u>	<u>1,439,068</u>	<u>9,914</u>
<b>TOTAL GENERAL CURRENT EXPENDITURES</b>	<u>2,211,075</u>	<u>49,123</u>	<u>2,260,198</u>	<u>2,217,348</u>	<u>42,850</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Grades 1-5	14,400	18,321	32,721	32,721	-
Undistributed expenditures - Required Maint. For Schools	68,000	76,022	144,022	144,022	-
<b>Total Equipment</b>	<u>82,400</u>	<u>94,343</u>	<u>176,743</u>	<u>176,743</u>	<u>-</u>
<b>Facilities Acquisition and Construction Services</b>					
Assessment for Debt Service on SDA Funding	76	-	76	76	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>76</u>	<u>-</u>	<u>76</u>	<u>76</u>	<u>-</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>82,476</u>	<u>94,343</u>	<u>176,819</u>	<u>176,819</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>2,293,551</u>	<u>143,466</u>	<u>2,437,017</u>	<u>2,394,167</u>	<u>42,850</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures &amp; Other Financing Sources (Uses)</b>	(40,000)	(143,466)	(183,466)	136,938	(320,404)
<b>Fund Balance, July 1</b>	1,810,597	-	1,810,597	1,810,597	-
<b>Prior Period Adjustment</b>	-	-	-	75,000	-
<b>Fund Balance, July 1, Restated</b>	1,810,597	-	1,810,597	1,885,597	-
<b>Fund Balance, June 30</b>	<u>\$ 1,770,597</u>	<u>\$ (143,466)</u>	<u>\$ 1,627,131</u>	<u>2,022,535</u>	<u>\$ (320,404)</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				1,727,367	
Maintenance reserve				79,277	
Emergency reserve				-	
Excess surplus-current year				-	
Excess surplus - designated for subsequent year's expenditures				-	
Unemployment compensation				75,000	
<b>Assigned Fund Balance:</b>					
Year-end encumbrances				11,057	
Designated for subsequent year's expenditures				-	
<b>Unrestricted/undesignated fund balance</b>				<u>129,834</u>	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Fund balance per governmental funds (Budgetary)				2,022,535	
Last state aid payment not recognized on GAAP basis				(20,335)	
Fund balance per governmental funds (GAAP) - B-1				<u>2,002,200</u>	
<b>Fund balance per governmental funds (GAAP) - B-1</b>				<u>\$ 2,002,200</u>	

**BEACH HAVEN SCHOOL DISTRICT  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>	
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ 1,614	\$ 1,614	Note 1
State sources	-	-	-	-	-	
Federal sources	39,550	168,265	207,815	126,440	(81,375)	
<b>Total Revenues</b>	<u>39,550</u>	<u>168,265</u>	<u>207,815</u>	<u>128,054</u>	<u>(79,761)</u>	
<b>EXPENDITURES</b>						
<b>Instruction:</b>						
Salaries of teachers	12,000	46,194	58,194	21,132	37,062	
Other salaries for instruction	-	-	-	-	-	
Purchased professional services	15,400	3,551	18,951	16,951	2,000	
Textbooks	-	1,606	1,606	1,606	-	
Miscellaneous expenditures	-	-	-	-	-	
General supplies	1,700	71,165	72,865	48,840	24,025	
Tuition	-	-	-	-	-	
<b>Total instruction</b>	<u>29,100</u>	<u>122,516</u>	<u>151,616</u>	<u>88,529</u>	<u>63,087</u>	
<b>Support services:</b>						
Other professional staff salaries	-	9,000	9,000	-	9,000	
Secretarial/clerical salaries	-	-	-	-	-	
Personal services - employee benefits	2,950	2,624	5,574	5,412	162	
Purchased professional - educational services	-	6,000	6,000	-	6,000	
Other purchased professional services	7,500	(5,193)	2,307	-	2,307	
Purchased technical services	-	-	-	-	-	
Travel	-	-	-	-	-	
Miscellaneous purchased services (400-500 series)	-	-	-	-	-	
Miscellaneous expenditures	-	-	-	-	-	
Supplies & materials	-	3,328	3,328	2,509	819	
Student activities	-	-	-	1,604	(1,604)	Note 1
<b>Total support services</b>	<u>10,450</u>	<u>15,759</u>	<u>26,209</u>	<u>9,525</u>	<u>16,684</u>	
<b>Facilities acquisition and const. serv.:</b>						
Instructional equipment	-	29,990	29,990	29,990	-	
<b>Total facilities acquisition and const. serv.</b>	<u>-</u>	<u>29,990</u>	<u>29,990</u>	<u>29,990</u>	<u>-</u>	
<b>Total expenditures</b>	<u>39,550</u>	<u>168,265</u>	<u>207,815</u>	<u>128,044</u>	<u>79,771</u>	
<b>Total outflows</b>	<u>39,550</u>	<u>168,265</u>	<u>207,815</u>	<u>128,044</u>	<u>79,771</u>	
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 10</u>	
Fund Balance, July 1				-		
Prior period adjustment				1,763		
Fund Balance, July 1 (restated)				<u>1,763</u>		
Fund Balance, June 30				<u>\$ 1,773</u>		
Recapitulation:						
Restricted:						
Student activities				<u>\$ 1,773</u>		
Total Fund Balance				<u>\$ 1,773</u>		

Note 1 - Not required to budget for these funds

**BEACH HAVEN SCHOOL DISTRICT  
Budget-to-GAAP Reconciliation  
Note to Required Supplementary Information  
For the Year Ended June 30, 2021**

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

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 2,531,105	[C-2]	\$ 128,054
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(38,231)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(167,051)		
The 2019-20 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GAAP 33).		21,569		-
The 2020-21 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GAAP 33).		(20,335)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 2,365,288	[B-2]	\$ 89,823
 <b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 2,394,167	[C-2]	\$ 128,044
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(167,051)		-
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.		-		(38,231)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 2,227,116	[B-2]	\$ 89,813

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**Beach Haven School District  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS  
For the Year Ended June 30, 2021**

**Last 10 Fiscal Years\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	100.000%	100.000%	100.000%	0.0016420%	0.0016713%	0.0018127%	0.0017224%	0.0010582%
District's proportionate share of the net pension liability	\$ 229,629	\$ 228,883	\$ 280,609	\$ 486,304	\$ 389,057	\$ 356,921	\$ 310,353	\$ 172,562
District's covered-employee payroll	\$ -	\$ 84,130	\$ 86,232	\$ 96,292	\$ 122,396	\$ 122,398	\$ 75,849	\$ 79,945
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	272.06%	325.41%	397.32%	317.86%	470.57%	409.17%	215.85%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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.

**Beach Haven School District  
Required Supplementary Information  
Schedule of District Contributions-PERS  
For the Year Ended June 30, 2021**

**Last 10 Fiscal Years\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contributions	\$ 11,637	\$ -	\$ 10,078	\$ 14,697	\$ 15,718	\$ 18,112	\$ 16,818	\$ 11,577
Contributions in relation to the contractually required contribution	<u>11,637</u>	<u>-</u>	<u>10,078</u>	<u>14,697</u>	<u>1,097</u>	<u>4,497</u>	<u>16,804</u>	<u>30,043</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,621</u>	<u>\$ 13,615</u>	<u>\$ 14</u>	<u>\$ (18,466)</u>
District's covered-employee payroll	\$ 84,130	\$ 86,232	\$ 96,292	\$ 122,396	\$ 122,398	\$ 75,849	\$ 79,945	\$ 112,112
Contributions as a percentage of covered-employee payroll	13.83%	0.00%	10.47%	12.01%	12.84%	23.88%	21.04%	10.33%

\* 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.

**Beach Haven School District  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Liability-TPAF  
For the Year Ended June 30, 2021**

**Last 10 Fiscal Years\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the net pension liability associated with the district	0.000%	0.000%	0.000%	0.0064377%	0.0055345%	0.0079174%	0.0060912%	0.0070897%
State's proportionate share of the net pension liability associated with the district	\$ -	\$ -	\$ -	\$ 5,064,286	\$ 3,731,527	\$ 5,036,892	\$ 3,738,204	\$ 4,668,505
District's covered-employee payroll	728,530	621,113	569,830	662,776	761,200	677,085	724,612	792,149
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	0.00%	0.00%	0.00%	764.10%	490.22%	743.91%	515.89%	589.35%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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 CAFR.

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.

**BEACH HAVEN SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2021**  
**(Unaudited)**

**Last 10 Fiscal Years\***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's proportion of the OPEB liability associated with the District				
Service cost	\$ 195,509	\$ 161,589	\$ 114,486	\$ 142,258
Interest cost	145,618	170,058	137,325	114,516
Differences between expected and actual experiences	-	(994,733)	(510,388)	1,089,885
Changes in assumptions	(569,811)	(399,439)	47,339	990,090
Member contributions	3,952	3,217	2,889	2,860
Gross benefit payments	<u>(107,314)</u>	<u>(93,075)</u>	<u>(97,463)</u>	<u>(94,362)</u>
Net change in total OPEB liability	(332,046)	(1,152,383)	(305,812)	2,245,247
Total State Portion of OPEB liability - beginning	<u>4,965,228</u>	<u>4,633,182</u>	<u>3,480,799</u>	<u>3,174,987</u>
Total State Portion of OPEB liability - ending	<u>\$ 4,633,182</u>	<u>\$ 3,480,799</u>	<u>\$ 3,174,987</u>	<u>\$ 5,420,234</u>
District's covered employee payroll	<u>\$ 1,156,727</u>	<u>\$ 1,104,305</u>	<u>\$ 1,112,767</u>	<u>\$ 1,127,357</u>
Total State's OPEB liability as a percentage of covered employee payroll	401%	315%	285%	481%

\* 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.



Beach Haven School District

Notes to the Required Supplementary Information - Part III

For the Year Ended June 30, 2021

**Teachers Pension and Annuity Fund (TPAF)**

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

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

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 3.5% as of June 30, 2019, to 2.21% as of June 30, 2020.

## OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules  
Not Applicable

E. Special Revenue Fund

**BEACH HAVEN SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedules of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2021**

	<b>Title IV Part A 20/21</b>	<b>Title I Part A 20/21</b>	<b>IDEA-Part B-Basic Reg Prog 20/21</b>	<b>IDEA-Part B-Preschool Reg Prog 20/21</b>	<b>CARES Act Education Stabilization Fund 20/21</b>	<b>Coronavirus Relief Fund 20/21</b>	<b>ESSER II 20/21</b>	<b>Student Activity Fund</b>	<b>Total 2021</b>
<b>Revenues:</b>									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,614	\$ 1,614
State sources	-	-	-	-	-	-	-	-	-
Federal sources	10,103	17,881	16,951	579	14,193	1,606	65,127	-	126,440
<b>Total revenues</b>	<b>10,103</b>	<b>17,881</b>	<b>16,951</b>	<b>579</b>	<b>14,193</b>	<b>1,606</b>	<b>65,127</b>	<b>1,614</b>	<b>128,054</b>
<b>Expenditures:</b>									
<b>Instruction:</b>									
Salaries of teachers	9,378	11,754	-	-	-	-	-	-	21,132
Other salaries/instruction	-	-	-	-	-	-	-	-	-
Purchased professional services	-	-	16,951	-	-	-	-	-	16,951
General supplies	15	1,425	-	579	11,684	-	35,137	-	48,840
Tuition	-	-	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	1,606	-	-	1,606
Miscellaneous expenses	-	-	-	-	-	-	-	-	-
<b>Total instruction</b>	<b>9,393</b>	<b>13,179</b>	<b>16,951</b>	<b>579</b>	<b>11,684</b>	<b>1,606</b>	<b>35,137</b>	<b>-</b>	<b>88,529</b>
<b>Support services:</b>									
<b>Other support services - students - special:</b>									
Other professional staff salaries	-	-	-	-	-	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-	-	-	-
Employee benefits	710	4,702	-	-	-	-	-	-	5,412
Travel	-	-	-	-	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-	-	-	-	-
General supplies	-	-	-	-	2,509	-	-	-	2,509
Student activities	-	-	-	-	-	-	-	1,604	1,604
Miscellaneous expenses	-	-	-	-	-	-	-	-	-
<b>Total other support services - students - special</b>	<b>710</b>	<b>4,702</b>	<b>-</b>	<b>-</b>	<b>2,509</b>	<b>-</b>	<b>-</b>	<b>1,604</b>	<b>9,525</b>
<b>Total support services</b>	<b>710</b>	<b>4,702</b>	<b>-</b>	<b>-</b>	<b>2,509</b>	<b>-</b>	<b>-</b>	<b>1,604</b>	<b>9,525</b>
<b>Equipment:</b>									
Regular programs instruction	-	-	-	-	-	-	29,990	-	29,990
Non-instructional equipment	-	-	-	-	-	-	-	-	-
<b>Total equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,990</b>	<b>-</b>	<b>29,990</b>
<b>Total expenditures</b>	<b>\$ 10,103</b>	<b>\$ 17,881</b>	<b>\$ 16,951</b>	<b>\$ 579</b>	<b>\$ 14,193</b>	<b>\$ 1,606</b>	<b>\$ 65,127</b>	<b>\$ 1,604</b>	<b>\$ 128,044</b>
<b>Excess (Deficiency) of revenues Over (Under) expenditures</b>									
	-	-	-	-	-	-	-	10	10
Fund Balance, July 1	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	1,763 *	1,763
Fund Balance, July 1, restated	-	-	-	-	-	-	-	1,763	1,763
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,773</b>	<b>\$ 1,773</b>

\* Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

F. Capital Projects Fund  
Not Applicable

G. Proprietary Funds  
Not Applicable

H. Fiduciary Funds  
Not Applicable



I. Long-Term Debt  
Not Applicable

## STATISTICAL SECTION

**Beach Haven School District  
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p><b>Financial Trends</b>            These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	85-89
<p><b>Revenue Capacity</b>            These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	90-93
<p><b>Debt Capacity</b>            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>	94-97
<p><b>Demographic and Economic Information</b>            These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	98-99
<p><b>Operating Information</b>            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>	100-104

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

**Beach Haven School District**  
**Net Positions by Component**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(accrual basis of accounting)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 343,870	\$ 329,779	\$ 2,774,756	\$ 2,688,750	\$ 2,461,574	\$ 2,474,557	\$ 2,399,360	\$ 2,339,679	\$ 2,263,947	\$ 2,352,489
Restricted	325,356	355,035	386,797	468,811	646,916	667,876	920,960	1,226,003	1,589,318	1,892,701
Unrestricted	212,587	216,884	211,272	(16,237)	(23,896)	(105,027)	(111,406)	(150,484)	(168,673)	(216,003)
<b>Total governmental activities net position</b>	<b>\$ 881,813</b>	<b>\$ 901,698</b>	<b>\$ 3,372,825</b>	<b>\$ 3,141,324</b>	<b>\$ 3,084,594</b>	<b>\$ 3,037,406</b>	<b>\$ 3,208,914</b>	<b>\$ 3,415,198</b>	<b>\$ 3,684,592</b>	<b>\$ 4,029,187</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>District-wide</b>										
Investment in capital assets	\$ 343,870	\$ 329,779	\$ 2,274,756	\$ 2,688,750	\$ 2,461,574	\$ 2,474,557	\$ 2,399,360	\$ 2,339,679	\$ 2,263,947	\$ 2,352,489
Restricted	325,356	355,035	386,797	468,811	646,916	667,876	920,960	1,226,003	1,589,318	1,892,701
Unrestricted	212,587	216,884	211,272	(16,237)	(23,896)	(105,027)	(111,406)	(150,484)	(168,673)	(216,003)
<b>Total district net position</b>	<b>\$ 881,813</b>	<b>\$ 901,698</b>	<b>\$ 2,872,825</b>	<b>\$ 3,141,324</b>	<b>\$ 3,084,594</b>	<b>\$ 3,037,406</b>	<b>\$ 3,208,914</b>	<b>\$ 3,415,198</b>	<b>\$ 3,684,592</b>	<b>\$ 4,029,187</b>

Source: CAFR Schedule A-1 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

**Beach Haven School District**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(accrual basis of accounting)*

Fiscal Year Ending June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 734,490	\$ 734,375	\$ 661,334	\$ 624,017	\$ 628,975	\$ 649,788	\$ 706,893	\$ 703,378	\$ 667,989	\$ 753,258
Special education	35,792	45,591	39,977	68,065	111,349	78,382	61,286	115,711	134,988	101,321
Other special education	11,139	5,206	10,325	8,299	3,960	15,712	13,682	750	-	750
Support Services:										
Instruction	-	-	-	-	-	-	16,928	56,991	66,341	7,134
Tuition	12,513	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	152,520	159,571	207,694	153,473	312,100	325,803	308,943	275,274	255,598	274,844
School administrative services	80,273	110,272	146,830	233,382	186,961	9,900	9,055	9,895	21,985	22,332
General and Business Administrative Serv	-	-	-	-	-	108,354	105,317	83,234	81,418	71,255
Plant operations and maintenance	127,790	180,334	191,069	299,979	339,389	309,253	198,426	230,223	259,398	305,330
Pupil transportation	35,605	41,914	47,203	34,831	50,955	33,032	42,947	88,944	71,507	64,569
Unallocated Depreciation	14,091	14,091	101,604	86,006	227,176	75,197	75,197	66,427	66,427	66,944
Unallocated employee benefits	-	-	-	-	-	501,930	375,120	494,280	443,653	409,526
Non-budgeted expenditures	-	-	-	-	-	99,844	134,061	102,517	117,681	110,016
Total governmental activities expenses	1,204,213	1,291,354	1,406,036	1,508,052	1,860,865	2,207,195	2,047,855	2,227,624	2,186,985	2,187,279
Business-type activities:										
Food service	-	-	-	-	-	-	-	-	-	-
School store	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	-	-	-	-	-	-	-	-	-	-
Total district expenses	1,204,213	1,291,354	1,406,036	1,508,052	1,860,865	2,207,195	2,047,855	2,227,624	2,186,985	2,187,279
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,550	\$ 5,050
Other support services	-	-	-	-	-	-	-	-	-	1,614
Operating grants and contributions	18,744	16,258	52,357	18,702	30,646	99,844	134,061	102,517	117,681	110,016
Total governmental activities program revenues	18,744	16,258	52,357	18,702	30,646	99,844	134,061	102,517	120,231	116,680
Business-type activities:										
Charges for services										
Food service	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	-	-	-	-	-	-	-	-	-	-
Total district program revenues	18,744	16,258	52,357	18,702	30,646	99,844	134,061	102,517	120,231	116,680
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (1,512,911)	\$ (1,704,472)	\$ (1,771,474)	\$ (1,951,420)	\$ (2,328,491)	\$ (2,107,351)	\$ (1,913,794)	\$ (2,125,107)	\$ (2,066,754)	\$ (2,070,599)
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide net expense	\$ (1,512,911)	\$ (1,704,472)	\$ (1,771,474)	\$ (1,951,420)	\$ (2,328,491)	\$ (2,107,351)	\$ (1,913,794)	\$ (2,125,107)	\$ (2,066,754)	\$ (2,070,599)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,430,146	\$ 1,458,748	\$ 1,487,923	\$ 1,666,389	\$ 1,699,717	\$ 1,811,354	\$ 1,811,354	\$ 1,998,934	\$ 2,038,913	\$ 2,038,691
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Grants and contributions	159,333	192,291	223,555	315,922	363,556	197,412	223,986	235,827	217,854	204,671
Restricted federal and state aid	-	-	-	-	-	30,096	43,232	36,652	41,111	88,209
Investment earnings	-	-	-	-	-	-	-	1,784	1,805	449
Interest Earned on Capital Reserve Account	-	-	-	-	-	-	-	5,647	5,415	1,345
Miscellaneous income	14,421	34,026	320,953	14,944	208,488	21,301	6,730	52,547	31,050	5,066
Prior period adjustment	(14,136)	-	-	(48,559)	-	-	-	-	-	-
Total governmental activities	1,589,764	1,685,065	2,032,431	1,948,696	2,271,761	2,060,163	2,085,302	2,331,391	2,336,148	2,338,431
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	1,589,764	1,685,065	2,032,431	1,948,696	2,271,761	2,060,163	2,085,302	2,331,391	2,336,148	2,338,431
<b>Change in Net Position</b>										
Governmental activities	\$ 76,853	\$ (19,407)	\$ 260,957	\$ (2,724)	\$ (56,730)	\$ (47,188)	\$ 171,508	\$ 206,284	\$ 269,394	\$ 267,832
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total district	\$ 76,853	\$ (19,407)	\$ 260,957	\$ (2,724)	\$ (56,730)	\$ (47,188)	\$ 171,508	\$ 206,284	\$ 269,394	\$ 267,832

Source: CAFR Schedule A-2 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

**Beach Haven School District**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 667,702	\$ 895,960	\$ 1,214,680	\$ 1,471,900	\$ 1,881,644
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	174	25,000	11,323	117,418	11,057
Unassigned	-	-	-	-	-	229,825	227,032	225,428	199,710	109,499
Reserved	325,356	315,743	386,979	468,811	656,916	-	-	-	-	-
Unreserved	250,532	216,884	211,272	233,747	233,990	-	-	-	-	-
Total general fund	<u>\$ 575,888</u>	<u>\$ 532,627</u>	<u>\$ 598,251</u>	<u>\$ 702,558</u>	<u>\$ 890,906</u>	<u>\$ 897,701</u>	<u>\$ 1,147,992</u>	<u>\$ 1,451,431</u>	<u>\$ 1,789,028</u>	<u>\$ 2,002,200</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special revenue fund	-	-	-	-	-	-	-	-	-	1,773
Capital projects fund	-	39,292	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ 39,292</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,773</u>

Source: CAFR Schedule B-1 and District records.

**Beach Haven School District**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax levy	\$ 1,430,146	\$ 1,458,748	\$ 1,487,923	\$ 1,666,389	\$ 1,699,717	\$ 1,811,354	\$ 1,811,354	\$ 1,998,934	\$ 2,038,913	\$ 2,038,691
Tuition charges	-	-	-	-	-	-	-	-	2,550	5,050
Interest earnings	-	-	-	-	-	-	-	7,431	7,220	1,794
Other local revenue	14,421	1,293,439	320,953	14,944	208,488	21,301	6,730	52,547	31,050	6,680
State sources	159,333	192,291	223,555	315,922	363,556	297,256	358,047	338,344	335,535	314,687
Federal sources	18,744	16,258	52,357	18,702	30,646	30,096	43,232	36,652	41,111	88,209
<b>Total revenue</b>	<b>1,622,644</b>	<b>2,960,736</b>	<b>2,084,788</b>	<b>2,015,957</b>	<b>2,302,407</b>	<b>2,160,007</b>	<b>2,219,363</b>	<b>2,433,908</b>	<b>2,456,379</b>	<b>2,455,111</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	697,165	739,472	661,334	624,017	628,975	649,788	706,893	703,378	667,989	753,258
Special education instruction	36,646	45,591	39,977	68,065	111,349	78,382	61,286	115,711	134,988	101,321
Other special instruction	-	5,206	10,325	8,299	3,960	15,712	13,682	750	-	750
<b>Support Services:</b>										
Tuition	12,513	-	-	-	-	-	16,928	56,991	66,341	7,134
Attendance & Health Services	36,831	34,325	36,220	-	-	-	-	-	-	-
Support Service - Students	106,365	108,229	138,296	153,473	312,100	325,803	308,943	275,274	255,598	274,844
Support Service - Instructional Staff	9,324	17,017	33,178	-	-	-	-	-	-	-
General administration	50,604	100,765	130,624	-	-	74,935	72,317	49,474	41,048	40,726
School administrative services	29,669	9,507	16,206	233,382	186,961	9,900	9,055	9,895	21,985	22,332
Central services	-	-	-	-	-	33,419	33,000	33,760	40,370	30,529
Plant operations and maintenance	127,790	180,334	191,069	299,979	339,389	306,177	195,850	234,898	250,017	283,997
Pupil transportation	35,605	41,914	47,203	34,831	50,955	33,032	42,947	88,944	71,507	64,569
Security	-	-	-	-	-	3,000	2,500	-	-	-
Employee benefits	200,969	269,839	286,624	470,781	490,294	424,964	371,534	456,806	451,182	450,634
On-behalf TPAF contribution	72,088	98,251	72,726	-	-	51,870	77,201	55,526	58,823	52,457
Reimbursed TPAF social security contr.	54,385	61,286	58,445	-	-	47,974	56,860	46,991	58,858	57,559
Capital outlay	10,285	1,259,413	296,937	76	76	88,256	76	2,071	76	176,819
<b>Debt service:</b>										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Education jobs	2,416	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,482,655</b>	<b>2,971,149</b>	<b>2,019,164</b>	<b>1,892,903</b>	<b>2,124,059</b>	<b>2,143,212</b>	<b>1,969,072</b>	<b>2,130,469</b>	<b>2,118,782</b>	<b>2,316,929</b>
Excess (Deficiency) of revenues over (under) expenditures	139,989	(10,413)	65,624	123,054	178,348	16,795	250,291	303,439	337,597	138,182
<b>Other Financing sources (uses)</b>										
Prior period adjustments	(14,136)	-	-	(48,559)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>125,853</b>	<b>(10,413)</b>	<b>65,624</b>	<b>74,495</b>	<b>178,348</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 14,136</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,559</b>	<b>\$ -</b>	<b>\$ 16,795</b>	<b>\$ 250,291</b>	<b>\$ 303,439</b>	<b>\$ 337,597</b>	<b>\$ 138,182</b>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: CAFR Schedule B-2 and District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**Beach Haven School District**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Interest Earned	Refunds of Prior Year Expense	Donation	Insurance Claim	Miscellaneous	Annual Totals
2012	28	-	-	-	14,393	14,421
2013	-	-	17,000	1,242,413	34,026	1,293,439
2014	-	-	-	296,937	24,016	320,953
2015	-	-	-	-	14,944	14,944
2016	-	-	-	-	208,488	208,488
2017	-	-	-	-	21,301	21,301
2018	-	-	-	-	6,730	6,730
2019	7,431	-	-	-	52,547	59,978
2020	7,220	-	-	-	31,050	38,270
2021	1,794	-	-	-	6,680	8,474

Source: District records



**Beach Haven School District**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2012	49,565,400	1,487,564,200	105,254,692	13,936,500	1,656,320,792	-	368,685	1,656,689,477	0.089	2,009,537,323
2013	55,884,100	1,480,412,700	104,652,392	13,936,500	1,654,885,692	-	349,404	1,655,235,096	0.090	1,956,998,369
2014	74,759,100	1,468,222,600	104,037,792	11,888,900	1,658,908,392	-	240,322	1,659,148,714	0.101	1,974,484,882
2015	71,052,100	1,484,137,800	104,337,792	11,888,900	1,671,416,592	-	249,030	1,671,665,622	0.102	2,002,810,932
2016	72,703,300	1,495,079,300	104,519,300	11,888,900	1,684,190,800	-	268,641	1,684,459,441	0.108	2,043,884,841
2017	71,041,500	1,850,883,300	131,104,600	15,022,900	2,068,052,300	-	317,557	2,068,369,857	0.088	2,063,092,213
2018	70,975,900	1,864,116,800	130,357,800	15,022,900	2,080,473,400	-	317,310	2,080,790,710	0.096	2,100,003,432
2019	63,815,500	1,897,035,300	128,623,200	15,022,900	2,104,496,900	-	317,310	2,104,814,210	0.000	2,243,360,942
2020	60,600,600	1,911,509,700	126,845,800	14,137,900	2,113,094,000	-	317,310	2,113,411,310	0.097	2,315,719,452
2021	60,491,800	1,933,830,300	124,719,200	14,137,900	2,133,179,200	-	317,310	2,133,496,510	0.096	2,318,231,862

Source: District records and Ocean County Board of Taxation

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100 and for the year following calendar year end as shown.

**Beach Haven School District**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(rate per \$100 of assessed value)*

<u>Fiscal Year Ended June 30,</u>	<u>Borough of Beach Haven School District</u>	<u>Southern Regional School District</u>	<u>County of Ocean</u>	<u>Borough of Beach Haven</u>	<u>Total Tax Rate</u>
2012	0.089	0.257	0.367	0.371	1.084
2013	0.090	0.270	0.403	0.385	1.148
2014	0.101	0.250	0.409	0.386	1.146
2015	0.102	0.279	0.422	0.412	1.215
2016	0.108	0.301	0.429	0.488	1.326
2017	0.088	0.218	0.352	0.418	1.076
2018	0.096	0.260	0.365	0.406	1.127
2019	0.097	0.205	0.379	0.408	1.089
2020	0.097	0.205	0.379	0.408	1.089
2021	0.096	0.198	0.383	0.42	1.097

Source: District Records and Municipal Tax Collector

**Beach Haven School District  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
UNAUDITED**

Taxpayer	2021			Taxpayer	2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer # 1	\$ -	0	0.00%	Taxpayer # 1	\$ -	0	0.00%
Taxpayer # 2	-	0	0.00%	Taxpayer # 2	-	0	0.00%
Taxpayer # 3	-	0	0.00%	Taxpayer # 3	-	0	0.00%
Taxpayer # 4	-	0	0.00%	Taxpayer # 4	-	0	0.00%
Taxpayer # 5	-	0	0.00%	Taxpayer # 5	-	0	0.00%
Taxpayer # 6	-	0	0.00%	Taxpayer # 6	-	0	0.00%
Taxpayer # 7	-	0	0.00%	Taxpayer # 7	-	0	0.00%
Taxpayer # 8	-	0	0.00%	Taxpayer # 8	-	0	0.00%
Taxpayer # 9	-	0	0.00%	Taxpayer # 9	-	0	0.00%
Taxpayer # 10	-	0	0.00%	Taxpayer # 10	-	0	0.00%
Total	<u>\$ -</u>		<u>0.00%</u>	Total	<u>\$ -</u>		<u>0.00%</u>

Source: District CAFR & Municipal Tax Assessor

**Beach Haven 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	
2012	1,430,146	1,430,146	100.00%	-
2013	1,487,923	1,487,923	100.00%	-
2014	1,666,389	1,666,389	100.00%	-
2015	1,699,717	1,699,717	100.00%	-
2016	1,811,354	1,811,354	100.00%	-
2017	1,811,354	1,811,354	100.00%	-
2018	1,811,354	1,811,354	100.00%	-
2019	1,998,934	1,998,934	100.00%	-
2020	2,038,913	2,038,913	100.00%	-
2021	2,038,691	2,038,691	100.00%	-

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

**Beach Haven School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District
2012	-	N/A	-	N/A	N/A	-
2013	-	N/A	-	N/A	N/A	-
2014	-	N/A	-	N/A	N/A	-
2015	-	N/A	-	N/A	N/A	-
2016	-	N/A	-	N/A	N/A	-
2017	-	N/A	-	N/A	N/A	-
2018	-	N/A	-	N/A	N/A	-
2019	-	N/A	-	N/A	N/A	-
2020	-	N/A	-	N/A	N/A	-
2021	-	N/A	-	N/A	N/A	-

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

**Beach Haven School District**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	-	-	-	0.00%	\$ -
2013	-	-	-	0.00%	\$ -
2014	-	-	-	0.00%	\$ -
2015	-	-	-	0.00%	\$ -
2016	-	-	-	0.00%	\$ -
2017	-	-	-	0.00%	\$ -
2018	-	-	-	0.00%	\$ -
2019	-	-	-	0.00%	\$ -
2020	-	-	-	0.00%	\$ -
2021	-	-	-	0.00%	\$ -

**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.

**Beach Haven School District  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2021  
UNAUDITED**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Beach Haven School District	\$0	0.000%	\$0
<b>Other debt</b>			
Beach Haven Township	11,509,220	100.000%	11,509,220
Southern Regional School district	0	0.000%	0
Ocean County	488,649,690	2.162%	10,564,606
			0
Subtotal, overlapping debt			22,073,826
<b>Beach Haven School District Direct Debt</b>			0
<b>Total direct and overlapping debt</b>			<b>\$ 22,073,826</b>

**Sources:** Beach Haven Finance Officer, Ocean County Finance Office and Utility Authorities

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

**Beach Haven School District  
Legal Debt Margin Information  
Last Ten Fiscal Years  
UNAUDITED**

Equalized valuation basis	
2021	\$ 2,133,496,510
2020	2,113,094,000
2019	<u>2,104,496,900</u>
<b>[A]</b>	<b>\$ 6,351,087,410</b>
<b>[A/3]</b>	\$ 2,117,029,137
<b>a</b>	<b>[B]</b> 63,510,874
	<b>[C]</b> -
<b>[B-C]</b>	<b>\$ 63,510,874</b>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 61,899,911	\$ 61,661,071	\$ 60,178,042	\$ 49,852,107	\$ 50,145,158	\$ 54,236,597	\$ 58,327,165	\$ 62,530,226	\$ 62,980,643	\$ 63,510,874
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 61,899,911</u>	<u>\$ 61,661,071</u>	<u>\$ 60,178,042</u>	<u>\$ 49,852,107</u>	<u>\$ 50,145,158</u>	<u>\$ 33,556,074</u>	<u>\$ 58,327,165</u>	<u>\$ 62,530,226</u>	<u>\$ 62,980,643</u>	<u>\$ 63,510,874</u>
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: Abstract of Ratables and District Records CAFR Schedule J-7

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



**Beach Haven School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
UNAUDITED**

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2012	1,172	50,233,092	42,855	15.9%
2013	1,169	50,573,278	43,260	15.6%
2014	1,171	52,635,279	44,951	6.4%
2015	1,172	55,180,104	47,115	4.7%
2016	1,175	56,975,750	48,578	7.8%
2017	1,181	58,753,569	49,813	5.7%
2018	1,196	62,201,568	51,353	5.7%
2019	1,205	64,032,495	53,139	4.3%
2020	1,216	-	-	9.2%
2021	-	-	-	0.0%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development.

<sup>b</sup> Personal income not available by municipality.

<sup>c</sup> Per Capita Income not available by municipality.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development.

Beach Haven School District  
Principal Employers  
Current Year and Nine Years Ago  
UNAUDITED

Employer	2021			2012		
	Employees	Rank (Optional)	Percentage of Total Employment <sup>b</sup>	Employees	Rank (Optional)	Percentage of Total Employment <sup>b</sup>
		Data not available			Data not available	
	-		0.00%	-		0.00%

Source: Borough of Beach Haven Official Statement

<sup>b</sup> Total labor force provided by U.S. Department of Labor, Bureau of Labor Statistics

**Beach Haven School District**  
**Full-time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**  
**UNAUDITED**

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	10	10	11	11	12	13	13	13	13	13
Special education	2	3	2	2	2	2	2	2	2	2
Other special education	1	1	1	1	1	1	1	1	1	1
Support Services:										
Attendance and Health	1	1	1	1	1	1	1	1	1	1
School administrative services	1	2	2	2	2	1	1	1	1	1
Business administrative services	2	1	1	1	1	1	1	1	-	-
Plant operations and maintenance	1	1	1	1	1	1	1	1	1	1
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Business & other support services			1	1	1	1	1	1	1	1
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>19</u>	<u>20</u>	<u>21</u>	<u>21</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>22</u>	<u>21</u>	<u>21</u>

**Source:** District Personnel Records

**Beach Haven School District  
Operating Statistics  
Last Ten Fiscal Years  
UNAUDITED**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2012	75	1,531,655	20,422		13	5.8		-	-	0.00%	0.00%
2013	74	1,720,730	23,253		14	5.3		71.30	67.70	0.00%	94.95%
2014	75	1,823,831	24,318		14	5.4		73.87	68.97	3.60%	93.37%
2015	70	1,970,122	28,145		14	5.0		68.55	66.57	-7.20%	97.11%
2016	63	2,359,137	37,447		15	4.2		62.66	59.48	-8.59%	94.92%
2017	69	2,054,956	29,782		16	4.3		68.28	64.33	8.97%	94.21%
2018	59	1,834,935	31,101		16	3.7		67.75	63.77	0.78%	94.13%
2019	62	2,128,398	34,329		16	3.9		67.37	64.51	-0.56%	95.75%
2020	63	2,001,025	31,762		16	3.9		63.53	60.72	-5.70%	95.58%
2021	86	2,030,094	23,606		16	5.4		86.07	82.28	35.48%	95.60%

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

- a Operating expenditures equal total expenditures less debt service and capital outlay
- b Teaching staff includes only full-time equivalents of certificated staff.

**Beach Haven School District  
School Building Information  
Last Ten Fiscal Years  
UNAUDITED**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>District Building</b>										
<b>Elementary schools:</b>										
Beach Haven School										
Square Feet	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Capacity (students)	175	175	175	175	175	175	175	175	175	175
Enrollment	75	74	75	65	63	69	59	62	63	86

Number of Schools at June 30, 2021  
Elementary = 1

**Source:** District Facilities Office

**BEACH HAVEN SCHOOL DISTRICT**  
**Schedule of Required Maintenance Expenditures by School Facility**  
**Last Ten Fiscal Years**  
**UNAUDITED**

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
* School Facilities Project # (s)	63,500	32,861	23,543	58,471	66,788	163,036	73,073	109,813	162,998	164,899
Total School Facilities	<u>\$ 63,500</u>	<u>\$ 32,861</u>	<u>\$ 23,543</u>	<u>\$ 58,471</u>	<u>\$ 66,788</u>	<u>\$ 163,036</u>	<u>\$ 73,073</u>	<u>\$ 109,813</u>	<u>\$ 162,998</u>	<u>\$ 164,899</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

**BEACH HAVEN SCHOOL DISTRICT  
Insurance Schedule  
For the Year Ended June 30, 2021  
UNAUDITED**

Company	Type of Coverage	Coverage	Deductible
School Alliance Insurance Fund	<b>Property</b>	\$ 250,000,000	\$ 1,000
	<b>Equipment Breakdown (Blanket)</b>	Included	
	<b>Commercial Liability</b>	10,000,000	
	<b>Crime</b>	Included	
	<b>School Board Legal</b>	10,000,000	5,000
	<b>Business Auto</b>	250,000,000	1,000
	<b>Worker's Compensation</b>	5,000,000	
ACE USA	<b>Excess Umbrella</b>		
Selective Insurance	<b>Flood Insurance</b>		

Source: District Records

SINGLE AUDIT SECTION



**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  
Beach Haven School District  
County of Ocean  
Beach Haven, New Jersey 08008

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Beach Haven School District in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Beach Haven School District basic financial statements, and have issued our report thereon dated January 25, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Beach Haven School District in the County of Ocean, State of New Jersey's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Beach Haven School District in the County of Ocean, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Beach Haven 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Beach Haven School District 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 and Company, L.L.P.  
Toms River, New Jersey



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

January 25, 2022

**BEACH HAVEN SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A**  
**For the Year Ended June 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2020</u>	<u>Carryover Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior years' Balances</u>	<u>Deferred Revenue at June 30, 2021</u>	<u>(Accounts Receivable) at June 30, 2021</u>	<u>Due to Grantor at June 30, 2021</u>
U.S. Department of Education											
Passed-through State Department of Education:											
Title I	84.010	7/1/19-6/30/20	20,048	(5,923)	-	5,923	-	-	-	-	-
Title I	84.010	7/1/20-6/30/21	23,882	-	-	12,338	(17,881)	-	-	(5,543)	-
Title II	84.367	7/1/20-6/30/21	2,307	-	-	2,307	-	-	-	-	2,307
Title IV	84.424	7/1/19-6/30/20	8,149	(328)	-	328	-	-	-	-	-
Title IV	84.424	7/1/20-6/30/21	12,351	-	-	9,986	(10,103)	-	-	(117)	-
CARES Act Education Stabilization Fund	84.425D	7/1/19-6/30/20	2,816	(2,816)	-	-	-	-	-	-	-
CARES Act Education Stabilization Fund	84.425D	7/1/20-6/30/21	14,193	-	-	14,193	(14,193)	-	-	-	-
Coronavirus Relief Fund (CRF)	84.425D	7/1/20-6/30/21	1,606	-	-	1,606	(1,606)	-	-	-	-
ESSER II	84.425D	7/1/20-6/30/21	135,946	-	-	-	(65,127)	-	-	(65,127)	-
Special Education Cluster:											
I.D.E.A. Part B Basic Regular	84.027	7/1/20-6/30/21	16,951	-	-	16,951	(16,951)	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/19-6/30/20	493	(181)	-	181	-	-	-	-	-
I.D.E.A. Part B Preschool	84.173	7/1/20-6/30/21	579	-	-	579	(579)	-	-	-	-
Subtotal of Special Education Cluster				(181)	-	17,711	(17,530)	-	-	-	-
Total U.S. Department of Education				(9,248)	-	64,392	(126,440)	-	-	(70,787)	2,307
Total Expenditures of Federal Awards				\$ (9,248)	\$ -	\$ 64,392	\$ (126,440)	\$ -	\$ -	\$ (70,787)	\$ 2,307

See accompanying notes to schedules of expenditures.

**BEACH HAVEN SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Year Ended June 30, 2021**

<b>State Grantor/ Program Title</b>	<b>Grant or State Project Number</b>	<b>Grant Period</b>	<b>Award Amount</b>	<b>Balance at June 30, 2020</b>	<b>Carryover Amount</b>	<b>Cash Received</b>	<b>Budgetary Expenditures</b>	<b>Repayment of Prior Years' Balances</b>	<b>Deferred Revenue at June 30, 2021</b>	<b>(Accounts Receivable) at June 30, 2021</b>	<b>Due to Grantor at June 30, 2021</b>	<b>Budgetary Receivable</b>	<b>Total Expenditures</b>
State Department of Education													
General Fund:													
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	588	-	-	529	(588)	-	-	-	-	(59)	588
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	43,157	-	-	38,843	(43,157)	-	-	-	-	(4,314)	43,157
School Choice	21-495-034-5120-068	7/1/20-6/30/21	156,371	-	-	140,741	(156,371)	-	-	-	-	(15,630)	156,371
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	3,321	-	-	2,989	(3,321)	-	-	-	-	(332)	3,321
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	167,051	-	-	167,051	(167,051)	-	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/20-6/30/21	52,351	-	-	52,351	(52,351)	-	-	-	-	-	-
On-Behalf TPAF Long-Term Disability Insurance	21-100-034-5095-004	7/1/20-6/30/21	106	-	-	106	(106)	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	21-495-034-5094-003	7/1/20-6/30/21	57,559	-	-	57,559	(57,559)	-	-	-	-	-	57,559
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	7/1/19-6/30/20	58,858	(8,393)	-	8,393	-	-	-	-	-	-	-
<b>Total General Fund</b>				<u>(8,393)</u>	<u>-</u>	<u>468,562</u>	<u>(480,504)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,335)</u>	<u>260,996</u>
<b>Total Expenditures of State Awards</b>				<u>(8,393)</u>	<u>-</u>	<u>468,562</u>	<u>(480,504)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,335)</u>	<u>260,996</u>
State Financial Assistance Not Subject to Single Audit Determination													
General Fund:													
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/20-6/30/21	167,051	-	-	167,051	(167,051)	-	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/20-6/30/21	52,351	-	-	52,351	(52,351)	-	-	-	-	-	-
On-Behalf TPAF Long-Term Disability Insurance	21-100-034-5095-004	7/1/20-6/30/21	106	-	-	106	(106)	-	-	-	-	-	-
<b>Total State Financial Assistance Not Subject to Single Audit Determination</b>				<u>-</u>	<u>-</u>	<u>219,508</u>	<u>(219,508)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures of State Awards Subject to Single Audit Determination</b>				<u>\$ (8,393)</u>	<u>-</u>	<u>249,054</u>	<u>(260,996)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,335)</u>	<u>260,996</u>

See accompanying notes to schedules of expenditures.

## Beach Haven School District

## Notes to Schedules of Awards and Financial Assistance

June 30, 2021

## 1. General

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

## 2. Basis of Accounting

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting. This basis of accounting is described in Note 1 to the Board's general-purpose financial statements.

## 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(165,817) for the general fund and \$(38,231) 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 on the following page.

Beach Haven School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2021

3. Relationship to Basic Financial Statements (cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 314,687	\$ 314,687
Special Revenue Fund	<u>88,209</u>	<u>-</u>	<u>88,209</u>
Total awards and financial assistance	<u>\$ 88,209</u>	<u>\$ 314,687</u>	<u>\$ 402,896</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 and Post Retirement/Medical Benefits Contributions represent the amounts 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, 2021.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

6. Indirect Costs

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

Beach Haven School District  
 Schedule of Findings and Questioned Costs

June 30, 2021

Section I - Summary of Auditor's Results  
 Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

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

Noncompliance material to general-purpose financial statements noted?  yes  no

Federal Awards Section: N/A

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

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

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:

CFDA Number(s)	Name of Federal Program or Cluster
N/A	

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

Auditee qualified as low-risk auditee?  yes  no

Beach Haven School District

Schedule of Findings and Questioned Costs (continued)

June 30, 2021

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

State Awards Section - N/A

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

Auditee qualified as low-risk auditee?         yes                     no

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

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 NJ OMB Circular 15-08?         yes                     no

Identification of major programs:

GMIS Number(s)	Name of State Program
N/A	



Beach Haven School District  
Schedule of Findings and Questioned Costs (continued)

June 30, 2021

Section II - Financial Statement Findings - N/A

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

Beach Haven School District  
Summary Schedule of Prior Audit Findings  
June 30, 2021

Summary Schedule of Prior Audit Findings - N/A