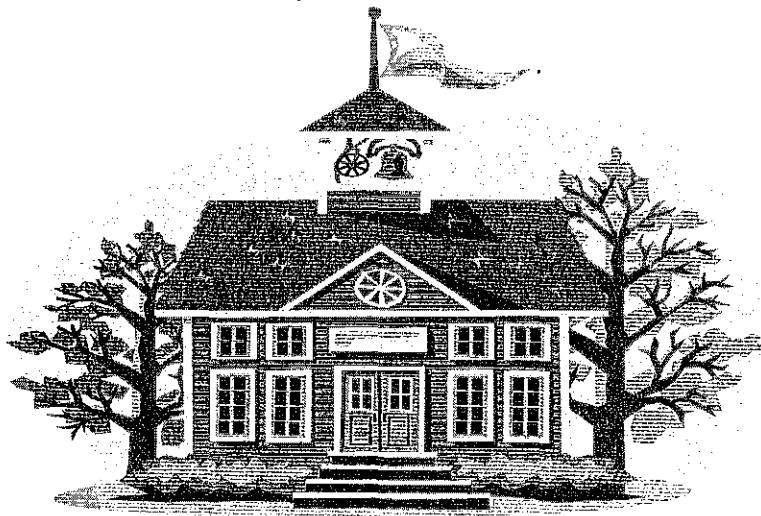


SCHOOL DISTRICT

OF

FAIR HAVEN



**FAIR HAVEN BOARD OF EDUCATION
FAIR HAVEN, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

FAIR HAVEN BOARD OF EDUCATION

FAIR HAVEN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PREPARED BY

**FAIR HAVEN BOARD OF EDUCATION
BUSINESS ADMINISTRATOR/BOARD SECRETARY**

FAIR HAVEN SCHOOL DISTRICT

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INTRODUCTORY SECTION

Fair Haven Board of Education

Sean McNeil
Superintendent
(732)747-2294

224 Hance Road
Fair Haven, New Jersey 07704-

David Joye
Business Administrator
(732) 747-0324

February 11, 2022

Honorable President and
Members of the Board of Education
Fair Haven Borough Board of Education
County of Monmouth
Fair Haven, NJ

Dear Board Members:

The comprehensive annual financial report of the Fair Haven School district of 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 Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organization chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulation, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15 -08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payment". Information related to this single audit including the auditor's report on compliance and on internal control over financial reporting and findings and questioned costs are included in the single audit section of this report.

- **REPORTING ENTITY AND ITS SERVICES:** The Fair Haven School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Fair Haven Board of Education and its two elementary schools constitute the District's reporting entity.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	
	<u>Student Enrollment</u>	<u>Percent Change</u>
2020/21	978	0.72
2019/20	971	0.41
2018/19	967	(2.32)
2017/18	990	(3.13)
2016/17	1022	(0.001)
2015/16	1023	0.59
2014/15	1016	0.00
2013/14	1016	(2.4)
2012/13	1041	1.75
2011/12	1023	0.79
2010/11	1015	(.09)
2009/10	1016	2.63
2008/09	990	(1.03)
2007/08	1015	0.50

ECONOMIC CONDITIONS AND OUTLOOK: Fair Haven is close to 100 percent developed. No large increase in the tax base can be anticipated. However, enrollment should continue to increase due to turn-over in homes wherein the new owner has several school-age children compared to the previous owner. Realtors continue to hold Fair Haven's educational system in high regard. Per-pupil costs remain below the state average.

MAJOR INITIATIVES:

During the 2020-2021 school year the Fair Haven Public School District continued its work in improving curriculum and developing instructional practices for its staff. We also dealt with challenges due to scheduling using the hybrid model of instruction for the first few months of school, leading to all students being on campus for an extended single session day. We had to fill in the instructional gaps caused by school closures and full virtual instruction from the prior spring and also continue to work in a full virtual mode for families that elected that method of instruction for their children.

Professional Learning Communities (PLC's) continued to meet to discuss instructional practice, district goals, and planning for the individual needs of their students. Our Fair Haven Tiered Systems of Supports took on new life under our continued improvements and have been a wonderful resource for our staff and students. The district's major focus of improving Tier 1 interventions in all classrooms was met with difficulty due to the pandemic, as best practices which included small group instruction were difficult to maintain in an environment where proximity and plexiglass were needed to ensure the safety of staff and students.

Our district continues to take part in peninsula wide meetings with our neighboring districts to ensure we all lean on each with a shared culture of collaboration. We also continue to work closely with our receiving High School in collaborations and formal shared service agreements to support our school community in as an effective and efficient manner possible.

Technology

Technology continues to be of extreme importance to the Fair Haven schools. We rolled out full 1-1 chromebooks, with all 2nd grade -8th grade students receiving these devices. Our technology department has completed a comprehensive 4 year plan designed to support a long term plan for sustainability that we are supporting. On the instructional side, technology is utilized throughout each grade level and in each curriculum. Students utilize iPads to focus on fluency skills in our younger grades, students create videos doing book reviews, online subscriptions to our various program adoptions support what has been taught in class and extends the concepts to students outside of the classroom. Increasing the use of digital devices in the visual and performing arts continues to be a focus. Students use creation tools to make music. They use iPads and cameras to develop digital literacy in the visual arts as well. These programs require a continued investment in software and hardware. In our science classes, students engage in virtual experiences conducting experiments. Technology is an integral part of our classrooms and will continue to be in years to come. Technology took on an increased emphasis beyond its already critical importance in response to the COVID-19 pandemic. The district was able to loan out well over 200 Chromebooks to students in need to ensure all learners had access to technology consistent with what is required in order to be successful when moving in and out of virtual instruction during this difficult time.

Curriculum and Instruction

The main focus for the Curriculum Department for the 2020-2021 school year was to assess the gaps in instruction from the school closures that took place the previous March. Through PLC meetings and the creation of gap analysis documents at each grade level/subject area, including modified pacing guides, staff were able to see what units were taught to completion, which were taught virtually, and which were not able to be addressed in the learning environment. As a District, we also looked at whether content taught could be assessed with validity, adding another layer to our gap analysis project.

Another focus of the Curriculum Department for the 2020-2021 school year was the state mandated update to the 2020 NJSLS. Curriculum teams were formed and documents were revised based on the new standards. To make the revision process more efficient, the district rolled out the Rubicon Atlas program, where all of the curriculum now resides. Through the use of this online program, the district can ensure that all documents have standards that are up-to-date, follow a template that is both meaningful to staff and is in compliance with QSAC requirements. Currently, in the 2021-2022 school year, the District is working on updating a public portal of the Rubicon Atlas website, where the community can easily access all curriculum documents. We are still publishing documents via the PDF form until all of the curriculum are updated within the Rubicon Atlas system.

The Curriculum Department also rolled out its revamped Gifted Education Program in the spring of 2021. This initiative has been carefully planned over the past several years within a committee structure and the District was finally able to see it come to life. While the format had to be modified to a Zoom format, the District serviced students in grades K-8 with engaging thematic units and guest speakers. The District also moved to new assessments for the Gifted Education Program, allowing the district to cast a wider net than in previous years and capture students who are critical thinkers, have an aptitude for academics, and who are creatively gifted. The full program is underway for the 2021-2022 school year, with the new hire of a dedicated Gifted Education Program teacher. Additionally, the district is also focusing on supporting gifted learners in the classroom setting through professional development and through the support of our new Gifted Education teacher.

Operations

We continue to be proactive in the maintenance of our buildings. We have completed, adopted, and publicly presented a new strategic plan which is designed to take us through at least 2024-25. The findings and goals and objectives that have resulted from this process did suggest the goals of the successful referendum remain on the mark. The needs and points of emphasis stated by our community through this process call for increased and improved facilities in order to achieve the best possible outcomes for our students. To that end, we successfully passed a referendum on September 24, 2019. The primary focus of the projects at each school is to improve student safety, district programming such as the implementation of Full Day KG, and to improve our systems to ensure safe and efficient operations for years to come. This construction process is well underway and is due to be completed by November 2021.

Instructional Practices

Instructional practices continue to flourish throughout the District. With three interventionists in place, the District was able to bring on a fourth interventionist and a Literacy Coach for the 2021-2022 school year. This will allow for both Sickles and Knollwood to each have academic interventionists for math and literacy and provide K-8 support in best instructional practices in literacy, as well.

Through the use of PLC time, which is extremely valuable, staff has the opportunity to discuss data and best practices in education. They share resources and invite administration in to assist, where needed. To streamline the process further, new Forms were created to easily capture agendas and minutes from PLCs in one location. This year, PLCs will continue to be used to look at the data and also work collaboratively with our interventionists and Literacy Coach to re-engage in some of the practices that were put on hold due to the pandemic.

There is an increased cohesion between our two schools, based on continuity in program and support. Through the use of the workshop model and the supports provided through resources such as our math program, students speak the same language, making for smooth transitioning and heightened understanding. Additionally, with the support of the interventionists in place, students can receive services they need to close gaps in their learning and attain the standards as presented in the classroom. To further solidify instruction in Sickles school, the District adopted the same math resources for kindergarten and first grade that are used in second and third grade. This has come as a result of reviewing the data, meeting in PLCs, and discussing the differences between the main resources used.

As we maintain a strong connection to our sister schools, articulation has been invaluable. Based on recommendations from our sending high school, the Knollwood School has increased its emphasis on reading and writing stamina. These two components are at the heart of ELA and social studies courses at the high school and the District wants to ensure that students are successful as the criteria for these courses has changed over time.

The District was able to implement new elective choices for students in grades 7 and 8. Through a survey to students, it was found that many students have an interest in STEAM, more specifically woodworking. The District created a new STEAM elective which allows students to build using hand tools. Through the pandemic, the course took a shift and students were building using cardboard, but following the same structure that would have been presented for building with wood. Students have made everything from keepsake boxes to birdhouses with precision and in the 2021-2022 school year, due to student course requests, we were able to expand the offering to several more students and provide a dedicated classroom for this elective course.

Data is used at the heart of our instructional practices. From local assessments and benchmarks, to informal observations and notes, students are provided the support necessary to succeed in each classroom. The District continues to utilize programs, such as iReady, that meet the learner at their level of development and build fluency in identified skills. This District is also piloting other forms of assessment, such as LinkIt!, to determine which data best captures the needs of students, informing real time instruction. Additionally, LinkIt! now serves as the District's data warehouse and historical data has been uploaded to the system, in addition to current data, so that staff can study a profile on each student from one central location. This is proving to be very efficient.

The Fair Haven Public School District continues to value the Career Readiness, Key Skills, and Life Literacies standards and embraces the changes that technology brings on a daily basis. Our youngest learners participate in Brick 4 Kidz, embracing STEM, incorporating building and coding into regular schedules. On the other end of the spectrum, our middle school students are able to become entrepreneurs through our Innovation Lab, teaching them how to market and brand products, as well as produce them using cutting edge equipment.

Character Education

At our Sickles School (PK-3), work has been completed on the use of common language to support desirable student behaviors with our Okay, Not Okay behavior language. This work continued to be supported in the 2020-2021 school year and continues in this new school year. Historically, Sickles enjoyed the improved student behaviors as a result, with the same expectations as we go into the 2021-2022 school year. Students at Sickles School also participate in the Responsive Classroom's Morning Meeting. Every day students participate in the Responsive Classroom's Morning Meeting to help foster community and respect. Most recently, staff received a refresher training on the Responsive Classroom, which will be expanding into our Knollwood School in grades 4 and 5. We continue to build mindfulness into our daily schedule of all elementary classrooms, where students engage in activities designed to improve their capacity to stay present and to help them cope with the various stressors they encounter on a daily basis.

In PreK and K we utilize "Be A Buddy not a Bully" to build values and social skills around friendship and tolerance. In first grade, we study "Understanding Disabilities" to cultivate deeper appreciation for people with visual, auditory and ambulatory differences. In second grade students participate in "Respect for Different Learners" to examine learning disabilities, Attention Deficit Hyperactivity Disorders, developmental disabilities and Autism. In third grade, students investigate the concepts of diversity through the "Celebrating Cultures" unit which also corresponds to our social studies curriculum.

In our Knollwood School (4-8), we have trained staff and are incorporating the Responsive Classroom in grades 4 and 5. This will further increase the cohesion between the two schools, developing a common language and creating optimal learning conditions for students to develop the academic, social, and emotional skills needed for success in and out of school. Additionally, Knollwood School has adopted the Character Strong SEL program for our students in grades 6-8. This program also ensures that students' emotional needs are met in a developmentally appropriate way.

The District has worked hard with our sister districts to develop a wellness plan to support students well into the middle school years. Some of these activities include having our various departments work closely when design assessment schedules to ensure that the assessments and due dates for projects do not bottleneck and overwhelm our students throughout the year. We have also engaged the lifelines curriculum to ensure our entire student and staff population are trained in mental health first aid to be better equipped to recognize students in need of intervention and support throughout their time in Fair Haven schools. This curriculum is supported through our health curriculum and delivered by our health teacher in conjunction with our guidance counselor.

Arts Integration

We feel very privileged to continue to be part of The Kennedy Center's Partners in Education program. Joining with the Count Basie Theatre and Red Bank Borough Schools, we have created comprehensive programming to integrate the arts in all subject areas. There are dedicated Arts Integration periods at the Sickles School and our staff work collaboratively on units that meaningfully infuse the arts into core subject areas.

Teachers are invited to attend different professional development workshops and teaching artists visit our school to showcase and model best practices in artistic techniques, as well as connections to literacy, mathematics and social studies. This relationship also affords our students opportunities to attend additional field trips tied to our various curricula.

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

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

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

BUDGETARY CONTROLS: In addition to internal accounting controls, this 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 Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amounts amended for the fiscal year are reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

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

DEBT ADMINISTRATION: At June 30, 2021, the District's outstanding debt issues include \$24,155,311 of general obligation bonds. The General Obligations Bonds which were voter approved were issued in 2005, 2013 and 2019. The proceeds of this bond issue were placed in the District's Capital Projects fund to provide funds for additions and renovations at both schools.

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

RISK MANAGEMENT: The Board carries various forms of insurance including, but not limited to, general liability, automobile liability and comprehensive, 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 or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are 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 Fair Haven Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of this School District and thereby contributing their full support to the development and maintenance of the financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,

Sean McNeil

David D. Joye

Sean McNeil
Superintendent

David D. Joye
Business Administrator/Board Secretary

FAIR HAVEN BOARD OF EDUCATION**FAIR HAVEN, NEW JERSEY****ROSTER OF OFFICIALS****JUNE 30, 2021****Members of the Board of Education****Term Expires**

Carol Lang, President	2022
Sheri D'Angelo, Vice President	2022
Michelle Buckley	2021
Marisa Coar	2022
Bennett Coleman	2021
Kerri Crossan	2023
Emily Kuskin	2023
Christopher Murray	2023
Geri Pagano	2021

Other District Officials

Sean McNeil,	Superintendent
David Joye,	Business Administrator/Board Secretary
Cindy Barr-Rague,	Treasurer
Anthony Sciarrillo,	Solicitor

FAIR HAVEN BOARD OF EDUCATION

FAIR HAVEN, NEW JERSEY

Consultants and Advisors

JUNE 30, 2021

AUDIT FIRM

Robert A. Hulsart and Company

Certified Public Accountants

2807 Hurley Pond Rd

PO Box 1409

Wall, NJ 07719

ATTORNEY

Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC

238 St. Paul Street

Westfield, NJ 07090

OFFICIAL DEPOSITORIES

Ocean First Bank

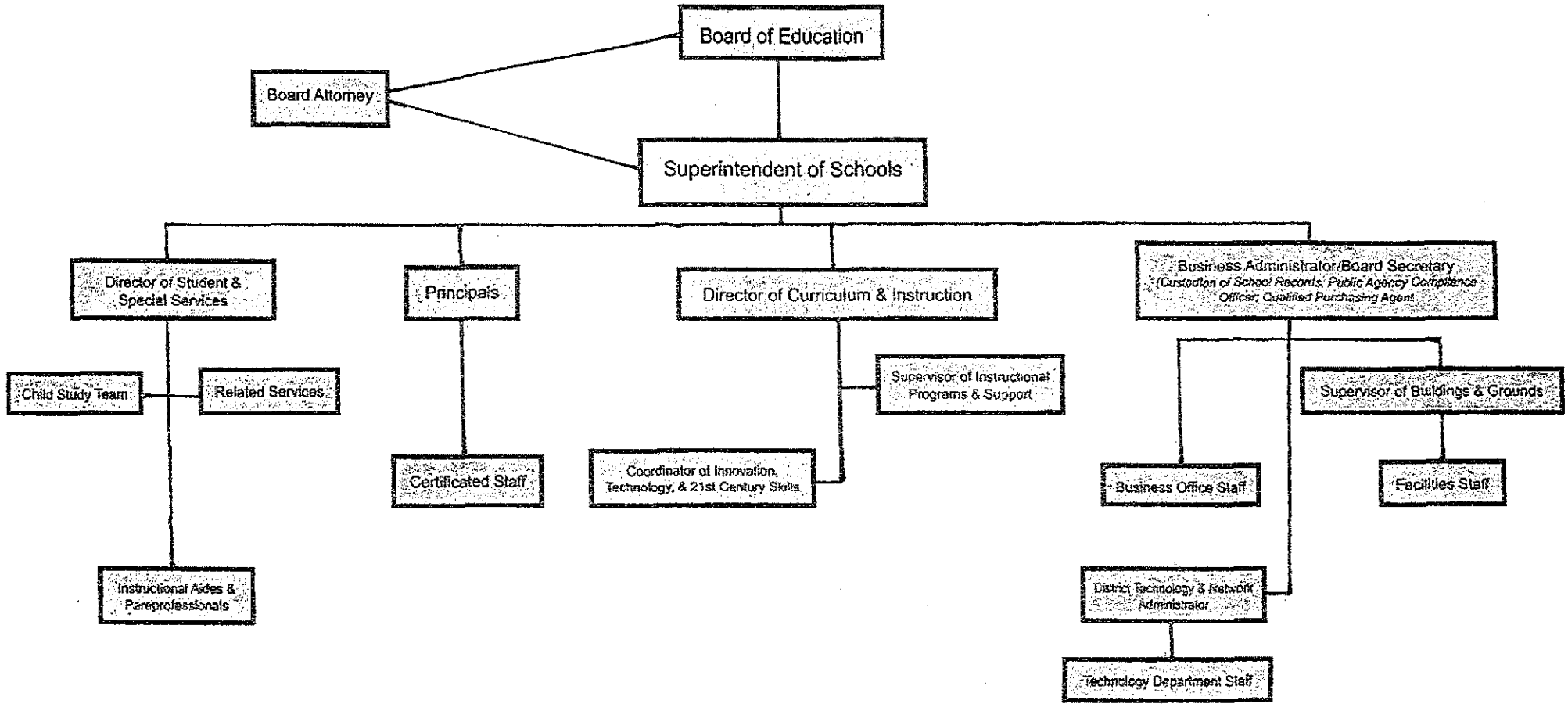
Toms River, NJ

PNC Bank

Fair Haven, NJ 07704



Fair Haven Public Schools Organization Chart



The mission of the Fair Haven School District is to provide a strong academic foundation and to educate, challenge, and inspire students to reach their full potential.

FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Fair Haven School District
County of Monmouth
Fair Haven, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Fair Haven School District, in the County of Monmouth, 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 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.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 entity'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Fair Haven School District, in the County of Monmouth, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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 Required Supplementary Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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 Fair Haven School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2022 on our consideration of the Fair Haven Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fair Haven Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



Robert A. Hulsart
Licensed Public School Accountant
No. 322

Robert A. Hulsart and Company
Wall Township, New Jersey

February 11, 2022

REQUIRED SUPPLEMENTARY INFORMATION
PART I

FAIR HAVEN PUBLIC SCHOOL DISTRICT

BOROUGH OF FAIR HAVEN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The discussion and analysis of Fair Haven Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (ACFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2020-2021 fiscal year are as follows:

- General revenues accounted for \$20,059,568 in revenue or 99% 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 \$292,150 or 1% percent to total revenues of \$20,351,718.
- Total assets of governmental activities increased by \$17,772,161, due to fixed asset additions.
- The School District had \$20,920,327 in expenses; only \$292,150 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$20,059,568 were adequate to provide for these programs.
- The General Fund had \$18,981,282 in revenues and \$18,680,312 in expenditures. The General Fund's balance increased \$271,437 over 2020. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (ACFR)

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

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

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2020-2021 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Table 1 provides a summary of the School District's net position comparisons of fiscal year 2021 with 2020.

Table 1
Net Position

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Current and Other Assets	\$ 11,075,986	19,452,453
Capital Assets, Net	<u>37,034,553</u>	<u>10,893,471</u>
Total Assets	<u>\$ 48,110,539</u>	<u>30,345,924</u>
<u>Deferred Outflow of Resources</u>		
Contribution to Pension Plan	<u>\$ 1,025,471</u>	<u>1,476,581</u>
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 1,879,078</u>	<u>433,772</u>
<u>Liabilities</u>		
Other Liabilities	\$ 618,720	714,840
Long-Term Liabilities	<u>23,132,244</u>	<u>23,892,669</u>
Total Liabilities	<u>\$ 23,750,964</u>	<u>24,607,509</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 37,034,553	(8,858,529)
Restricted	9,780,870	18,769,589
Unrestricted	<u>(23,309,455)</u>	<u>(3,129,836)</u>
Total Net Position	<u>\$ 23,505,968</u>	<u>6,781,224</u>

Table 2 shows the changes in net position for fiscal year 2021. Revenue and expense comparisons to fiscal year 2020.

Table 2
Changes in Net Position

	<u>2021</u>	<u>2020</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 12,345	153,446
Operating Grants and Contributions	279,839	131,017
General Revenues		
Property Taxes	15,419,043	14,880,539
Grants and Entitlements	4,268,844	3,468,498
Other	<u>371,684</u>	<u>234,138</u>
Total Revenues	<u>20,351,755</u>	<u>18,867,638</u>
<u>Program Expenses</u>		
Instruction	7,723,623	7,070,002
Support Services		
Pupils and Instructional Staff	2,026,720	2,089,919
General Administration, School Administration,		
Business	1,210,959	1,160,495
Operations and Maintenance of Facilities	1,493,943	1,667,653
Pupil Transportation	39,490	33,521
Interest on Debt	518,437	324,633
Food Service	7,587	14,420
Miscellaneous (Depreciation, Employee Benefits)	<u>7,907,155</u>	<u>5,682,138</u>
Total Expenses	<u>20,927,914</u>	<u>18,042,781</u>
Adjustments	<u>17,111,889</u>	<u> </u>
Change in Net Position	<u>\$ 16,535,730</u>	<u>824,857</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 76% percent of revenues for governmental activities for the Fair Haven Public School District for fiscal year 2021. The District's total revenues were \$20,351,714 for the fiscal year ended June 30, 2021. Federal, state, local grants and other local revenues accounted for another 24%.

Business-Type Activities

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

- Food service expenses exceeded revenues by \$7,546.
- Charges for services represent \$-0- of revenue. This represents amount paid by patrons for daily food services.

Governmental Activities

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

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

The School Board' Funds

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

As the School Board completed the fiscal year ended June 30, 2021, it reported a combined net position of \$23,505,968. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

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.

The School Board' Funds (Continued)

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

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

Capital Assets

At June 30, 2021, the School Board had approximately \$37,034,553 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2021 fiscal year.

	Governmental Activities
Table II	
Capital Assets at June 30, 2021	
Land	\$ 439,000
Buildings	36,158,261
Machinery and Equipment	<u>437,292</u>
Total	<u>\$ 37,034,553</u>

Debt Administration

At June 30, 2021, the School District had \$23,132,244 in outstanding debt. Of this amount \$322,500 is for compensated absences and the balance of \$19,377,000 is for bonds for school construction.

The District also had \$3,432,744 in deferred pension liability.

Economic Factors and Next Year's Budget

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

The Borough of Fair Haven is primarily a residential community, with very few ratables. The majority of revenues needed to operate the District is derived from homeowners through property tax assessments and collections, which is voted by the residents annually.

Economic Factors and Next Year's Budget (Continued)

The \$(23,309,455) of 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 noncurrent liabilities such as compensated absences, the School Board would have a balance of \$(23,309,455).

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

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Mr. David Joye, School Business Administrator/Board Secretary at Fair Haven Board of Education, 224 Hance Road, Fair Haven, NJ 07704.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

FAIR HAVEN SCHOOL DISTRICT**STATEMENT OF NET POSITION**

Exhibit A-1

JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 165,395	10,410	175,805
Receivables, Net	1,118,644	667	1,119,311
Restricted Assets:			
Cash and Cash Equivalents	9,780,870		9,780,870
Capital Assets-Not Depreciated	439,000		439,000
Capital Assets, Net	36,566,455	29,098	36,595,553
Total Assets	<u>48,070,364</u>	<u>40,175</u>	<u>48,110,539</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>1,025,471</u>		<u>1,025,471</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>1,879,078</u>		<u>1,879,078</u>
<u>Liabilities</u>			
Deferred Revenue	208,326		208,326
Accounts Payable	257,911		257,911
Accrued Interest	152,483		152,483
Noncurrent Liabilities:			
Due Within One Year	937,000		937,000
Due Beyond One Year	22,195,244		22,195,244
Total Liabilities	<u>23,750,964</u>	<u>-</u>	<u>23,750,964</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	37,005,455	29,098	37,034,553
Restricted For:			
Capital Projects	6,118,348		6,118,348
Other Purposes	3,662,522		3,662,522
Unrestricted	<u>(23,320,532)</u>	<u>11,077</u>	<u>(23,309,455)</u>
Total Net Position	<u>\$ 23,465,793</u>	<u>40,175</u>	<u>23,505,968</u>

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

FAIR HAVEN SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 5,223,481			(5,223,481)		(5,223,481)
Special Education	2,451,631		209,161	(2,242,470)		(2,242,470)
Other Instruction	48,511			(48,511)		(48,511)
Support Services:						
Tuition	12,345	12,345		-		-
Student & Instruction Related Services	2,014,375		70,644	(1,943,731)		(1,943,731)
School Administrative Services	423,238			(423,238)		(423,238)
General and Business Administrative Services	787,721			(787,721)		(787,721)
Plant Operations and Maintenance	1,493,943			(1,493,943)		(1,493,943)
Pupil Transportation	39,490			(39,490)		(39,490)
Unallocated Employee Benefits	7,535,141			(7,535,141)		(7,535,141)
Unallocated Depreciation	372,014			(372,014)		(372,014)
Interest on Long-Term Debt	518,437			(518,437)		(518,437)
Total Government Activities	20,920,327	12,345	279,805	(20,628,177)	-	(20,628,177)
Business-Type Activities:						
Food Service	7,587		34		(7,553)	(7,553)
Total Business-Type Activities	7,587	-	34	-	(7,553)	(7,553)
Total Primary Government	20,927,914	12,345	279,839	(20,628,177)	(7,553)	(20,635,730)

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

FAIR HAVEN SCHOOL DISTRICT

Exhibit A-2

Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				14,554,526		14,554,526
Taxes Levied for Debt Service				864,517		864,517
Federal and State Aid Not Restricted				4,268,844		4,268,844
Investment Earnings and Miscellaneous Income				371,681	3	371,684
Transfers and Adjustments				17,111,885	4	17,111,889
Total General Revenues and Transfers				<u>37,171,453</u>	<u>7</u>	<u>37,171,460</u>
Change in Net Position				16,543,276	(7,546)	16,535,730
Net Position - Beginning				6,733,503	47,721	6,781,224
Prior Period Adjustment				189,014		189,014
Net Position - Ending				<u>\$ 23,465,793</u>	<u>40,175</u>	<u>23,505,968</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Cash Equivalents	\$ 3,902,461	122,476	5,921,328	9,946,265
Interfund Receivable	11,324			11,324
Receivables From Other Governments	459,530	212,251	197,020	868,801
Total Assets	<u>\$ 4,373,315</u>	<u>334,727</u>	<u>6,118,348</u>	<u>10,826,390</u>
Liabilities and Fund Balance				
Liabilities:				
Deferred Revenue	\$ 7,350	200,976		208,326
Interfund Payable		11,234		11,234
Payroll Withholdings and Deductions	7,450			7,450
Accounts Payable	667	41		708
Total Liabilities	<u>15,467</u>	<u>212,251</u>	<u>-</u>	<u>227,718</u>
Fund Balance:				
Restricted For:				
Emergency Reserve	2,500			2,500
Designated for Subsequent Years Expenditures - BOE				-
Designated for Subsequent Years Expenditures - Maintenance Reserve	250,000			250,000
Designated for Subsequent Years Expenditures - Excess Surplus	937,399			937,399
Excess Surplus	812,108			812,108
Maintenance Reserve	669,837			669,837
Capital Reserve Account	790,000			790,000
Unemployment	71,456			71,456
Student Activity Funds		57,784		57,784
Scholarship Funds		64,692		64,692
Committed To:				
Other Purposes	6,746		2,768,854	2,775,600
Unassigned:				
Debt Service				-
Capital Projects			3,349,494	3,349,494
General Fund	817,802			817,802
Total Fund Balances	<u>4,357,848</u>	<u>122,476</u>	<u>6,118,348</u>	<u>10,598,672</u>
Total Liabilities and Fund Balance	<u>\$ 4,373,315</u>	<u>334,727</u>	<u>6,118,348</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$45,817,489 and the accumulated depreciation is \$8,812,034.	37,005,455
Deferred outflow of resources - contributions to the pension plan	1,025,471
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(1,879,078)
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.	(23,132,244)
Accrued Interest	(152,483)
Net position of governmental activities	<u>\$ 23,465,793</u>

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

FAIR HAVEN SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 14,554,526			864,517	15,419,043
Tuition Charges	141,720				141,720
Miscellaneous	82,191	9,563	150,552		242,306
Total Local Sources	<u>14,778,437</u>	<u>9,563</u>	<u>150,552</u>	<u>864,517</u>	<u>15,803,069</u>
State Sources	4,202,845	9,764		75,562	4,288,171
Federal Sources		260,478			260,478
Total Revenues	<u>18,981,282</u>	<u>279,805</u>	<u>150,552</u>	<u>940,079</u>	<u>20,351,718</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	5,197,233				5,197,233
Special Education Instruction	2,240,943	210,688			2,451,631
Other Instruction	48,511				48,511
Support Services and Undistributed Costs:					
Tuition	12,345				12,345
Student and Instruction Related Services	1,943,731	70,644			2,014,375
School Administrative Services	423,238				423,238
General and Business Administrative Services	787,721				787,721
Plant Operations and Maintenance	1,493,943				1,493,943
Pupil Transportation	39,490				39,490
Unallocated Benefits	6,425,398				6,425,398
Debt Service:					
Principal				375,000	375,000
Interest and Other Charges				565,079	565,079
Capital Outlay	67,759		9,346,824		9,414,583
Total Expenditures	<u>18,680,312</u>	<u>281,332</u>	<u>9,346,824</u>	<u>940,079</u>	<u>29,248,547</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit B-2
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>300,970</u>	<u>(1,527)</u>	<u>(9,196,272)</u>	<u>-</u>	<u>(8,896,829)</u>
Other Financing Sources (Uses):					
Transfer Interest from Debt Service to Capital Projects			87,967	(87,967)	-
Prior Year Adjustment	<u>(29,533)</u>		<u>35,518</u>		<u>5,985</u>
Total Other Financing Sources (Uses)	<u>(29,533)</u>	<u>-</u>	<u>123,485</u>	<u>(87,967)</u>	<u>5,985</u>
Net Change in Fund Balances	271,437	(1,527)	(9,072,787)	(87,967)	(8,890,844)
Fund Balance - July 1	4,021,400		15,191,135	87,967	19,300,502
Prior Period Adjustment	<u>65,011</u>	<u>124,003</u>			<u>189,014</u>
Fund Balance - June 30	<u>\$ 4,357,848</u>	<u>122,476</u>	<u>6,118,348</u>	<u>-</u>	<u>10,598,672</u>

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

FAIR HAVEN SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS Exhibit B-3TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ (8,890,844)
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	(372,014)	
Capital Outlay	<u>26,520,483</u>	26,148,469
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		375,000
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		(451,110)
Pension Related Deferrals		(1,445,306)
Net Pension Liability		786,673
Accrued Interest		46,642
Compensated Absences and Other Liabilities		<u>(26,248)</u>
Change in Net Position of Governmental Activities		<u>\$ 16,543,276</u>

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

FAIR HAVEN SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2021

	<u>Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 10,410
Accounts Receivable:	
Other	667
Total Current Assets	<u>11,077</u>
Noncurrent Assets:	
Equipment	74,917
Less: Accumulated Depreciation	<u>(45,819)</u>
Total Noncurrent Assets	<u>29,098</u>
Total Assets	<u><u>\$ 40,175</u></u>
<u>Net Position</u>	
Investment in Capital Assets	\$ 29,098
Unrestricted	<u>11,077</u>
Total Net Position	<u><u>\$ 40,175</u></u>

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

FAIR HAVEN SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET ASSETSPROPRIETARY FUNDSJUNE 30, 2021

	<u>Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs	\$ -
Total Operating Revenue	<u>-</u>
Operating Expenses:	
Cost of Food - Reimbursable Programs	196
Depreciation	7,391
Total Operating Expenses	<u>7,587</u>
Operating (Loss)/Profit	(7,587)
Non-Operating Revenues:	
Interest Revenue	3
State Sources:	
State School Lunch Program - Extra Aid	34
Total Non-Operating Revenues	<u>37</u>
Change in Net Position	(7,550)
Adjustment for Fixed Assets	4
Net Position, July 1	<u>47,721</u>
Net Position, June 30	<u>\$ 40,175</u>

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

FAIR HAVEN SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDSJUNE 30, 2021

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Payments to Suppliers	\$ (196)
Net Cash Used by Operating Activities	<u>(196)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	34
Net Cash Provided by Noncapital Financing Activities	<u>34</u>
Cash Flows from Investing Activities:	
Interest Revenue	3
Net Cash Provided by Investing Activities	<u>3</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(159)
Cash and Cash Equivalents July 1	<u>10,569</u>
Cash and Cash Equivalents June 30	<u>\$ 10,410</u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (7,587)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	<u>7,391</u>
Net Cash Used by Operating Activities	<u>\$ (196)</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
FAIR HAVEN SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Fair Haven School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Fair Haven School District had an approximate enrollment at June 30, 2021 of 978 students.

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

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

B. Government-Wide Financial Statements

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)**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.

Fiduciary Fund Types

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)**D. Fund Accounting (Continued):****Fiduciary Fund Types (Continued)**

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

Egan (Stokes) Memorial Fund
Viola L. Sickles Memorial Fund
World Language Award

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

E. Basis of Accounting:

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

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

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

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2021 are shown on Exhibit C-1.

NOTE 1: Summary of Significant Accounting Policies (Continued)**F. Budgets/Budgetary Control (Continued):**

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

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

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

G. Encumbrances:

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

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

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

H. Short-Term Interfund Receivables/Payables:

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

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

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

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

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

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

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental Activities:					
Capital Assets that are Not Being Depreciated:					
Land	\$ 439,000	_____	_____	_____	439,000
Total Capital Assets Not Being Depreciated	<u>439,000</u>	_____	_____	_____	<u>439,000</u>
Capital Assets – Being Depreciated:					
Site Improvements & Buildings	17,828,155	26,514,415	_____	_____	44,342,570
Machinery & Equipment	<u>1,064,419</u>	_____	_____	(28,500)	<u>1,035,919</u>
Totals at Historical Cost	<u>18,892,574</u>	<u>26,514,415</u>	_____	(28,500)	<u>45,378,489</u>
Less: Accumulated Depreciation for					
Site Improvements & Buildings	(7,894,881)	(289,428)	_____	_____	(8,184,309)
Machinery & Equipment	<u>(579,707)</u>	<u>(82,586)</u>	<u>34,568</u>	_____	<u>(627,725)</u>
Total Accumulated Depreciation	<u>(8,474,588)</u>	<u>(372,014)</u>	<u>34,568</u>	_____	<u>(8,812,034)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>10,417,986</u>	<u>26,142,401</u>	<u>34,568</u>	(28,500)	<u>36,566,455</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,856,986</u>	<u>26,142,401</u>	<u>34,568</u>	(28,500)	<u>37,005,455</u>

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

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>
Business Type-Activities:					
Equipment	\$ 74,917				74,917
Less: Accumulated Depreciation					
Equipment	(38,432)	(7,391)	4	—	(45,819)
Business Type Activities					
Capital Assets (Net)	<u>\$ 36,485</u>	<u>(7,391)</u>	<u>4</u>	<u>—</u>	<u>29,098</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 372,014</u>
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K. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

L. 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 rights to the benefits.

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Deferred Revenue

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

N. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

O. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Grants, entitlements, or shared revenues which are restricted for the acquisition or construction of capital assets are also recorded as contributed capital. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

P. Tuition Receivable

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

Q. Tuition Payable

Tuition charges for the fiscal year 2020-2021 was based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

R. Net Position

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

R. Net Position (Continued)

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

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

Fund Balance

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

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)**R. Net Position (Continued)**

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

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

NOTE 2: Cash and Cash Equivalents and Investments**Investments**

New Jersey statutes permit the Board 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 of 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.

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

As of June 30, 2021, the District's deposits and investments are summarized as follows:

FDIC	\$ 639,684
GUPDA	<u>14,196,972</u>
	<u>\$ 14,836,656</u>

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

	Cash and Cash Equivalents
Interest Bearing Checking Accounts/Investment Account	<u>\$ 9,956,675</u>

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2021 was \$9,956,675 and the bank balance was \$14,836,656. Of the bank balance \$639,684 was covered by federal depository insurance and \$14,196,972 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk – Deposits

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

The District had no uninsured deposits.

NOTE 3: 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:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Long-Term</u> <u>Portion</u>	<u>2021-22</u> <u>Payment</u>
Pension Liability	\$ 4,219,417		(786,673)	3,432,744	3,432,744	
Compensated Absences Payable	296,252	26,248		322,500	322,500	
Bonds Payable	<u>19,752,000</u>	<u> </u>	<u>(375,000)</u>	<u>19,377,000</u>	<u>18,440,000</u>	<u>937,000</u>
	<u>\$ 24,267,669</u>	<u>26,248</u>	<u>(1,161,673)</u>	<u>23,132,244</u>	<u>22,195,244</u>	<u>937,000</u>

A. Bonds Payable

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021/2022	\$ 937,000	484,987	1,421,987
2022/2023	975,000	458,718	1,433,718
2023/2024	980,000	434,967	1,414,967
2024/2025	980,000	411,068	1,391,068
2025/2026	975,000	385,792	1,360,792
2026/27-2030/31	5,130,000	1,550,280	6,680,280
2031/32-2035/36	5,400,000	845,000	6,245,000
2036/37-2039/40	<u>4,000,000</u>	<u>207,500</u>	<u>4,207,500</u>
	<u>\$ 19,377,000</u>	<u>4,778,312</u>	<u>24,155,312</u>

Bonds issued 1/23/2013 for \$6,075,000 at interest of 2.25%-4.00% maturing 6/1/2030 with a balance of \$3,730,000 at June 30, 2021.

Bonds issued 12/19/2019 for \$15,647,000 at interest of 2%-2.65% maturing 8/15/2039 with a balance of \$15,647,000 at June 30, 2021.

NOTE 4: Pension Plans

Description of Plans – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

NOTE 4: Pension Plans (Continued)

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

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

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

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

NOTE 4: Pension Plans (Continued)

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.06% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/21	\$ 232,088	100%	0
6/30/20	238,875	100%	0
6/30/19	223,200	100%	0

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

Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/21	\$ 2,565,386	100%	0
6/30/20	2,044,119	100%	0
6/30/19	1,908,900	100%	0

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$2,565,386 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$557,384 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

NOTE 4: Pension Plans (Continued)**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).

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

The following represents the membership tiers for PERS:

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

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

Basis of Presentation

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

NOTE 4: Pension Plans (Continued)**Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2020 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2020.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by Local employers under Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. The June 30, 2020 State special funding situation net pension liability amount of \$128.2 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$11 million, for the fiscal year ending June 30, 2020, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2020. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

NOTE 4: Pension Plans (Continued)

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

For the year ended June 30, 2021, the District recognized pension expense of \$232,088. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 62,505	12,140
Changes of Assumptions	111,362	1,437,322
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	117,334	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	502,182	429,616
District Contributions Subsequent to the Measurement Date	<u>232,088</u>	<u> </u>
Total	<u>\$ 1,025,471</u>	<u>1,879,078</u>

\$232,088 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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 Ending
June 30,**

2021	\$ (427,468)
2022	(387,720)
2023	(222,715)
2024	(90,062)
2025	<u>(19,479)</u>
	<u>\$ (1,147,444)</u>

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

Collective balances at December 31, 2020 and 2019 are as follows:

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>
Collective Deferred Outflows of Resources	\$ 1,025,471	1,476,581
Collective Deferred Inflows of Resources	1,879,078	433,772
Collective Net Pension Liability	3,432,744	4,219,417
District's Proportion	.02089%	.02326%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2020 were as follows:

	<u>2020</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,272,160,382	39,432,792,871	67,704,953,253
Plan Fiduciary Net Position	<u>6,048,192,857</u>	<u>22,997,176,445</u>	<u>29,045,369,302</u>
Net Pension Liability	<u>\$ 22,223,967,525</u>	<u>16,435,616,426</u>	<u>38,659,583,951</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.39%	58.32%	42.90%

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 actuarial 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%

NOTE 4: Pension Plans (Continued)

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

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

NOTE 4: Pension Plans (Continued)**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:

	<u>2020</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 4,321,252</u>	<u>3,432,744</u>	<u>2,678,821</u>

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

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

NOTE 4: Pension Plans (Continued)

The following represents the membership tiers for TPAF:

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

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

NOTE 4: Pension Plans (Continued)**Allocation Methodology (Continued)**

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Total Pension Liability	\$ 87,522,678,686	84,215,846,719
Plan Fiduciary Net Position	<u>21,529,179,998</u>	<u>22,696,734,276</u>
Net Pension Liability	<u>\$ 65,993,498,688</u>	<u>61,519,112,443</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2020</u>	<u>2019</u>
District's Liability	<u>\$ 43,939,582</u>	<u>40,102,293</u>
District's Proportion	.06658%	.06519%

NOTE 4: Pension Plans (Continued)

The 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 actuarial 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. 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:

NOTE 4: Pension Plans (Continued)

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

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 made 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.

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

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

	<u>2020</u>		
	<u>At 1% Decrease (4.40%)</u>	<u>At Current Discount Rate (5.40%)</u>	<u>At 1% Increase (6.40%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share of the District's Net Pension Liability	<u>51,612,185</u>	<u>43,939,582</u>	<u>37,568,773</u>
	<u>\$ 51,612,185</u>	<u>43,939,582</u>	<u>37,568,773</u>

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

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

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

NOTE 5: Post-Retirement Benefits (Continued)

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 20, 2019, with was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability \$67,809,962,608

Inflation rate 2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 – 4.45% based on service years	2.00% - 6.00% based on service years	3.25% - 15.25% based on service years
Thereafter	1.55 – 4.45% based on service years	3.00% - 7.00% based on service years	Applied to all future years

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.

(a) 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 seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates 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 seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

NOTE 5: Post-Retirement Benefits (Continued)***(b) 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.

Changes in the State of New Jersey's proportionate share of the total Non-Employer OPEB Liability associated with the School District:

	Total OPEB Liability
Balances at June 30, 2019	\$ 26,001,916
Changes for the Year:	
Service Cost	1,340,078
Interest	944,384
Difference Between Expected and Actual Experience	7,562,564
Changes in Assumptions or Other Inputs	7,849,731
Benefit Payments	(748,128)
Member Contributions	<u>22,676</u>
Balance at June 30, 2020	<u>\$ 42,973,221</u>

There were no changes in benefit terms between the June 30, 2019 measurement date and the June 30, 2020 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% percent in 2019 to 2.21% percent in 2020.

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

	1% Decrease <u>(1.21%)</u>	Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 51,806,436</u>	<u>42,973,221</u>	<u>36,066,498</u>

NOTE 5: Post-Retirement Benefits (Continued)

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 34,689,433</u>	<u>42,973,221</u>	<u>52,837,371</u>

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

For the year ended June 30, 2020, the Board of Education recognized OPEB expense of \$2,605,408 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Fair Haven Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 6,524,454	5,811,752
Changes in Proportion	2,127,673	184,221
Changes of Assumptions or Other Inputs	<u>7,309,603</u>	<u>4,903,488</u>
Total	<u>\$ 15,961,730</u>	<u>10,899,461</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:	
2022	\$ 595,561
2023	595,561
2024	595,561
2025	595,561
2026	595,561
Thereafter	<u>2,084,464</u>
	<u>\$ 5,062,269</u>

NOTE 6: Contingent Liabilities

It is the opinion of the school board officials that there is no litigation threatened or pending that would materially affect the financial position of the school district.

NOTE 7: Equity Balance

At June 30, 2021, the General Fund equity balance was as follows:

Restricted Fund Balance:	
Designated for Subsequent Year's Expenditures –	
Maintenance Reserve	\$ 250,000
Unemployment	71,456
Maintenance Reserve	669,837
Emergency Reserve	2,500
Excess Surplus – Designated for Subsequent Year's	
Expenditures	937,399
Capital Reserve	790,000
Excess Surplus	812,108
Committed Fund Balance:	
Year End Encumbrances	6,746
Unassigned Fund Balance	<u>878,217</u>
	<u>\$ 4,418,263</u>

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2021-2022 budget and expended therefrom.

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget.

4% Calculation of Excess Surplus

2020-21 Total General Fund Expenditures Per the ACFR	\$ 18,680,312
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>(3,122,770)</u>
Adjusted 2020-21 General Fund Expenditures	<u>\$ 15,557,542</u>
4% of Adjusted 2020-21 General Fund Expenditures	<u>\$ 622,302</u>
Enter Greater of Above or \$250,000	\$ 622,302
Increased by Allowable Adjustment	<u>255,915</u>
Maximum Unassigned Fund Balance	<u>\$ 878,217</u>

NOTE 7: Equity Balance (Continued)**Section 2**

Total General Fund – Fund Balance @ 6-30-21	\$ 4,418,263
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Decreased by:

Reserved for Encumbrances	(6,746)
Designated for Subsequent Years Expenditures – Maintenance Reserve	(250,000)
Designated for Subsequent Years Expenditures – Excess Surplus	(937,399)
Unemployment	(71,456)
Other Reserves	<u>(1,462,337)</u>

Total Unassigned Fund Balance	<u>\$ 1,690,325</u>
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Excess Surplus	<u>\$ 812,108</u>
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Designated for Subsequent Years Expenditures – Excess Surplus	\$ 937,399
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Reserved Fund Balance – Excess Surplus	<u>805,115</u>
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	<u>\$ 1,742,514</u>
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Section 3**Detail of Allowable Adjustment**

Extraordinary Aid	\$ 250,352
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Non-Public Transportation Aid	<u>5,563</u>
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	<u>\$ 255,915</u>
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Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 669,837
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Emergency Reserve	2,500
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Capital Reserve	<u>790,000</u>
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Total Other Restricted Fund Balance	<u>\$ 1,462,337</u>
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NOTE 8: 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.

NOTE 8: Risk Management (Continued)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ 0	25,457	27,690	73,110
2019-2020	0	15,097	23,196	65,011
2020-2021	0	7,331	886	71,456

NOTE 9: Capital Reserve Account

A Capital Reserve account was established by the Borough of Fair Haven Board of Education by inclusion of \$100 on September 1, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP) and updated annually 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 or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	<u>\$ 790,000</u>
Ending Balance, June 30, 2021	<u>\$ 790,000</u>

“A board of education may, by resolution of the board: transfer undesignated general fund balance or excess undesignated general fund balance to the capital reserve account at any time during the budget year; transfer funds from the capital reserve account to the appropriate line item account for the funding of capital projects as contained in the district’s long-range facilities plan; and transfer funds from the capital reserve account to the debt service account for the purpose of offsetting principal and interest payments for bonded projects which are included in the district’s long-range facilities plan.” (N.J.S.A. 18A:7G-31c).

NOTE 9: Capital Reserve Account (Continued)

Withdrawals may not be used for current expense. Only funds in a capital reserve account in existence prior to July 18, 2000 can be withdrawn before receiving approval of the district's LRFP and such withdrawals must be for the original purpose deposited. (N.J.A.C. 6:23A-5.1(f)1).

"Any capital reserve account in existence as of July 18, 2000 shall be subject to EFCFA and these regulations." (N.J.A.C. 6:23A-5.1(j)).

NOTE 10: Fair Values of Financial Instruments

The following methods and assumptions were used by the Fair Haven Board of Education in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

NOTE 11: Fund Balance Appropriated

General Fund – Of the \$4,418,263 General Fund fund balance at June 30, 2021, \$6,746 is reserve for encumbrances; \$669,837 is reserved for maintenance; \$2,500 is reserved for emergency reserve; \$937,399 is excess surplus designated for subsequent years expenditures in the 2021-2022 budget; \$790,000 has been reserved in the capital reserve account; \$812,108 is reserved excess surplus; \$250,000 is maintenance reserve designated for subsequent years expenditures; \$71,456 is unemployment; and \$878,217 is unreserved and undesignated.

NOTE 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.

NOTE 13: COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China and has since spread to other countries, including the United States, and to each state within the United States, including New Jersey, has been declared a Public Health Emergency of International Concern by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State has likewise declared a state of emergency. While the potential impact on the State cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the finances of the State and the Board of Education (collectively, the "Affected Entities").

The degree of any such impact to the Affected Entities' respective operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Affected Entities and their respective economies.

NOTE 14: Prior Period Adjustment/Restatement of Fund Balance and Net Position

Net position as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

Net Position as Previously Reported At June 30, 2020	\$ 6,733,503
Prior Period Adjustment – Implementation of GASB 84:	
Restricted Fund Balance – Unemployment	65,011
Restricted Fund Balance – Student Activities	58,680
Restricted Fund Balance – Scholarship	<u>65,323</u>
Total Prior Period Adjustment	<u>189,014</u>
Net Position as Restated, July 1, 2020	<u>\$ 6,922,517</u>

Fund Balance in the General Fund and the Special Revenue Fund as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Fund Balance as Previously Reported at June 30, 2020	\$ 4,078,951	
Prior Period Adjustments:		
Implementations of GASB 84:		
Restricted Fund Balance - Unemployment	65,011	
Restricted Fund Balance – Student Activities		58,680
Restricted Fund Balance – Scholarship		<u>65,323</u>
Total Prior Period Adjustment	<u>65,011</u>	<u>124,003</u>
Fund Balance as Restated, July 1, 2020	<u>\$ 4,143,962</u>	<u>124,003</u>

NOTE 15: Subsequent Events

Subsequent events have been evaluated through February 11, 2022, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES – C

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 14,554,526		14,554,526	14,554,526	-
Tuition From Individuals	50,000		50,000	56,227	6,227
Tuition From Other LEA's	75,000		75,000	85,493	10,493
Interest Earned on Investments	3		3	64,428	64,425
Other Restricted Miscellaneous Revenues				7,331	7,331
Miscellaneous	20,000		20,000	10,432	(9,568)
Total Local Sources	14,699,529	-	14,699,529	14,778,437	78,908
State Sources:					
Special Education Aid	565,200		565,200	503,709	(61,491)
Extraordinary Aid	175,000		175,000	456,465	281,465
Transportation Aid	44,525		44,525	44,525	-
Security Aid	72,677		72,677	72,677	-
Non-Public Transportation Aid				5,563	5,563
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	611,795	611,795
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	1,952,219	1,952,219
On-Behalf T.P.A.F Non-Contributory Insurance			-		-
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	1,372	1,372
TPAF Social Security (Reimbursed - Non-Budgeted)			-	557,384	557,384
Total State Sources	857,402	-	857,402	4,205,709	3,348,307
Total Revenues	15,556,931	-	15,556,931	18,984,146	3,427,215

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
<u>Expenditures:</u>					
Current Expense:					
Regular Programs - Instruction:					
Pre-School/Kindergarten - Salaries of Teachers	333,687	59,810	393,497	393,497	-
Grades 1-5 - Salaries of Teachers	2,686,581	(42,155)	2,644,426	2,616,085	28,341
Grades 6-8 - Salaries of Teachers	1,600,969	14,514	1,615,483	1,612,518	2,965
Regular Programs - Undistributed Instruction:					
Other Salaries For Instruction	90,000	(71,376)	18,624	18,624	-
Purchased Professional Educational Services		254,545	254,545	259,333	(4,788)
General Supplies	148,042	30,254	178,296	148,317	29,979
Textbooks	166,435	(33,437)	132,998	128,015	4,983
Other Objects	6,000		6,000	488	5,512
Regular Programs - Home Instruction:					
Salaries of Teachers	7,000	13,356	20,356	20,356	-
Total Regular Programs - Instruction	<u>5,038,714</u>	<u>225,511</u>	<u>5,264,225</u>	<u>5,197,233</u>	<u>66,992</u>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	82,154	70,419	152,573	152,573	-
Other Salaries for Instruction	148,914	(44,508)	104,406	103,903	503
General Supplies	1,000		1,000		1,000
Total Learning and/or Language Disabilities	<u>232,068</u>	<u>25,911</u>	<u>257,979</u>	<u>256,476</u>	<u>1,503</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,490,311	39,178	1,529,489	1,407,853	121,636
General Supplies	1,750		1,750	1,741	9
Total Resource Room/Resource Center	<u>1,492,061</u>	<u>39,178</u>	<u>1,531,239</u>	<u>1,409,594</u>	<u>121,645</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Autism:					
Salaries of Teachers	144,845	(3,000)	141,845	136,976	4,869
Other Salaries for Instruction	322,040	(15,315)	306,725	283,208	23,517
General Supplies	1,250		1,250	811	439
Total Autism	<u>468,135</u>	<u>(18,315)</u>	<u>449,820</u>	<u>420,995</u>	<u>28,825</u>
Pre-School Disabilities - Part Time					
Salaries of Teachers	157,132	(28,022)	129,110	125,816	3,294
Other Salaries for Instruction	52,729	(24,492)	28,237	28,062	175
Total Pre-School Handicapped	<u>209,861</u>	<u>(52,514)</u>	<u>157,347</u>	<u>153,878</u>	<u>3,469</u>
Total Special Education - Instruction	<u>2,402,125</u>	<u>(5,740)</u>	<u>2,396,385</u>	<u>2,240,943</u>	<u>155,442</u>
Bilingual Education					
Salaries of Teachers	2,000	(2,000)	-	-	-
Total Basic Skills/Remedial - Instruction	<u>2,000</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	51,000	(25,630)	25,370	17,390	7,980
Supplies and Materials	1,000		1,000		1,000
Other Objects	750		750		750
Total School Sponsored Co-Curricular	<u>52,750</u>	<u>(25,630)</u>	<u>27,120</u>	<u>17,390</u>	<u>9,730</u>
School Sponsored Athletics - Instruction:					
Salaries	23,000	26,455	49,455	30,963	18,492
Supplies and Materials	2,000	(6,705)	(4,705)	-	(4,705)
Other Objects	1,500		1,500	158	1,342
Total School Sponsored Athletics - Instruction	<u>26,500</u>	<u>19,750</u>	<u>46,250</u>	<u>31,121</u>	<u>15,129</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Total Instruction	7,522,089	211,891	7,733,980	7,486,687	247,293
Undistributed Expenditures-Instruction:					
Tuition to Private Schools for Handicapped - Within State	151,129		151,129	12,345	138,784
Total Undistributed Expenditures-Instruction	151,129	-	151,129	12,345	138,784
Undistributed Expenditures - Health:					
Salaries	147,943	4,538	152,481	151,451	1,030
Purchased Professional and Technical Services	11,200	4,017	15,217	14,467	750
Supplies and Materials	8,000	1,136	9,136	8,361	775
Total Undistributed Expenditures - Health:	167,143	9,691	176,834	174,279	2,555
Undistributed Expenditures - Other Support Services					
Students - Related Services:					
Salaries of Teachers	348,388	(14,650)	333,738	304,819	28,919
Purchased Professional Educational Services	74,000	(1,647)	72,353	71,538	815
Supplies and Materials	1,000		1,000	741	259
Total Undistributed Expenditures - Other Support Services			-		
Students - Related Services	423,388	(16,297)	407,091	377,098	29,993
Undistributed Expenditures - Other Support Services					
Students - Extra Services:					
Salaries	153,904	(8,213)	145,691	142,880	2,811

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Undistributed Expenditures-Other Supp. Serv.					
Students - Regular					
Salaries of Other Professional Staff	201,445		201,445	147,321	54,124
Supplies and Materials	1,000		1,000		1,000
Total Undistributed Expenditures-Other Supp. Serv. - Reg.	<u>202,445</u>	<u>-</u>	<u>202,445</u>	<u>147,321</u>	<u>55,124</u>
Undistributed Expenditures-Other Sup. Serv.					
Students-Spec. Serv.:					
Salaries of Other Professional Staff	303,611	(17,473)	286,138	274,076	12,062
Salaries of Secretarial and Clerical Assts.	45,431	770	46,201	46,201	-
Other Purchased Professional and Technical Services	98,500		98,500	96,176	2,324
Other Purchased Services	8,750	(3,725)	5,025	1,301	3,724
Supplies and Materials	4,500		4,500	3,348	1,152
Other Objects	1,100		1,100		1,100
Total Undistributed Expenditures-Other Sup. Serv.	<u>461,892</u>	<u>(20,428)</u>	<u>441,464</u>	<u>421,102</u>	<u>20,362</u>
Undistributed Expenditures-Impvt of Inst. Serv.					
Salaries of Supervisors of Instruction	119,612		119,612	119,612	-
Salaries of Other Professional Staff	142,260		142,260	137,426	4,834
Purchased Professional Educational Services	6,000		6,000	1,596	4,404
Other Purchased Professional and Technical Services	5,000		5,000	4,430	570
Other Purchased Services	2,000		2,000	432	1,568
Supplies and Materials	3,477		3,477	2,914	563
Other Objects	1,400		1,400	1,279	121
Total Undistributed Expenditures-Impvt. of Inst. Serv	<u>279,749</u>	<u>-</u>	<u>279,749</u>	<u>267,689</u>	<u>12,060</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries	118,278	305	118,583	88,515	30,068
Salaries of Technology Coordinators	242,664	1	242,665	242,665	-
Purchased Professional and Technical Services	69,000	1,514	70,514	70,484	30
Supplies and Materials	15,000	(1,428)	13,572	10,425	3,147
Total Undistributed Expenditures - Edu. Media Serv./ School Library	444,942	392	445,334	412,089	33,245
Undistributed Expenditures - Instr. Staff Training Serv:					
Purchased Professional-Educational Services	20,000		20,000		20,000
Other Purchased Services	24,000		24,000	1,273	22,727
Total Undistributed Expenditures - Instructional Staff Training Serv.	44,000	-	44,000	1,273	42,727
Undistributed Expenditures - Supp. Serv. - General Administration:					
Salaries	272,294	8,918	281,212	281,212	-
Legal Services	43,500		43,500	42,702	798
Audit Fees	11,000	(145)	10,855	10,000	855
Communications/Telephone	48,500	7,716	56,216	53,607	2,609
Other Purchased Services (400-500 Series)	71,340		71,340	68,959	2,381
Supplies and Materials	4,000		4,000	1,075	2,925
BOE Supplies	800		800		800
BOE Dues and Fees	11,000	2,379	13,379	10,447	2,932
Miscellaneous Expenditures	18,550	(7,550)	11,000	9,748	1,252
Total Undistributed Expenditures - Supp. Serv. General Administration	480,984	11,318	492,302	477,750	14,552

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Undistributed Expenditures-Support Serv.-School Admin.					
Salaries of Principals/Assistant Principals	269,086		269,086	268,022	1,064
Salaries of Secretarial/Clerical Assistants	149,230		149,230	147,548	1,682
Other Purchased Services	3,100		3,100	751	2,349
Supplies and Materials	8,045		8,045	5,068	2,977
Other Objects	2,440		2,440	1,849	591
Total Undistributed Expend.-Supp. Serv.-School Admin.	<u>431,901</u>	<u>-</u>	<u>431,901</u>	<u>423,238</u>	<u>8,663</u>
Undistributed Expenditures-Allow. Maint. School Facilities:					
Salaries	85,817		85,817	85,817	-
Cleaning, Repair and Maintenance Services	<u>470,000</u>	<u>32,410</u>	<u>502,410</u>	<u>333,073</u>	<u>169,337</u>
Total Undistributed Expenditures-Allow. Maint. School Fac.	<u>555,817</u>	<u>32,410</u>	<u>588,227</u>	<u>418,890</u>	<u>169,337</u>
Undistributed Expenditures - Other Oper. & Maint. of Plant:					
Salaries	463,081	2,419	465,500	461,189	4,311
Salaries of Aides	38,467	(2,419)	36,048		36,048
Cleaning, Repair and Maintenance Services	216,000	(77,263)	138,737	131,856	6,881
Purchased Professional And Technical Services	56,987	2,550	59,537	51,820	7,717
Other Purchased Property Services	99,000		99,000	96,727	2,273
Insurance	41,000	(4,880)	36,120	34,840	1,280
Misc. Purchased Services	6,050	3,923	9,973	5,321	4,652
General Supplies	78,700	991	79,691	77,479	2,212
Energy - Electricity	170,000		170,000	124,858	45,142
Energy - Natural Gas	79,000		79,000	53,485	25,515
Other Objects	3,000		3,000	1,359	1,641
Total Undistributed Expend. - Other Oper. & Main. of Plant	<u>1,251,285</u>	<u>(74,679)</u>	<u>1,176,606</u>	<u>1,038,934</u>	<u>137,672</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Security:					
Salaries	41,000		41,000	36,119	4,881
Purchased Professional and Technical Services	1,500		1,500		1,500
Total Security	<u>42,500</u>	<u>-</u>	<u>42,500</u>	<u>36,119</u>	<u>6,381</u>
 Total Undistributed Expenditures - Operation & Maint. Of Plant Serv.	<u>1,849,602</u>	<u>(42,269)</u>	<u>1,807,333</u>	<u>1,493,943</u>	<u>313,390</u>
 Undistributed Expenditures - Student Transportation Serv:					
Contr. Serv. (Other Than Between Home & School)-Vendors	7,500		7,500	1,580	5,920
Contr. Serv. (Between Home & School)-Joint Agreement	45,000		45,000	26,410	18,590
Contr. Serv. (Special Education Students)-Joint Agreements	27,892	228	28,120	6,000	22,120
Contr. Services Aid in Lieu - Non-Public	12,000		12,000	5,500	6,500
Total Undistributed Expenditures - Student Transportation Serv.	<u>92,392</u>	<u>228</u>	<u>92,620</u>	<u>39,490</u>	<u>53,130</u>
 Undistributed Expenditures - Central Services					
Support Services:					
Salaries	274,172	5,880	280,052	276,881	3,171
Purchased Professional Services	26,000	1,843	27,843	27,843	-
Other Purchased Services	3,750	(1,842)	1,908	270	1,638
Supplies and Materials	5,100		5,100	3,762	1,338
Miscellaneous Expenditures	1,250		1,250	1,215	35
Total Undistributed Expenditures - Business and Other Support Services	<u>310,272</u>	<u>5,881</u>	<u>316,153</u>	<u>309,971</u>	<u>6,182</u>
 Regular Programs-Instruction - Employee Benefits					
Health Benefits	2,415,970	(100,427)	2,315,543	2,315,543	-
Tuition Reimbursement	20,000		20,000	-	20,000
Other Employee Benefits	5,000		5,000	-	5,000
Total Regular Programs - Instruction - Employee Benefits	<u>2,440,970</u>	<u>(100,427)</u>	<u>2,340,543</u>	<u>2,315,543</u>	<u>25,000</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Support Services-Gen'l Adm.-Employee Benefits					
Health Benefits	44,911	(6,918)	37,993	32,790	5,203
Total Support Services-Gen'l Adm.-Employee Benefits	<u>44,911</u>	<u>(6,918)</u>	<u>37,993</u>	<u>32,790</u>	<u>5,203</u>
Unallocated Benefits:					
Social Security Contributions	230,500		230,500	193,344	37,156
Other Retirement Contributions - PERS	253,625		253,625	232,088	21,537
Unemployment Compensation	18,350		18,350	5,937	12,413
Workmen's Compensation	125,250		125,250	113,756	11,494
Unused Sick Pay to Terminated/Retired Staff	55,000		55,000		55,000
Health Benefits	366,949	(1,572)	365,377	409,170	(43,793)
Total Unallocated Benefits	<u>1,049,674</u>	<u>(1,572)</u>	<u>1,048,102</u>	<u>954,295</u>	<u>93,807</u>
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	611,795	(611,795)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	1,952,219	(1,952,219)
On-Behalf T.P.A.F Non-Contributory Insurance			-		-
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	1,372	(1,372)
Reimbursed TPAF Social Security Contributions Non-Budgeted	-	-	-	557,384	(557,384)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,122,770</u>	<u>(3,122,770)</u>
Total Undistributed Expenditures	<u>9,029,298</u>	<u>(168,614)</u>	<u>8,860,684</u>	<u>11,125,866</u>	<u>(2,265,182)</u>
Total Current Expense	<u>16,551,387</u>	<u>43,277</u>	<u>16,594,664</u>	<u>18,612,553</u>	<u>(2,017,889)</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 11

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Other Purchased Professional And Technical Services			-		-
Construction Services		51,000	51,000	51,000	-
Supplies and Materials			-		-
Assessment for Debt Service on SDA Funding	16,759		16,759	16,759	-
Total Capital Outlay	<u>16,759</u>	<u>51,000</u>	<u>67,759</u>	<u>67,759</u>	<u>-</u>
Total Expenditures	<u>16,568,146</u>	<u>94,277</u>	<u>16,662,423</u>	<u>18,680,312</u>	<u>(2,017,889)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,011,215)</u>	<u>(94,277)</u>	<u>(1,105,492)</u>	<u>303,834</u>	<u>1,409,326</u>
Other Financing Sources (Uses):					
Prior Year Adjustment				(29,533)	(29,533)
Total Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>(1,011,215)</u>	<u>(94,277)</u>	<u>(1,105,492)</u>	<u>274,301</u>	<u>1,379,793</u>
Fund Balance, July 1	4,078,951		4,078,951	4,078,951	
Prior Period Adjustment				65,011	65,011
Fund Balances, July 1, Restated	<u>4,078,951</u>	<u>-</u>	<u>4,078,951</u>	<u>4,143,962</u>	<u>65,011</u>
Fund Balance, June 30	<u>\$ 3,067,736</u>	<u>(94,277)</u>	<u>2,973,459</u>	<u>4,418,263</u>	<u>1,444,804</u>

FAIR HAVEN SCHOOL DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL 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>
Restricted Fund Balance:					
Capital Reserve				\$ 790,000	
Maintenance Reserve				669,837	
Emergency Reserve				2,500	
Excess Surplus - Designated for Subsequent Years Expenditures				937,399	
Excess Surplus Designated for Subsequent Years Expenditures - Maintenance Reserve				812,108	
Designated for Subsequent Years Expenditures - Maintenance Reserve				250,000	
Unemployment Compensation				71,456	
Assigned Fund Balance:					
Year End Encumbrances				6,746	
Unassigned Fund Balance				<u>878,217</u>	
				4,418,263	
Reconciliation to Governmental Fund Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				<u>(60,415)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 4,357,848</u>	

FAIR HAVEN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-2
Sheet 1 of 2

SPECIAL REVENUE FUND

JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ -		-	9,563	(9,563)
State Sources	9,064	741	9,805	9,764	41
Federal Sources:					
Title I, Part A	19,316	6,281	25,597	24,987	610
Title IIA, Part A	10,270	9,564	19,834	13,483	6,351
Title IV, Part A	9,614	1,630	11,244	11,126	118
IDEA Part B, Basic	176,780	205,199	381,979	153,293	228,686
IDEA Part B, Preschool		19,689	19,689	12,080	7,609
Educational Stabilization Fund (CARES Act)		19,151	19,151	19,151	-
Coronavirus Relief Fund		36,538	36,538	26,358	10,180
Total Federal Sources	215,980	298,052	514,032	260,478	253,554
Total Revenues	225,044	298,793	523,837	279,805	244,032
Expenditures:					
Instruction:					
Salaries of Teachers	19,316	110,612	129,928	108,879	21,049
Purchased Professional Educational Services		8,006	8,006	8,006	-
Tuition	46,884	178,061	224,945	63,955	160,990
General Supplies	88,574	(22,232)	66,342	29,848	36,494
Total Instruction	154,774	274,447	429,221	210,688	218,533

FAIR HAVEN SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

Exhibit C-2
 Sheet 2 of 2

SPECIAL REVENUE FUND

JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services:					
Personal Services - Salaries		4,798	4,798	140	4,658
Salaries of Other Professional Staff	60,000	(60,000)	-	-	-
Purchased Technical Services	3,300	33,586	36,886	10,116	26,770
General Supplies	6,970	53,025	59,995	49,298	10,697
Scholarships Awarded			-	647	(647)
Student Activities			-	10,443	(10,443)
Total Support Services	<u>70,270</u>	<u>31,409</u>	<u>101,679</u>	<u>70,644</u>	<u>31,035</u>
 Total Expenditures	<u>225,044</u>	<u>305,856</u>	<u>530,900</u>	<u>281,332</u>	<u>249,568</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(7,063)</u>	<u>(7,063)</u>	<u>(1,527)</u>	<u>(5,536)</u>
 Fund Balance, July 1				124,003	
Prior Period Adjustment				124,003	
 Fund Balance, July 1 (Restated)				<u>124,003</u>	
 Fund Balance, June 30				<u>\$ 122,476</u>	
 Recapitulation:					
Restricted:					
Scholarships				\$ 64,692	
Student Activities				57,784	
 Total Fund Balance				<u>\$ 122,476</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FAIR HAVEN SCHOOL DISTRICT**REQUIRED SUPPLEMENTARY INFORMATION****BUDGET TO GAAP RECONCILIATION****NOTE TO RSI****JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 18,984,146	279,805
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	57,551	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(60,415)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 18,981,282</u>	<u>279,805</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 18,680,312	281,332
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 18,680,312</u>	<u>281,332</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

Exhibit L-1

NET PENSION LIABILITY - PERS

LAST EIGHT FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$3,432,744	4,219,417	4,239,091	4,902,773	5,373,075	3,878,997	3,340,104	3,625,643
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	-	-	-	-	-	-	-	-
Total	<u>\$3,432,744</u>	<u>4,219,417</u>	<u>4,239,091</u>	<u>4,902,773</u>	<u>5,373,075</u>	<u>3,878,997</u>	<u>3,340,104</u>	<u>3,625,643</u>
District's Covered-Employee Payroll	\$1,613,913	1,458,144	1,618,181	1,488,718	1,397,135	1,287,294	1,170,827	1,181,671
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	47.02%	34.56%	38.17%	30.36%	26.00%	33.19%	35.05%	32.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST EIGHT FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 238,875	223,200	237,741	166,467	149,567	150,251	143,985	141,335
Contributions in Relation to the Contractually Required Contribution	238,875	223,200	237,741	166,467	149,567	150,251	143,985	141,335
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$1,613,913	1,458,144	1,618,181	1,488,718	1,397,135	1,287,294	1,170,827	1,181,671
Contributions as a Percentage of Covered-Employee Payroll	14.80%	15.31%	14.69%	11.18%	10.71%	11.67%	12.30%	11.96%

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

Exhibit L-3

NET PENSION LIABILITY - TPAF

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>43,939,582</u>	<u>40,102,293</u>	<u>39,884,692</u>	<u>39,244,435</u>	<u>45,292,859</u>	<u>39,153,716</u>	<u>33,414,670</u>	<u>30,694,361</u>
Total	<u>\$ 43,939,582</u>	<u>40,102,293</u>	<u>39,884,692</u>	<u>39,244,435</u>	<u>45,292,859</u>	<u>39,153,716</u>	<u>33,414,670</u>	<u>30,694,361</u>
District's Covered-Employee Payroll	\$ 7,516,767	7,126,462	7,050,579	6,642,382	6,175,104	5,749,823	5,858,947	6,049,277
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	17.11%	17.77%	17.68%	16.93%	13.63%	14.69%	17.53%	19.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

L-4

This schedule is not applicable.

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

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

FAIR HAVEN SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Public Employee's 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, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None

Changes in Assumption – The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020, in accordance with Paragraph 44 of GASB Statement No. 67.

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

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Exhibit M-1

LAST FIVE FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>State's OPEB Liability Attributable to the District</u>					
Service Cost	\$ 1,340,078	1,251,895	1,336,105	1,610,946	*
Interest	944,384	1,152,418	1,170,283	1,005,512	*
Benefit Payments	(748,128)	(798,181)	(773,041)	(734,778)	*
Member Contributions	22,676	23,660	26,718	27,056	*
Difference between Expected and Actual Experience	7,562,564	(4,925,492)	(1,255,820)		*
Change of Assumptions	7,849,731	387,691	(3,317,559)	(4,207,056)	*
Net Change in Total OPEB Liability	<u>16,971,305</u>	<u>(2,908,009)</u>	<u>(2,813,314)</u>	<u>(2,298,320)</u>	*
Total Attributable OPEB Liability - Beginning	<u>26,001,916</u>	<u>28,909,925</u>	<u>31,723,239</u>	<u>34,021,559</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 42,973,221</u>	<u>26,001,916</u>	<u>28,909,925</u>	<u>31,723,239</u>	<u>34,021,559</u>
District's Covered Payroll	\$ 9,130,680	8,584,606	8,668,760	8,131,100	7,532,239
District's Contribution	None	None	None	None	None
State's Proportionate Share of OPEB Liability as a Percentage of the Districts Covered-Employee Payroll	470.65%	302.89%	333.50%	390.15%	451.68%

* - Information not available

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

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

FAIR HAVEN SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit M-2

Change of Benefit Terms

None

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

FAIR HAVEN SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit E-1

	Title I	Title IIA	Title IV	I.D.E.A. Part B Basic	I.D.E.A. Preschool	CARES	CRF	Non-Public Textbooks	Non-Public Security	Non-Public Nursing	Scholarship Fund	Student Activities	Totals June 30, 2021
Revenues:													
State Sources	\$ -							1,758	5,075	2,931			9,764
Local Sources											16	9,547	9,563
Federal Sources	24,987	13,483	11,126	153,293	12,080	19,151	26,358						260,478
Total Revenue	<u>24,987</u>	<u>13,483</u>	<u>11,126</u>	<u>153,293</u>	<u>12,080</u>	<u>19,151</u>	<u>26,358</u>	<u>1,758</u>	<u>5,075</u>	<u>2,931</u>	<u>16</u>	<u>9,547</u>	<u>279,805</u>
Expenditures:													
Instruction:													
Salaries of Teachers	22,464		7,872	76,647		1,896							108,879
Purchased Professional Educational Services									5,075	2,931			8,006
Tuition				63,955									63,955
General Supplies	2,523		3,254	8,971	12,080		1,262	1,758					29,848
Total Instruction	<u>24,987</u>	<u>-</u>	<u>11,126</u>	<u>149,573</u>	<u>12,080</u>	<u>1,896</u>	<u>1,262</u>	<u>1,758</u>	<u>5,075</u>	<u>2,931</u>	<u>-</u>	<u>-</u>	<u>210,688</u>
Support Services:													
Personal Services - Salaries		140											140
Purchased Professional Technical Services		6,396		3,720									10,116
General Supplies		6,947				17,255	25,096						49,298
Scholarships Awarded											647		647
Student Activities												10,443	10,443
Total Support Services	<u>-</u>	<u>13,483</u>	<u>-</u>	<u>3,720</u>	<u>-</u>	<u>17,255</u>	<u>25,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>647</u>	<u>10,443</u>	<u>70,644</u>
Total Expenditures	<u>24,987</u>	<u>13,483</u>	<u>11,126</u>	<u>153,293</u>	<u>12,080</u>	<u>19,151</u>	<u>26,358</u>	<u>1,758</u>	<u>5,075</u>	<u>2,931</u>	<u>647</u>	<u>10,443</u>	<u>281,332</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(631)</u>	<u>(896)</u>	<u>(1,527)</u>
Fund Balance, July 1													
Prior Period Adjustment											65,323	58,680	124,003
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,323</u>	<u>58,680</u>	<u>124,003</u>
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,692</u>	<u>57,784</u>	<u>122,476</u>

*Represents scholarship fund net position as of June 30, 2020 per Exhibit H-2

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

CAPITAL PROJECTS FUND – F

FAIR HAVEN SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGESIN FUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2021

<u>Revenues and Other Financing Sources</u>	
Interest Earned on Bond Proceeds	\$ 150,552
Total Revenues	<u>150,552</u>
<u>Expenditures and Other Financing Uses</u>	
Other Purchased Professional and Technical Services	275,277
Construction Services	<u>9,071,547</u>
Total Expenditures	<u>9,346,824</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(9,196,272)
Other Financing Sources\ (Uses):	
Cancel Accounts Payable - Prior Year	<u>35,518</u>
Total Other Financing (Uses)	<u>35,518</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(9,160,754)
Fund Balance - Beginning	<u>15,279,102</u>
Fund Balance - Ending	<u>\$ 6,118,348</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit F-2a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECTBALANCE, AND PROJECT STATUS - BUDGETARY BASISVIOLA SICKLES SCHOOL DISTRICT WIDE TELEPHONE SYSTEMFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 13,442		13,442	13,442
Transfer From Capital Outlay	20,164		20,164	20,164
Total Revenues	<u>33,606</u>	<u>-</u>	<u>33,606</u>	<u>33,606</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	17,448		17,448	17,448
Total Expenditures	<u>17,448</u>	<u>-</u>	<u>17,448</u>	<u>17,448</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 16,158</u>	<u>-</u>	<u>16,158</u>	<u>16,158</u>
<u>Additional Project Information</u>				
Project Number	1440-060-14-1005			
Grant Date	6/11/2015			
Original Authorized Cost	\$ 33,606			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 33,606			
Percentage Completion	100%			
Original Target Completion Date	6/30/2016			
Revised Target Completion Date	6/30/2016			

FAIR HAVEN SCHOOL DISTRICT

Exhibit F-2b

CAPITAL PROJECTS FUND**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT****BALANCE, AND PROJECT STATUS - BUDGETARY BASIS****KNOLLWOOD ELEMENTARY/MIDDLE SCHOOL PHONE SYSTEM REPLACEMENT****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 11,564		11,564	11,564
Transfer from Capital Outlay	44,741		44,741	44,741
Total Revenues	<u>56,305</u>	<u>-</u>	<u>56,305</u>	<u>56,305</u>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	<u>28,468</u>		<u>28,468</u>	<u>74,568</u>
Total Expenditures	<u>28,468</u>	<u>-</u>	<u>28,468</u>	<u>74,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 27,837</u>	<u>-</u>	<u>27,837</u>	<u>(18,263)</u>

Additional Project Information

Project Number	1440-050-14-1004
Grant Date	6/11/2015
Original Authorized Cost	\$ 74,568
Additional Authorized Cost	-
Revised Authorized Cost	\$ 74,568
Percentage Completion	100%
Original Target Completion Date	6/30/2016
Revised Target Completion Date	6/30/2016

FAIR HAVEN SCHOOL DISTRICT

Exhibit F-2c

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECTBALANCE, AND PROJECT STATUS - BUDGETARY BASISKNOLLWOOD ELEMENTARY SCHOOL - PARTIAL ROOF REPLACEMENTFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - ROD Grant	\$ 513,088		513,088	513,088
Transfer from Capital Reserve	553,807		553,807	553,807
Additional Transfer from Capital Reserve	47,500		47,500	47,500
Transfer from Capital Outlay	168,326		168,326	168,326
Total Revenues	<u>1,282,721</u>		<u>1,282,721</u>	<u>1,282,721</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	814,191		814,191	1,282,721
Total Expenditures	<u>814,191</u>	<u>-</u>	<u>814,191</u>	<u>1,282,721</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 468,530</u>	<u>-</u>	<u>468,530</u>	<u>-</u>

Additional Project Information

Project Number	1440-050-14-1003-G04
Grant Date	1/6/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 1,282,721
Additional Authorized Cost	-
Revised Authorized Cost	\$ 1,282,721
Percentage Completion	100%
Original Target Completion Date	9/1/2016
Revised Target Completion Date	9/1/2017

FAIR HAVEN SCHOOL DISTRICT

Exhibit F-2d

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECTBALANCE, AND PROJECT STATUS - BUDGETARY BASISVIOLA SICKLES SCHOOL AND KNOLLWOOD MIDDLE SCHOOL - ADDITIONS AND ALTERATIONSFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
Bond Proceeds	\$ 15,647,000		15,647,000	15,647,000
Total Revenues	<u>15,647,000</u>	<u>-</u>	<u>15,647,000</u>	<u>15,647,000</u>
<u>Expenditures and Other Financing Uses</u>				
Other Purchased Professional and Technical Services	788,881	275,277	1,064,158	1,326,832
Construction Services	143,991	9,071,547	9,215,538	14,320,168
Total Expenditures	<u>932,872</u>	<u>9,346,824</u>	<u>10,279,696</u>	<u>15,647,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 14,714,128</u>	<u>(9,346,824)</u>	<u>5,367,304</u>	<u>-</u>

Additional Project Information

Project Number	19K069
Grant Date	N/A
Bond Authorization Date	9/24/2019
Bonds Authorized	10/30/2019
Bonds Issued	\$ 15,647,000
Original Authorized Cost	\$ 15,647,000
Additional Authorized Cost	-
Revised Authorized Cost	\$ 15,647,000
Percentage Completion	9.3%
Original Target Completion Date	8/23/2021
Revised Target Completion Date	8/23/2021

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

N/A

LONG-TERM DEBT – I

FAIR HAVEN SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Date</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Beginning Balance July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance June 30, 2021</u>
2013 Refunding Bonds	1/23/2013	\$ 6,075,000	6/1/2022	380,000	4.00%	\$ 4,105,000		375,000	3,730,000
			6/1/2023	425,000	3.00%				
			6/1/2024	430,000					
			6/1/2025	430,000					
			6/1/2026	425,000	2.25%				
			6/1/2027	420,000	2.40%				
			6/1/2028	415,000	2.50%				
			6/1/2029	405,000	3.00%				
			6/1/2030	400,000					
2019 Bonds	12/19/2019	\$ 15,647,000	8/15/2021	\$ 557,000	2.00%	15,647,000			15,647,000
			8/15/2022	550,000					
			8/15/2023	550,000					
			8/15/2024	550,000					
			8/15/2025	550,000	2.50%				
			8/15/2026	550,000					
			8/15/2027	575,000					
			8/15/2028	615,000					
			8/15/2029	650,000					
			8/15/2030	1,100,000					
			8/15/2031	1,100,000					
			8/15/2032	1,100,000					
			8/15/2033	1,100,000					
			8/15/2034	1,100,000					
			8/15/2035	1,000,000					
			8/15/2036	1,000,000					
			8/15/2037	1,000,000					
			8/15/2038	1,000,000	2.625%				
			8/15/2039	1,000,000					
						<u>\$ 19,752,000</u>	<u>-</u>	<u>375,000</u>	<u>19,377,000</u>

FAIR HAVEN SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 864,517		864,517	864,517	-
Debt Service Type II Aid	75,562		75,562	75,562	
Total Revenues	<u>940,079</u>	<u>-</u>	<u>940,079</u>	<u>940,079</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	565,079		565,079	565,079	-
Redemption of Principal	375,000		375,000	375,000	-
Total Expenditures	<u>940,079</u>	<u>-</u>	<u>940,079</u>	<u>940,079</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance July 1					
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

FAIR HAVEN SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

J-1

(Accrual Basis of Accounting)

	<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>
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 3,011,020	3,569,293	3,420,937	4,058,352	5,569,663	6,006,617	6,096,892	6,232,112	(8,858,529)	37,005,455
Restricted	2,093,897	2,062,088	1,894,869	2,819,790	3,713,535	2,543,999	2,969,825	3,465,465	18,769,589	9,780,870
Unrestricted	(53,437)	(14,167)	435,308	(3,329,083)	(3,364,611)	(3,295,245)	(3,624,804)	(3,791,532)	(3,129,836)	(23,320,532)
Total Governmental Activities Net Position	<u>\$ 5,051,480</u>	<u>5,617,214</u>	<u>5,751,114</u>	<u>3,549,059</u>	<u>5,918,587</u>	<u>5,255,371</u>	<u>5,441,913</u>	<u>5,906,045</u>	<u>6,781,224</u>	<u>23,465,793</u>
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt					60,905	53,661	46,428	39,190	36,485	29,098
Unrestricted	\$ 21,977	26,740	34,217	12,416	6,756	3,605	3,586	11,132	11,236	11,077
Total Business-Type Activities Net Position	<u>\$ 21,977</u>	<u>26,740</u>	<u>34,217</u>	<u>12,416</u>	<u>67,661</u>	<u>57,266</u>	<u>50,014</u>	<u>50,322</u>	<u>47,721</u>	<u>40,175</u>
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$ 3,011,020	3,569,293	3,420,937	4,058,352	5,630,568	6,060,278	6,143,320	6,271,302	(8,858,529)	37,034,553
Restricted	2,093,897	2,062,088	1,894,869	2,819,790	3,713,535	2,543,999	2,969,825	3,465,465	18,769,589	9,780,870
Unrestricted	(31,460)	12,573	469,525	(3,316,667)	(3,357,855)	(3,291,640)	(3,621,218)	(3,780,400)	(3,129,836)	(23,309,455)
Total District Net Position	<u>\$ 5,073,457</u>	<u>5,643,954</u>	<u>5,785,331</u>	<u>3,561,475</u>	<u>5,986,248</u>	<u>5,312,637</u>	<u>5,491,927</u>	<u>5,956,367</u>	<u>6,781,224</u>	<u>23,505,968</u>

FAIR HAVEN SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<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>
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 3,953,383	3,892,719	3,969,823	4,190,656	4,297,528	4,583,325	4,527,809	4,686,565	4,770,293	
Special Education	1,428,028	1,613,189	1,513,991	1,534,886	1,657,194	2,009,995	2,278,361	2,189,494	2,223,939	
Other Instruction	45,959	51,205	50,609	64,371	42,247	76,622	81,831	93,382	75,770	
Support Services:										
Tuition	11,156	182,822	5,352	120,621	72,132	24,018	4,538	198,067	9,690	
Student and Instruction Related Services	1,551,831	1,743,557	1,923,581	1,885,016	1,995,918	2,176,964	1,972,124	1,900,409	2,080,229	
School Administration Services	339,085	342,612	392,114	378,429	382,845	419,478	419,782	404,353	407,959	
General Administration	676,347	702,229	701,658	663,781	748,245		686,735	761,640	752,536	
Capital Outlay									648,039	
Plant Operations and Maintenance	1,529,124	1,337,927	1,371,557	1,454,789	1,912,779	1,589,250	1,661,937	1,660,094	1,667,653	
Pupil Transportation	110,332	171,761	99,214	116,865	159,277	180,977	156,771	124,144	33,521	
Unallocated Employee Benefits	3,304,276	3,834,803	3,782,623	3,841,208	3,995,204	4,680,970	5,154,989	5,483,611	4,679,133	
Interest on Long-Term Debt	392,407	303,751	301,975	302,974	194,480	169,729	159,592	149,385	324,633	
Unallocated Depreciation	329,135	302,752	285,077	245,988	340,178	340,549	344,459	347,260	354,966	
Total Governmental Activities Expenses	<u>13,671,063</u>	<u>14,479,327</u>	<u>14,397,574</u>	<u>14,799,584</u>	<u>15,798,027</u>	<u>16,251,877</u>	<u>17,448,928</u>	<u>17,998,404</u>	<u>18,028,361</u>	<u>-</u>
Business-Type Activities:										
Food Service	55,045	41,660	24,598	42,337	29,635	25,439	19,497	17,889	14,420	
Total Business-Type Activities	<u>55,045</u>	<u>41,660</u>	<u>24,598</u>	<u>42,337</u>	<u>29,635</u>	<u>25,439</u>	<u>19,497</u>	<u>17,889</u>	<u>14,420</u>	<u>-</u>
Total District Expenses	<u>\$ 13,726,108</u>	<u>14,520,987</u>	<u>14,422,172</u>	<u>14,841,921</u>	<u>15,827,662</u>	<u>16,277,316</u>	<u>17,468,425</u>	<u>18,016,293</u>	<u>18,042,781</u>	<u>-</u>

FAIR HAVEN SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<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>
<u>Program Revenues</u>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 55,120	121,650	149,682	120,621		24,018	4,538	94,638	147,756	12,345
Operating Grants and Contributions	249,542	224,165	218,477	227,462	235,724	235,077	265,311	286,926	128,815	279,805
Total Governmental Activities Program Revenues	<u>304,662</u>	<u>345,815</u>	<u>368,159</u>	<u>348,083</u>	<u>235,724</u>	<u>259,095</u>	<u>269,849</u>	<u>381,564</u>	<u>276,571</u>	<u>292,150</u>
Business-Type Activities:										
Charges for Services:										
Food Service	53,946	41,774	28,581	17,022	12,350	12,429	10,032	10,034	5,690	-
Operating Grants and Contributions	6,985	4,646	3,491	3,511	4,740	2,614	2,202	1,835	2,202	34
Total Business-Type Activities Program Revenues	<u>60,931</u>	<u>46,420</u>	<u>32,072</u>	<u>20,533</u>	<u>17,090</u>	<u>15,043</u>	<u>12,234</u>	<u>11,869</u>	<u>7,892</u>	<u>34</u>
Total District Program Revenues	<u>\$ 365,593</u>	<u>392,235</u>	<u>400,231</u>	<u>368,616</u>	<u>252,814</u>	<u>274,138</u>	<u>282,083</u>	<u>393,433</u>	<u>284,463</u>	<u>292,184</u>
<u>Net (Expense) Revenue</u>										
Governmental Activities	\$ (13,366,401)	(14,133,512)	(14,397,574)	(14,451,501)	(15,562,303)	(17,490,248)	(17,179,079)	(17,616,840)	(17,751,790)	(20,628,177)
Business-Type Activities	<u>5,886</u>	<u>4,760</u>	<u>7,474</u>	<u>(21,804)</u>	<u>(12,545)</u>	<u>(10,396)</u>	<u>(7,263)</u>	<u>(6,020)</u>	<u>(6,528)</u>	<u>(7,553)</u>
Total District-Wide Net Expense	<u>\$ (13,360,515)</u>	<u>(14,128,752)</u>	<u>(14,390,100)</u>	<u>(14,473,305)</u>	<u>(15,574,848)</u>	<u>(17,500,644)</u>	<u>(17,186,342)</u>	<u>(17,622,860)</u>	<u>(17,758,318)</u>	<u>(20,635,730)</u>

FAIR HAVEN SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<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>
<u>General Revenues and Other Changes</u>										
<u>In Net Position</u>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 11,784,182	12,019,866	12,260,263	12,717,198	13,150,166	13,413,000	13,902,852	14,180,909	14,393,622	14,554,526
Taxes Levied for Debt Service	988,565	996,749	979,287	852,657	828,150	880,620	490,418	490,517	486,917	864,517
Unrestricted Grants and Contributions	1,277,966	1,741,204	1,561,634	1,740,748	2,563,087	2,331,261	2,877,386	3,383,071	3,468,498	4,268,844
Tuition Received				197,298	222,214	181,208	169,902			
Investment Earnings										
Miscellaneous Income	10,129	17,497	19,246	64,978	906	20,943	11,874	59,840	230,211	371,681
Adjustment	40,176	(7,674)					(88,168)	(33,365)		17,111,885
Total Government Activities	<u>14,101,018</u>	<u>14,767,642</u>	<u>14,820,430</u>	<u>15,572,879</u>	<u>16,764,523</u>	<u>16,827,032</u>	<u>17,364,264</u>	<u>18,080,972</u>	<u>18,579,248</u>	<u>37,171,453</u>
Business-Type Activities:										
Investment Earnings	7	3			1	1	11	6		3
Miscellaneous Income								6,322	3,927	4
Total Business-Type Activities	<u>7</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>11</u>	<u>6,328</u>	<u>3,927</u>	<u>7</u>
Total District-Wide	<u>\$ 14,101,025</u>	<u>14,767,645</u>	<u>14,820,430</u>	<u>15,572,879</u>	<u>16,764,524</u>	<u>16,827,033</u>	<u>17,364,275</u>	<u>18,087,300</u>	<u>18,583,175</u>	<u>37,171,460</u>
<u>Change in Net Position</u>										
Governmental Activities	\$ 734,617	634,130	386,224	(2,069,530)	2,369,528	(663,216)	185,174	464,132	827,458	16,543,276
Business-Type Activities	5,893	4,763	7,477	(21,801)	55,245	(10,395)	(7,252)	308	(2,601)	(7,546)
Total District	<u>\$ 740,510</u>	<u>638,893</u>	<u>393,701</u>	<u>(2,091,331)</u>	<u>2,424,773</u>	<u>(673,611)</u>	<u>177,922</u>	<u>464,440</u>	<u>824,857</u>	<u>16,535,730</u>

FAIR HAVEN SCHOOL DISTRICT

FUND BALANCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	<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>
General Fund:										
Restricted	\$ 1,718,673	1,642,270	1,792,699	2,859,046	2,414,345	2,007,875	2,461,963	2,918,257	3,490,487	3,540,046
Unrestricted	<u>(53,437)</u>	<u>(14,167)</u>	<u>435,308</u>	<u>223,005</u>	<u>410,821</u>	<u>801,166</u>	<u>604,811</u>	<u>721,743</u>	<u>530,913</u>	<u>817,802</u>
Total General Fund	<u>\$ 1,665,236</u>	<u>1,628,103</u>	<u>2,228,007</u>	<u>3,082,051</u>	<u>2,825,166</u>	<u>2,809,041</u>	<u>3,066,774</u>	<u>3,640,000</u>	<u>4,021,400</u>	<u>4,357,848</u>
All Other Governmental Funds:										
Restricted										
Unreserved, Reported In:										
Special Revenue Fund										122,476
Capital Projects Fund	361,197	361,197		64,905	1,299,189	536,123	517,860	512,525	15,191,135	5,879,829
Debt Service Fund	<u>14,027</u>	<u>58,621</u>	<u>102,170</u>	<u>51,920</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>87,967</u>	<u>238,519</u>
Total All Other Governmental Funds	<u>\$ 375,224</u>	<u>419,818</u>	<u>102,170</u>	<u>116,825</u>	<u>1,299,190</u>	<u>536,124</u>	<u>517,862</u>	<u>512,526</u>	<u>15,279,102</u>	<u>6,240,824</u>

FAIR HAVEN SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	<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>
Revenues										
Tax Levy	\$ 12,772,747	13,016,615	13,239,550	13,569,855	13,978,316	14,293,620	14,393,270	14,671,426	14,880,539	15,419,043
Tuition Charges	55,120	121,650	149,682	317,919	222,214	205,226	174,440	94,638	147,756	141,720
Interest Earnings										
Miscellaneous	10,129	17,497	19,246	64,978	2,039	20,943	11,863	138,668	230,211	242,306
State Sources	1,277,966	1,741,204	1,561,634	1,740,748	2,563,087	2,331,261	2,879,255	3,386,576	3,476,103	4,288,171
Federal Sources	249,542	224,028	218,477	227,462	234,591	235,077	263,442	204,593	121,210	260,478
Total Revenues	<u>14,365,504</u>	<u>15,120,994</u>	<u>15,188,589</u>	<u>15,920,962</u>	<u>17,000,247</u>	<u>17,086,127</u>	<u>17,722,270</u>	<u>18,495,901</u>	<u>18,855,819</u>	<u>20,351,718</u>
Expenditures										
Instruction:										
Regular Instruction	3,957,476	3,901,736	3,969,823	4,190,656	4,305,761	4,583,325	4,596,153	4,686,565	4,776,988	5,197,233
Special Education Instruction	1,428,028	1,613,189	1,513,991	1,534,886	1,657,194	2,009,995	2,278,361	2,189,494	2,223,939	2,451,631
Other Instruction	45,959	51,205	50,609	64,371	42,247	76,622	81,831	93,382	75,770	48,511
School Sponsored/Other Instructional Community Services										
Support Services:										
Tuition	11,156	182,822	5,352	120,621	72,132	24,018	4,538	198,067	9,690	12,345
Student and Instruction Related Services	1,551,831	1,743,557	1,880,665	1,885,016	1,995,918	2,176,964	1,972,124	1,900,409	2,080,229	2,014,375
General Administration	339,085	342,612	392,114	378,429	382,845	735,814	686,735	761,640	752,536	787,721
School Administrative Services	676,347	702,229	701,658	663,781	748,245	419,478	419,782	404,353	407,959	423,238
Central Services										
Plant Operations and Maintenance	1,529,124	1,337,927	1,371,557	1,454,789	1,762,674	1,589,250	1,661,937	1,707,826	1,667,653	1,493,943
Pupil Transportation	110,332	171,761	99,214	116,865	159,277	180,977	156,771	124,144	33,521	39,490
Other Support Services										
Employee Benefits	3,304,276	3,834,803	3,808,592	3,729,192	3,941,014	4,352,053	5,020,960	5,233,500	5,666,761	6,425,398
Capital Outlay	30,000	273,404	42,916	157,890	164,430	834,155	36,390	94,748	1,172,879	9,414,583
Debt Service:										
Principal	601,658	643,260	669,669	650,000	680,000	705,000	330,000	340,000	350,000	375,000
Interest and Other Charges	398,885	316,508	277,400	254,963	202,118	177,667	160,417	150,518	136,918	565,079
Education Jobs	22,766									
Total Expenditures	<u>14,006,923</u>	<u>15,115,013</u>	<u>14,783,560</u>	<u>15,201,459</u>	<u>16,113,855</u>	<u>17,865,318</u>	<u>17,405,999</u>	<u>17,884,646</u>	<u>19,354,843</u>	<u>29,248,547</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>358,581</u>	<u>5,981</u>	<u>405,029</u>	<u>719,503</u>	<u>886,392</u>	<u>(779,191)</u>	<u>316,271</u>	<u>611,255</u>	<u>(499,024)</u>	<u>(8,896,829)</u>

FAIR HAVEN SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	<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>
<u>Other Financing Sources (Uses)</u>									15,647,000	
Proceeds from Borrowing										
Accounts Payable Cancelled	835			153,297						
Adjustment for Accounts Receivable Adjustment	39,341	(7,674)	(404,791)					(14,154)		
Prior Year Adjustment				(4,101)	(4,181)		(15,168)	(19,211)		5,985
Transfer In							(73,000)			
Transfer Out							(88,168)	(33,365)		
Total Other Financing Sources (Uses)	<u>40,176</u>	<u>(7,674)</u>	<u>(404,791)</u>	<u>149,196</u>	<u>(4,181)</u>	<u>-</u>	<u>(88,168)</u>	<u>(33,365)</u>	<u>15,647,000</u>	<u>5,985</u>
Net Change in Fund Balances	<u>\$ 398,757</u>	<u>(1,693)</u>	<u>238</u>	<u>868,699</u>	<u>882,211</u>	<u>(779,191)</u>	<u>228,103</u>	<u>577,890</u>	<u>15,147,976</u>	<u>(8,890,844)</u>
Debt Service as a Percentage of Noncapital Expenditure	6.98%	6.39%	6.42%	6.40%	5.53%	5.18%	2.82%	2.82%	2.52%	3.21%

Source: District Records

FAIR HAVEN SCHOOL DISTRICT

J-5

GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

<u>Fiscal Year Ended June 30,</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2012	\$ -	10,129	10,129
2013		17,497	17,497
2014		19,246	19,246
2015		73	73
2016		2,039	2,039
2017		20,943	20,943
2018		11,863	11,863
2019		59,840	59,840
2020		230,211	230,211
2021		242,306	242,306

Source: District Records

FAIR HAVEN SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

J-6

LAST TEN YEARS
(UNAUDITED)

Calendar Year

<u>Dec. 31</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Ofarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>
2012	11,706,700	1,112,721,000	0	0	38,126,700	0	0
2013	10,626,900	1,115,672,200	0	0	39,727,500	0	0
2014*	10,626,900	1,115,672,200	0	0	37,727,500	0	0
2015	9,108,000	1,470,013,900	0	0	50,248,000	0	0
2016	11,427,100	1,510,231,800	0	0	51,014,900	0	0
2017	13,091,211	1,572,206,868	0	0	52,800,422	0	0
2018	15,418,300	1,651,642,500	0	0	53,548,500	0	0
2019	15,872,100	1,723,174,400	0	0	54,075,700	0	0
2020	13,755,800	1,762,650,400	0	0	57,679,200	0	0
2021	9,099,200	1,815,140,000	0	0	58,681,000	0	0

	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities</u>	<u>Net Valuation Taxable</u>	<u>Estimated Actual (County Equalized) Value</u>	<u>Total Direct School Tax Rate^b</u>	<u>Total Direct Regional Tax Rate</u>
2012	1,162,554,400	0	456,964	1,162,554,400	1,510,850,747	1.120	0.396
2013	1,164,027,100	0	448,358	1,164,475,458	1,465,458,025	1.120	0.396
2014*	1,164,026,600	0	448,356	1,164,474,956	1,164,474,956	1.137	0.391
2015	1,529,369,900	0	441,313	1,529,811,213	1,529,811,213	0.932	0.320
2016	1,572,673,800	0	443,518	1,573,117,318	1,573,117,318	0.914	0.326
2017	1,638,098,500	0	450,247	1,638,548,747	1,638,548,747	0.909	0.340
2018	1,720,609,300	0	450,480	1,721,059,780	1,721,059,780	0.853	0.340
2019	1,793,122,200	0	460,011	1,793,582,211	1,793,582,211	0.831	0.337
2020	1,834,085,400	0	501,515	1,834,586,915	1,834,586,915	0.841	0.330
2021	1,882,904,200	0	513,323	1,883,417,523	1,883,417,523	0.855	0.320

Source: Municipal Tax Assessor

* 2014 Information not available at time of audit

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.

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

b Tax rates are per \$100

FAIR HAVEN SCHOOL DISTRICT

J-7

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

(Rate Per \$100 of Assessed Value)

<u>Year Ended</u>	<u>Basic Rate</u>	<u>(a)</u>	<u>General Obligation Debt Service</u>	<u>(b)</u>	<u>(From J-6) Total Direct School Tax Rate</u>	<u>Regional School Rate</u>	<u>Borough of Fair Haven</u>	<u>Monmouth County</u>	<u>Total Direct and Overlapping Tax Rate</u>
2012	1.010		0.086		1.096	0.396	0.456	0.338	2.286
2013	1.037		0.083		1.120	0.396	0.456	0.378	2.350
2014	1.000		0.083		1.137	0.320	0.404	0.312	2.173
2015	0.849		0.083		0.932	0.320	0.404	0.312	2.287
2016	0.831		0.083		0.914	0.326	0.399	0.272	2.325
2017	0.826		0.083		0.909	0.340	0.405	0.267	1.955
2018	0.824		0.029		0.853	0.340	0.377	0.248	1.863
2019	0.080		0.029		0.831	0.337	0.372	0.240	1.825
2020	0.793		0.048		0.841	0.330	0.395	0.233	1.843
2021	0.788		0.067		0.855	0.320	0.405	0.230	1.855

Source: Municipal Tax Collector

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

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

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

RV Property Revaluation

No updates available for 2015

FAIR HAVEN SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2021			(not available)	2012		
	<u>Taxable Assessed Value</u>	<u>Rank (Optional)</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank (Optional)</u>	<u>% of Total District Net Assessed Value</u>	
Taxpayer 1	\$ 6,375,900	1	0.34%	\$ -	1	0.00%	
Taxpayer 2	6,008,900	2	0.32%		2	0.00%	
Taxpayer 3	4,109,400	3	0.22%		3	0.00%	
Taxpayer 4	3,920,400	4	0.21%		4	0.00%	
Taxpayer 5	3,920,200	5	0.21%		5	0.00%	
Taxpayer 6	3,845,800	6	0.20%		6	0.00%	
Taxpayer 7	3,819,800	7	0.20%		7	0.00%	
Taxpayer 8	3,816,200	8	0.20%		8	0.00%	
Taxpayer 9	3,755,100	9	0.20%		9	0.00%	
Taxpayer 10	3,739,600	10	0.20%		10	0.00%	
Total	\$ 43,311,300		2.30%	\$ -		0.00%	

FAIR HAVEN SCHOOL DISTRICT

J-9

PROPERTY TAX LEVIES AND COLLECTIONS**LAST TEN FISCAL YEARS**

<u>Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy (a)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2012	\$ 12,772,747	12,772,747	100%	
2013	13,016,615	13,016,615	100%	
2014	13,239,550	13,239,550	100%	
2015	13,799,590	13,799,590	100%	
2016	13,978,316	13,978,316	100%	
2017	14,293,620	14,293,260	100%	
2018	14,671,426	14,671,426	100%	
2019	14,880,539	14,880,539	100%	
2020	15,419,043	15,419,043	100%	
2021	16,107,978	16,107,978	100%	

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

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

FAIR HAVEN SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

J-10

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year <u>Ending June 30.</u>	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2012	8,345,000	N/A	N/A	N/A	N/A		8,345,000	N/A	54,244
2013	7,525,000	N/A	N/A	N/A	N/A		7,525,000	N/A	58,355
2014	7,160,000	N/A	N/A	N/A	N/A		7,160,000	N/A	N/A
2015	6,510,000	N/A	N/A	N/A	N/A		6,510,000	N/A	N/A
2016	5,830,000	N/A	N/A	N/A	N/A		5,830,000	N/A	N/A
2017	5,125,000	N/A	N/A	N/A	N/A		5,125,000	N/A	N/A
2018	4,635,000	N/A	N/A	N/A	N/A		4,635,000	N/A	N/A
2019	4,455,000	N/A	N/A	N/A	N/A		4,455,000	N/A	N/A
2020	19,752,000	N/A	N/A	N/A	N/A		19,752,000	N/A	N/A
2021	19,377,000	N/A	N/A	N/A	N/A		19,377,000	N/A	N/A

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

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

b

FAIR HAVEN SCHOOL DISTRICT

J-11

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDINGLAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>General Obligations Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value (a) of Property</u>	<u>Per Capita (b)</u>
2012	\$ 8,345,000		8,345,000	0.72%	54,244
2013	7,525,000		7,525,000	0.65%	58,355
2014	7,160,000		7,160,000	0.62%	44,392
2015	6,510,000		6,510,000	0.43%	27,993
2016	5,830,000		5,830,000	0.37%	21,571
2017	5,125,000		5,125,000	0.31%	15,888
2018	4,715,000		4,715,000	0.28%	13,202
2019	4,455,000		4,455,000	0.25%	11,138
2020	19,752,000		19,752,000	1.08%	-
2021	19,377,000		19,377,000	1.03%	-

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

(a) See exhibit J-6 for property tax data.

(b) Population data can be found in exhibit J-14.

FAIR HAVEN SCHOOL DISTRICT

J-12

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBTAS OF DECEMBER 31, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Fair Haven	not available	100.000%	N/A
Monmouth County General Obligation Debt	not available	0.000%	N/A
Subtotal, Overlapping Debt			-
Fair Haven School District Direct Debt			<u>19,377,000</u>
Total Direct and Overlapping Debt			<u>\$ 19,377,000</u>

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

Debt Outstanding data provided by each governmental unit.

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

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

FAIR HAVEN SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN YEARS

<u>Year</u>	<u>Equalized Valuation Basis</u>
2021	\$ -
2020	1,834,586,915
2019	1,793,122,200
	<u>\$ 3,627,709,115</u>
Average Equalized Valuation of Taxable Property	<u>\$ -</u>
Debt Limit (3% of Average Equalization Value)	\$ -
Total Net Debt Application to Limit	<u> </u>
Legal Debt Margin	<u>\$ -</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>
Debt Limit	\$46,157,515	45,060,985	44,240,849	44,524,663	44,639,337	46,082,488	49,620,136	51,518,300	53,478,169	55,106,251
Total Net Debt Applicable to Limit	<u>8,345,000</u>	<u>7,525,000</u>	<u>7,440,000</u>	<u>6,510,000</u>	<u>5,830,000</u>	<u>5,125,000</u>	<u>4,715,000</u>	<u>4,455,000</u>	<u>19,752,000</u>	<u>19,377,000</u>
Legal Debt Margin	<u>\$37,812,515</u>	<u>37,535,985</u>	<u>36,800,849</u>	<u>38,014,663</u>	<u>38,809,337</u>	<u>40,957,488</u>	<u>44,905,136</u>	<u>47,063,300</u>	<u>33,726,169</u>	<u>35,729,251</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.08%	16.69%	16.82%	14.60%	13.06%	11.10%	9.50%	8.65%	36.93%	38.26%

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

No updates available for 2015

FAIR HAVEN SCHOOL DISTRICT

J-14

DEMOGRAPHIC AND ECONOMIC STATISTICS

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2012	6,128	N/A	54,244	3.40%
2013	6,088	N/A	58,355	5.90%
2014	6,081	N/A	57,578	6.10%
2015	5,995	N/A	Unavailable	7.80%
2016	6,089	N/A	55,400	3.40%
2017	6,075	N/A	65,104	5.70%
2018	6,033	N/A	63,854	2.90%
2019	5,820	N/A	64,598	2.40%
2020	5,736	N/A	70,488	2.30%
2021	6,269	N/A	72,201	5.10%

US Census Bureau

FAIR HAVEN SCHOOL DISTRICT

J-15

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

Information Not Available

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<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	86.4	85.0	87.0	87.0	73.0	70.0	71.0	67.0	67.0	69.0
Special Education	13.5	13.5	15.0	17.0	20.0	18.0	36.0	40.0	43.0	42.0
Support Services:										
Student and Instruction Related Services	21.0	20.4	29.0	21.0	38.0	35.0	12.0	9.0	11.0	9.0
General Administration	5.0	5.0	5.0	6.0	4.0	4.0	2.0	2.0	2.0	2.0
School Administrative Services	8.0	8.0	6.0	6.0	2.0	2.0	5.0	5.0	5.0	6.0
Other Administrative Services	2.0	2.0	3.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Plant Operations and Maintenance	9.5	8.5	8.5	8.5	8.5	9.0	11.0	13.0	13.0	13.0
Other Support Services	6.0	4.0	4.5	4.5	4.5	5.0	14.0	20.0	19.0	19.0
Total	<u>151.4</u>	<u>146.4</u>	<u>158.0</u>	<u>154.0</u>	<u>154.0</u>	<u>147.0</u>	<u>154.0</u>	<u>159.0</u>	<u>163.0</u>	<u>163.0</u>

Source: District Personnel Records

FAIR HAVEN SCHOOL DISTRICT

J-17

OPERATING STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teacher Staff (b)</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	1,025	12,911,384	12,596	0.00%	100	10.3	1,023.2	984.2	1.76%	96.01%
2013	1,041	13,931,050	13,382	6.24%	99	10.5	1,041.0	1,001.2	1.74%	96.18%
2014	1,030	13,793,575	13,392	0.01%	102	10.0	1,027.7	1,016.5	1.01%	96.79%
2015	1,016	14,137,095	13,914	3.80%	-	-	-	-	0.00%	0.00%
2016	1,023	14,595,933	14,268	2.50%	-	-	-	-	0.00%	0.00%
2017	1,022	14,562,937	14,249	-0.13%	-	-	1,018.0	984.0	0.00%	96.55%
2018	998	14,946,587	14,977	5.10%	102	9.8	990.0	952.0	-2.75%	96.16%
2019	993	14,697,849	14,801	-1.17%	104	9.3	967.0	921.0	-2.32%	95.20%
2020	973	14,995,820	15,412	4.12%	107	9.1	973.0	947.0	0.62%	97.30%
2021	978	15,511,545	15,860	2.91%	107	9.1	978.0	942.0	0.51%	96.30%

Source: District Records.

Note: Enrollment based on annual October District count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

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

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

FAIR HAVEN SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

<u>District Building</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>
Elementary:										
Knollwood Elementary:										
Square Feet	77,059	77059+	77,059	77,059	77,059	77,059	77,059	77,059	77,059	77,059
Capacity (Students)	637	637	637	637	637	637	637	637	637	637
Enrollment	556	591	591	591	588	591	591	580	556	556
Viola L. Sickies Elementary:										
Square Feet	40,598	40,598	40,598	40,598	40,598	40,598	40,598	40,598	40,598	40,598
Capacity (Students)	458	458	458	458	458	458	458	458	458	458
Enrollment	459	450	450	450	435	431	431	413	417	422

Number of Schools at June 30, 2015:

 Elementary = 2

Source: District Records

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

FAIR HAVEN SCHOOL DISTRICTSCHEDULE OF REQUIRED MAINTENANCE

J-19

LAST TEN FISCAL YEARS

<u>Year</u>	<u>*School Facilities Project # (s)</u>	<u>Viola L. Sickles</u>		<u>Knollwood</u>	<u>Total</u>
		<u>SP 1440-050-05-2000</u>	<u>SP 1440-060-05-1000</u>	<u>SP 1440-050-05-2000</u> <u>SP 1440-050-03-1231</u>	
2012		\$ 49,142		92,013	141,155
2013		62,333		145,443	207,776
2014		67,450		124,704	192,154
2015		78,610		158,130	236,740
2016		85,922		184,186	270,108
2017		63,136		105,314	168,450
2018		186,005		238,645	424,650
2019		104,601		183,746	288,347
2020		170,660		290,676	461,336
2021		120,000		228,000	348,000
Total School Facilities		\$ 987,859		1,750,857	2,738,716

*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

FAIR HAVEN SCHOOL DISTRICT**INSURANCE SCHEDULE****J-20****JUNE 30, 2021**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - MOCSSIF/NJSBAIG		
Property	\$ 500,000,000	5,000
Electronic Data Processing	500,000	1,000
Equipment Breakdown	100,000,000	5,000
Crime	500,000	1,000
Comprehensive General Liability	6,000,000	1,000
Automobile	6,000,000	1,000
Worker's Compensation - MOCSSIF/NJSBAIG	3,000,000	
School Leaders Errors and Omissions - MOCSSIF/NJSBAIG	5,000,000	5,000
Surety Bonds - Selective Insurance		
Board Secretary/Business Administrator	200,000	
Treasurer of School Monies	200,000	

Source: District Records

SINGLE AUDIT SECTION

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

K-1

Honorable President and Members
of the Board of Education
Fair Haven School District
County of Monmouth
Fair Haven, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fair Haven Board of Education, County of Monmouth, 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 Fair Haven Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated February 11, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

February 11, 2022

Robert A. Hulsart and Company
 CERTIFIED PUBLIC ACCOUNTANTS

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

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
 PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
 BY THE UNIFORM GUIDANCE AND SCHEDULES OF EXPENDITURE OF STATE
 FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

K-2

Honorable President and Members
 of the Board of Education
 Fair Haven School District
 County of Monmouth
 Fair Haven, New Jersey

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Fair Haven School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Fair Haven School District, County of Monmouth, State of New Jersey's major state programs for the year ended June 30, 2021. The Board of Education of the Fair Haven School District, County of Monmouth, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Fair Haven School District, County of Monmouth, State of New Jersey's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Fair Haven School District, County of Monmouth, State of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Board of Education of the Fair Haven School District, County of Monmouth, State of New Jersey's compliance.

Opinion on Each Major State Program

In our opinion, the Board of Education of the Fair Haven School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Board of Education of the Fair Haven School District, County of Monmouth, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Fair Haven School District, County of Monmouth, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Fair Haven School District, County of Monmouth, State of New Jersey's internal control over compliance.

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

Our consideration of internal control was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or, significant deficiencies. 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.

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

February 11, 2022

FAIR HAVEN SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2021

Schedule A
K-3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2020	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years Balances	Balance at June 30, 2021					
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor			
U.S. Department of Agriculture Passed Through State Department of Education:																		
National School Lunch Program PB	10.555	201NJ304N1099	NA	127	7/01/2019	6/30/2020	(25)		404									
National School Lunch Program	10.555	201NJ304N1099	NA	1,960	7/01/2019	6/30/2020	(404)		25									
Total U.S. Department of Agriculture							(429)	-	429	-	-	-	-	-	-	-	-	
U.S. Department of Education: Passed Through State Department of Education:																		
Title I	84.010	S010A190030	NA	23,920	7/01/2019	6/30/2020	(1,840)		1,840									
Title I	84.010	S010A200030	NA	25,597	7/01/2020	6/30/2021				(24,987)				(24,987)				
Title IIA	84.367A	S367A190029	NA	12,082	7/01/2019	6/30/2020	(4,825)		4,825									
Title IIA	84.367A	S367A200029	NA	19,834	7/01/2020	6/30/2021				(13,483)				(13,483)				
Title IV	84.424	S424A190031	NA	12,580	7/01/2019	6/30/2020	(2,696)		2,696									
Title IV	84.424	S424A200031	NA	11,244	7/01/2020	6/30/2021				(11,126)				(11,126)				
I.D.E.A. Basic	84.027	H027A200100	NA	381,979	7/01/2020	6/30/2021				(153,293)				(153,293)				
I.D.E.A. Basic	84.027	H027A190100	NA	238,861	7/01/2019	6/30/2020	(24,626)		24,626									
I.D.E.A. Preschool	84.173	H173A200114	NA	19,689	7/01/2020	6/30/2021				(12,080)				(12,080)				
CARES Act	84.425D	S425D200027	NA	19,151	3/13/2020	9/30/2022			19,151	(19,151)								
CRF	21.019	STL0040	NA	26,358	7/16/2020	10/31/2020			26,358	(26,358)								
							(33,987)	-	79,496	(260,478)	-	-	(214,969)	-	-	-	-	
							\$ (34,416)	-	79,925	(260,478)	-	-	(214,969)	-	-	-	-	-

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

FAIR HAVEN SCHOOL DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program State Department of Education:	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2020	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2021			MEMO		
		From	To								(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures	
Special Education Aid	21-495-034-5120-089	07/01/2020	06/30/2021	\$ 503,709	\$ -	454,773	(503,709)							(48,936)	503,709	
Transportation Aid	21-495-034-5120-014	07/01/2020	06/30/2021	44,525		40,296	(44,525)							(4,229)	44,525	
Security Aid	21-495-034-5120-084	07/01/2020	06/30/2021	72,677		65,427	(72,677)							(7,250)	72,677	
Non-Public Transportation Aid	21-495-034-5120-014	07/01/2020	06/30/2021	5,563			(5,563)					(5,563)			5,563	
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budge	21-495-034-5094-001	07/01/2020	06/30/2021	611,795		611,795	(611,795)								611,795	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	21-495-034-5094-003	07/01/2020	06/30/2021	1,952,219		1,952,219	(1,952,219)								1,952,219	
On-Behalf T.P.A.F. Long Term Disabil	21-495-034-5094-004	07/01/2020	06/30/2021	1,372		1,372	(1,372)								1,372	
Reimbursed TPAF Social Security Contributions	21-495-034-5095-002	07/01/2020	06/30/2021	557,384		528,769	(557,384)					(28,615)			557,384	
Reimbursed TPAF Social Security Contributions	20-495-034-5095-002	07/01/2019	06/30/2020	527,192	(25,669)	25,669										
Extraordinary Aid	19-495-034-5120-044	07/01/2020	06/30/2021	425,352			(425,352)					(425,352)			425,352	
Extraordinary Aid	20-495-034-5120-044	07/01/2019	06/30/2020	310,627	(310,627)	310,627										
					(336,296)	3,990,947	(4,174,596)					(459,530)			(60,415)	4,174,596
Special Revenue Fund:																
Non-Public Technology	20-100-034-5120-373	07/01/2019	06/30/2020	972	14			(14)								
Non-Public Textbooks	20-100-034-5120-064	07/01/2019	06/30/2020	1,423	1,423			(1,423)								
Non-Public Textbooks	21-100-034-5120-064	07/01/2020	06/30/2021	1,772		1,772	(1,758)						14		1,758	
Non-Public Nursing	20-100-034-5120-070	07/01/2019	06/30/2020	2,619	20			(20)								
Non-Public Nursing	21-100-034-5120-070	07/01/2020	06/30/2021	2,958		2,958	(2,931)						27		2,931	
Non-Public Security	20-100-034-5120-509	07/01/2019	06/30/2020	4,050	2			(2)								
Non-Public Security	21-100-034-5120-509	07/01/2020	06/30/2021	5,075		5,075	(5,075)								5,075	
					1,459	9,805	(9,764)	(1,459)						41	9,764	
Food Service:																
National School Lunch Program (State Share)	21-100-010-3360-067	07/01/2020	06/30/2021	34		34	(34)								34	
National School Lunch Program (State Share)	20-100-010-3360-067	07/01/2019	06/30/2020	93	(19)	19										
					(19)	53	(34)								34	
Capital Projects Fund:																
SDA Grant	1440-060-14-1005	07/01/2014	06/30/2015	13,442	(6,650)			(6,650)								
SDA Grant	1440-050-14-1004	07/01/2014	06/30/2015	513,088	(172,617)			(172,617)								
SDA Grant	1440-050-14-1003	07/01/2014	06/30/2015	29,827	(17,753)			(17,753)								
Total Capital Project Fund					(197,020)							(197,020)				
					\$ (531,876)	4,000,805	(4,184,394)	(1,459)				(656,550)		41	(60,415)	4,184,394
								2,565,386								
								\$ (1,619,008)								

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

BOARD OF EDUCATION

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FAIR HAVEN SCHOOL DISTRICT**NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2021****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Fair 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.

NOTE 2: Basis of Accounting

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. Programs recorded in the food service fund include the National School Lunch Program, the School Breakfast Program, the U.S.D.A Commodities Program and the Special Milk Program. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). 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.

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 4,174,596	9,764	34	4,184,394
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>(2,864)</u>	—	—	<u>(2,864)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 4,171,732</u>	<u>9,764</u>	<u>34</u>	<u>4,181,530</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	260,478		257,719
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>260,478</u>	_____	<u>257,719</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2021.

FAIR HAVEN SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2021*Part 2 - Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

FAIR HAVEN SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2021*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

Federal Awards

N/A

State AwardsFinding: NoneInformation on the State Program: N/ACriteria or specific requirement: N/ACondition: N/AQuestioned Costs: N/AContext: N/AEffect: N/A

FAIR HAVEN SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2021*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)***State Awards (Continued)**Cause: N/ARecommendation: N/AManagement's response: N/A

FAIR HAVEN SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prior Audit Findings:

None